
your bottom line

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Penny-wise and dollar-foolish

Do you often procrastinate when it comes to purchasing a new piece of studio equipment? Is the equipment that you finally purchase older, outdated, or used? Or, do you buy the cheapest equipment available?

Have you ever spent days or weeks trying to make a tool for your studio that was already available on the commercial market—just to save a few dollars? Is the carpet thread-bare in your studio display area? Are you limited in creativity because of your studio's size? Unfortunately, most of us can answer "yes" to one or more of these questions.

Too often we learn the hard way. I remember many times my father warned, "Son, it looks to me you're being penny-wise and dollar-foolish." Experience is a terribly expensive way to learn.

A professional photography studio is a complex business to operate. We are not only retailers, but are also creative artists and manufacturers. Our business demands the purchase of a wide array of equipment and products that enable us to operate successfully. When and how we purchase the components of our studio directly affects our overall success and profit.

We may unconsciously condemn the customer who stands in line at the discount store to get the proverbial 99-cent special, and yet we buy the cheapest piece of photographic equipment for our studio. We probably defend our decision by stating that the higher priced equipment is "ridiculously overpriced". Perhaps your clients say the same regarding your photographic services.

"There is hardly anything in this world that someone cannot make a little cheaper and sell for a little less, and those who buy for price alone are their lawful prey." This expression by John Ruskin seems to be quite popular in studio advertising. However, we forget the expression applies both to our customers as well as to ourselves.

Perhaps the best analogy is to put yourself in the customer's position. For exam-

ple, would you go to a self-taught physician who uses 20-year-old techniques and effete equipment in his dingy office? You'd probably accept this level of service only if you had no other alternative. Even then, you'd expect to pay minimal rates.

Your studio customers aren't any different. If they are aware of the difference of quality photography and can afford it, they will pay extra. But if they are paying a premium, they will also demand premium treatment.

In selecting studio equipment for purchase, there are many factors to consider. First, make a realistic appraisal of your entire operation. If you are a bargain basement business, then it may be necessary to work with bargain basement equipment. However, I have learned the hard way that cheap equipment often ends up costing considerably more in the long run than quality engineered and manufactured equipment. It does a better job, is easier to use, and lasts longer. Also, there is a certain pride in owning quality products. Remember the day you bought your first top-of-the-line camera? The small savings made on equipment that fails during a high-paying assignment is not money in the bank; it's money out of your wallet, not to mention what it will do to your reputation. Today's public is becoming more sophisticated about photography. They often judge you by the equipment you use.

I try to make it a practice to divide my equipment into the following three categories—the Mercedes, the Chevrolet, and the scooter. Although I strive to own the Mercedes, I must sometimes settle for the Chevrolet. Whenever possible, I avoid the scooter.

It may be helpful to hire a studio consultant who can be more objective than yourself in making an honest appraisal. Analyze your current position and determine your immediate and long-term goals. You will then have a basis on which to intelligently plan your next move. If you decide to buy new equipment, survey the market, study the prod-

ucts, and purchase the best piece of equipment you can afford.

Do not consider your equipment purchases as a cost. Rather, analyze your purchases as an investment and consider the rate of payback and potential profit as you would with any investment. The government still plays an important silent partner in our business, designed to help us with our capital investments. Although tax laws are set up to encourage new equipment purchases, consult your accountant for current changes. In the final analysis, your new equipment may actually cost considerably less than you think, and should, in the end, help you make a better profit.

After you get a new piece of equipment, use it. It's surprising how many photographers make a major purchase, but never use the equipment because they haven't taken the time to learn how it works. When new equipment remains in the box, it only continues to cost you money, and therefore doesn't add to your bottom line.

It is a fact of life that in our high-tech world, there will always be new things to buy and learn to use. Our day-to-day success will depend in part on the purchase decisions we make. One thing is certain, however. If we don't make sound decisions and keep up with these continuing changes, we will soon be left behind. ■