

# The New Corporate

**I**n the wake of the recent economic downturn, how is the outlook shaping up for 2009 for the corporate contract framing market? To find out, PFM Production asked three contract framers in different areas of the country who operate corporate framing divisions for their take on the current state of the market.

## Midwest By Pat Baur

**L**ike everything else, selling to corporate accounts is changing primarily due to the weak economy. Companies in the Chicago area still opened new offices, expanded locations, and remodeled but less often as 2008 progressed.

It is more important than ever to become involved early in the budget process of all corporate projects. One way to do this is to create a small framing operation inside the larger corporate design companies that you serve. Giving those designers access to mouldings and mats greatly improves the chances that art and framing will be part of early presentations to their clients. Our company aggressively works to get these sample materials in the hands of designers.

Except for key focal pieces, corporate art selection has been scaled down to prints. Budgets have been trimmed, and investment in the actual art is going to be minimal. We see this trend continuing for 2009.

Design companies that use our service for corporate sales are asking us to do much more of the service than usual because of staff cuts. Our strategy for 2009 is to include services like delivery and hanging as part of the bid. We stress that these are included as part of our package when we submit a price.

Because art sales are so difficult to get, we have committed to making presentations that include items like fabric-covered framed bulletin boards and simple mirrors for employee gathering areas. Offering these nontraditional products can also lead to additional sales that were never considered by companies that traditionally only considered art for walls. Another idea for generating additional revenue is using CMCs to cut corporate logos into mats. These designs can be sold as wall art near entrances and at customer service centers.

We are planning for a challenging year in the corporate sector during 2009. Adding services like installation and art procurement are important aspects of a strategy that can enhance a contract framer's ability to be chosen for corporate projects. Giving design firms better access to framing materials will be another important aspect of our strategy.



*A large corporate logo was painted by Corporate Concepts' in-house artist and used as a focal point for one client's office entrance.*

Part of that strategy involves doing lots of homework when presenting a plan for companies. Image, logos, and company culture need to be studied, and plans should reflect these important aspects of integrating art and framing. Companies are watching every dollar and therefore questioning every investment. Therefore, it is more important than ever to provide a reason for the art and framing: reinforcing the corporate image they market to clients. This strategy goes beyond just providing something to cover the walls. It builds excitement and results in faster approval of sales.

There will be no "business as usual" in 2009. Framing companies that experience success in 2009 will tend to do so by expanding their service to make it easier for corporate clients to do business. They will do their homework to learn about the businesses they are servicing so that presentations go beyond just art for the walls and includes enhancing the company identity. Finally, successful sales to corporations will require creative ideas and products that go beyond traditional offerings. Contract framers who do these things will continue to grow their corporate sales—even in the current economy.

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Pat Baur is president of Corporate Concepts, the business division of Framing Concepts, serving Northwest Indiana and Chicago. Framing Concepts has three framing operations in Northwest Indiana.

# Framing Market

## West Coast By Barbara Markoff

Since corporations have been planning their expansions and relocations for 12 to 18 months or more prior to this past fall's credit crisis, budgets for corporate art and framing in the San Diego area are still in place and available for art programs. Our corporate division reported increased sales of around 12 percent from 2007 to 2008.

The most significant trend in corporate contract work is the problem of getting paid. Deposits on projects are late and not received as promised, extending turnaround times. Corporations billed at Net 30 are not paying on time. Cash flow is difficult in these times even though spending for corporate art has not slowed down. The new year will most likely be slower as projects that were in the pipeline may not be replaced with new ones. With the tightening of the credit market, a contract framer needs to have alternative and/or duplicate lines of credit (preferably unsecured) available.

Since most of our corporate clients occupy upscale, well-designed spaces with custom lighting and furnishings, they continue to purchase a combination of framed fine art and posters. One change is that during an initial meeting, decision-makers are more willing to disclose their art budgets and not waste time reviewing several proposals. They realize that time is money and making decisions quickly saves time. Decision-makers are also busier than ever, juggling many duties.

We now receive e-mails on weekends from project managers discussing project details. Relationships built on repeated service, value, and trust streamline the art and framing process. Corporations with a buying history are less apt to interview new art and framing companies because their time is very limited, and they know what to expect with current vendors' artists and framing capabilities.

One recent corporate client, who is the sole occupant of a new Class-A two-story building, opted to use Colorplaking in framing their posters. To stay within their \$15,000 art budget and stretch their visual dollars, we used a 3" deep style Colorplak Decobox that has a similar visual look to a canvas. This achieved their goal of providing ample art coverage for their common areas while staying within budget. Custom-framed posters would have far

exceeded their budget.

Being tuned in to creative solutions to maximize the corporate look for less money is critical in these times. Clients appreciate value and service and are definitely price sensitive. At the same time they understand and know their corporate identity is boosted by well-designed and appropriately

framed artwork that complements their work environment.

One new policy we have instituted is to add a trip charge in addition to our installation fees to help offset gasoline costs. I have felt no resistance from clients with this charge. Every little bit helps with the bottom line.

Our company has a reputation for providing framing and artwork in a range of price points. This year more than ever, clients with tight and smaller budgets are trying to save money by purchasing their own art posters online. Understandably, small companies are using the Internet to purchase framed and unframed artwork. The lower end of corporate business is falling off

because of this, while the upper end is stable and growing.

