

**TEXAS**

the publication of the  
Texas Jewelers Association

Summer 2006

# Jeweler

A CASE FOR  
**BRIOLETTES**

**ZIAD NOSHIE**  
DESIGNS  
**LIFE AROUND**  
BEAUTY



TEXAS JEWELERS ASSOCIATION  
**CONVENTION**  
HIGHLIGHTS

**Q&A**  
WITH **DAVID GELLER**



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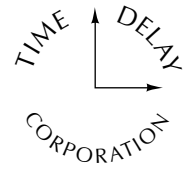
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#### TEXAS JEWELERS ASSOCIATION

##### Joe McCullough

TJA Executive Director  
1306-A West Anderson Lane  
Austin, TX 78757  
512-454-8626  
Fax 512-454-3036  
jmccullough@assnmgmt.com  
www.texasjewelers.org

##### Publisher

*Sail House Publishing*  
7902 Ceberry, Austin, TX 78759  
512-346-0892  
309-420-6280 fax  
kim@sailhousepublishing.com

##### Advertising Representative

*Joanne Pantaze*  
(512) 272-9393  
(512) 278-1531 fax  
jpantaze@pvco.net

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**Cover photo** of briolette jewels courtesy of D.S. Gems, Inc. For more information, visit [www.dsgems.com](http://www.dsgems.com) or contact [info@dsgems.com](mailto:info@dsgems.com) or 866-4DSGEMS.

Doug Jackson

## Heading into the Future—Where Will We Go?



**IF YOU DON'T HAVE A** destination in mind, you can end up anywhere. If you know where you want to go and have a good roadmap—AND FOLLOW DIRECTIONS—you can go anywhere you want.

In our business, most independents receive some jewelry training and perhaps a few pointers and away we go. Many of us have lots of desire to become successful, but are usually short on business training. I would guess none of us have an MBA or even a 4-year degree in business. So how do we MAKE IT?

Most of us buy the bare necessities, work day and night, become slaves to our businesses, in turn becoming work-a-holics, and hope for the best. At the end of the year, after putting some 60-80 hour work weeks into our stores, we finally wrap up the year. Then, we pay our bills, taxes, those net Jan 10 statements, insurance, etc. etc. etc. and when we're finished we look at the checkbook and ask **Where's Mine?** Isn't it amazing how so much money passes

through our hands and how little of it sticks! Have you ever been forced to borrow money to pay taxes on the "profits" you made? Then had to make payments all year to pay back that loan?

**WHERE'S THE BEEF?** All this work and my pockets are empty!

There is help out there for you. The Texas Jewelers Association.

Please allow me to tell you about TJA—what we do and why we do it and why TJA exists based on my perspectives and my goals as your current TJA President. Certainly, if you're reading this, you probably already take advantage of the association. But it's still worthy of review.

First of all, TJA as an association exists solely to promote the jewelry industry and assist each and every member to be successful in this amazing business. We're here to help! We have the convention for education AND entertainment AND networking with our peers.

The board annually searches for and retains the best national speakers and educators to help TJA members. Through

education, we can become more successful, as well as keep abreast of the latest industry and professional developments. We need to learn constantly... about our businesses and what can and should be done to become more profitable.

One thing that will more than pay for all convention costs and annual dues is the TJA member benefit regarding Jewelry Accent credit card. If you're not signed up—get it ASAP. IT'S BASICALLY FREE. This membership is one of many to be found on the TJA website at [www.texasjewelers.org](http://www.texasjewelers.org).

Just do it! If you don't know how, call TJA headquarters and speak to Executive Director Joe McCullough or email me. We'll help.

In a nutshell... if you're a member, GET ACTIVE! If you're not... JOIN UP! We want you as a new member and we need you to be active as a regular member of TJA.

It's a WIN-WIN for everyone.

Feel free to contact me anytime. I'm here to help. Also, I am honored you chose me for this job. I will try very hard to earn the trust you've placed in me.

LET'S GET THE BEEF!

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**Peter Barr**

Corpus Christi, TX  
361-992-2277  
[peter@peterbarrjewelers.com](mailto:peter@peterbarrjewelers.com)

**Amber Gustafson**

Amber's Designs  
Katy, TX  
281-391-6333  
[Amberdgn@aol.com](mailto:Amberdgn@aol.com)

**David Harleston**

Lathrop's Gem Shop  
Bellaire, TX  
713-665-0614  
[dharleston@ev1.net](mailto:dharleston@ev1.net)

**Ronnie Miller**

Meyerland Jewelers  
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713-666-6333  
[meyerjewl@aol.com](mailto:meyerjewl@aol.com)

**Ronnie Pagel**

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[rpagel9193@aol.com](mailto:rpagel9193@aol.com)

**Jeannie Roberts Roe**

Del Rio, TX  
517-775-0600

**Renato Ronquillo**

Baytown, TX  
281-421-5603  
[Renato818@yahoo.com](mailto:Renato818@yahoo.com)

**Steve Konetzke**

Sleeper, Sewell & Company  
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210-490-6611  
[konetzke@sbcglobal.net](mailto:konetzke@sbcglobal.net)

**Bob Singleton**

Colleyville, TX  
817-577-3802  
[bobbev7@comcast.net](mailto:bobbev7@comcast.net)

**Joe McCullough**

TJA Executive Director  
Austin, TX  
877-305-3935 (toll free)  
[jmccullough@assnmgmt.com](mailto:jmccullough@assnmgmt.com)



## Austin Convention Provides Many Gems

### **WELL, THE MOST IMMEDIATE NEWS**

update is about the TJA post-conference report regarding the Texas Jewelers Association's 68<sup>th</sup> Annual Conference and Expo in Austin, which was held May 31–April 2, 2006. Conference time is when jewelers can just hang out, absorb the messages being talked about by some very talented national speakers and leave for home a little smarter than when you arrived, having networked with colleagues. Networking is a key component to TJA conferences. Some jewelers just come and go, while others take the time to get involved, explore new techniques and/or learn new tricks of the trade by visiting with one another around a banquet table or between breaks. The true essence of attending conferences is taking a new “gem of an idea” back to hometown USA and putting it to use in your own jewelry store.

Every year someone tells me about what they learned last year and how it saves them time, money or both. If you attended this year's TJA program then you had new opportunities to see our vendor demonstrations and learn during hands-on demonstrations what's new, what's improved and/or see in-depth operational aspects you would not normally have the time or money to go see at the factory. Our TJA conferences are held for Texas jewelers and we appreciate your annual support.

If you like fun and like to laugh, you get to do both at TJA conferences and this year was no exception. Being in the “Live Music Capitol of the World,” a contingency of party folks headed down to the world famous Sixth Street and took on a Broadway style theatrical group at Esther's Follies, which turned out to be a wild ride of fun, naughtiness and great performances by the cast and crew of Esther's. The theater has a large window facing Sixth Street and the outside bystanders often become the butt of all jokes and provide entertainment with their priceless expressions when they realize they are part of the show. It's hard to put in words ...you just had to be there!

We hope next year you will realize the quality and depth of the TJA programs and attend the 2007 conference by joining the networking, fun and great people of TJA who attend every year.

### **TJA MEMBERSHIP UPDATE**

At the time of this writing TJA is closing in on over 650 Texas members and almost 50 Associate Vendor members. Texas is on the move and members are hungry

for membership benefits, new ideas, magazines and it's all just a mouse click away at [www.texasjewelers.org](http://www.texasjewelers.org). Visit our website occasionally and take notice as we add new benefits and see the many ways, systems and products that can add to your stores profitability. We don't put them on the web if they don't do the job you need done. Check out the TJA website