With our clientele, there has not been a change in the framing materials specified for corporate projects. We continue to meet with our moulding reps to find cost-effective moulding that meet our standards. With the introduction of several lines of eco-friendly moulding lines, our corporate clients can see that we are always showing them something new and also environmentally friendly.

San Diego and other parts of California remain strong for corporate art and framing sales. Markets are driven by choice. Corporate decision-makers have many good choices when looking for an art and framing company. The key is to differentiate your company from the competition, deliver as promised, and maintain excellent relationships. While budgets are still strong, in these times contract framers must work extra hard to keep loyal corporate clients and cultivate new business relationships.



*To stay within a client's budget, 3" deep Colorplak Decoboxes ([www.colorplak.com](http://www.colorplak.com)) were used because they have a similar visual look to canvases.*

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Barbara Markoff is co-owner of Artrageous!, an art and framing retailer in San Diego, and has been an art consultant for 25 years. Her firm specializes in art selection, framing, and installation for the corporate environment. She has a BFA in ceramics and an MA in art therapy.

For those who do contract framing, it is especially important right now to keep lines of communication open with all corporate customers and to ask them what they see happening in the future.

Living in Charlotte, NC, our business had been relatively insulated until the banking crisis of October. Charlotte is the second-largest banking center in the country, and Wachovia's announcement that it was being purchased by Wells Fargo really hit home. One of our major clients is also in the banking business, so we sat down with them to discuss the future of our business with them.

First, they said that there will be less money for picture framing and art in 2009. Their prediction was that the framing, installation, and other services we provide will be about 20 percent less for the coming year. One of the ways we can make a difference is to help them stretch their dollar but still keep them looking successful, not cheap or broke. We do this by using more posters. We frame them all in simple black metal frames, which keeps the cost low and gives them the sleek, modern appearance they want. This goes with the decor that their architect has envisioned and helps us because we purchase and stock one moulding instead of several. We are constantly trying to cut production costs so that our profit margin remains high, even though our customers tell us they will have less money to spend while hoping to have the same look.

We have had to be creative about the way in which we purchase and store materials since we don't have the capital to buy vast quantities of supplies. We are using OEM metal moulding much more frequently and buying larger quantities when we buy. We are storing whatever we can in a storage shed behind our building. Another cost cutting measure is using less expensive acrylic on posters. Clients typically use posters for several years. When a space is renovated, the posters don't fit anymore, so the posters are replaced. Since posters have no real value beyond their decorative properties, a better line of acrylic isn't necessary. We are also buying posters in larger quantities to get better discounts and framing them more assembly-line style than previously.

Our contract customers continue to purchase and reframe fine art; they are just doing it differently. They are limiting fine art to public spaces and using



*A Charles Searles construction piece is installed in a company lobby by Harris Holt staff.*

posters in offices and areas that do not get customer traffic. However, we do continue to reframe existing art. We show them how beautiful their existing art can be and how it will fit into newly renovated spaces just by reframing. We sometimes offer to reframe one piece at cost or no charge. This is an advertising expense or an investment in the business. And it has the potential to yield great profits in the future.

Our corporate clients prefer a clean look, which we enhance with one wide neutral 8-ply mat, OP-3 acrylic, and proper mounting and fitting. When we need to reduce the cost further, we substitute 4-ply mats for 8-ply or conservation glass for conservation acrylic. Pieces are framed with 4-ply mats based on where we will install them. The 8-ply mats are used where they make the most impact. Providing these options to clients has helped us continue to frame pieces that might otherwise be left in storage and allows clients to refresh spaces without high cost.

We have been able to act as a quasi-designer for some corporate clients and suggest ways to work within their budgets. For example, we suggested painting one wall an accent color and then encouraging the addition of art later. Another way we have helped stretch client dollars is to help rearrange artwork without reframing—if it still looks good. This allows us to bill for installation. Sometimes this leads to reframing one or two things, which helps them and is good for us. We also encourage the creation of company awards and plaques in offices to create a

“brag wall.” If the artwork renovation that companies want would cost too much, we have worked with them to break up the job into phases. We do customer-facing areas first, saving other areas for later.

By listening to customers' needs, we have been able to help cover large amounts of wall space while providing interest by using maps. We frame them in a simple but great-looking 2" black cube frame. This has been a good source of new framing that does not cost a customer as much as purchasing art. We have also purchased and installed many clocks for customers who have clients or colleagues in other time zones. We also encourage reframing or providing mirrors, which generally costs less than framed artwork and provides variety.

We have also suggested to some corporate clients and one large nonprofit that they enlarge photos of their products or services and frame them for their lobbies and conference rooms. For the nonprofit, we framed photos of volunteers in the field. We have also expanded the services we provide. We now offer packing and shipping artwork, building crates for shipping, building art storage bins, conserving and caring for art and archives, and providing creative ways to display historical documents and memorabilia. ■

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Harris and Lyn Holt own Harris Holt Picture Framing and Art Consulting in Charlotte, NC. They have been consulting for corporations and retail customers throughout the Southeast for 10 years.

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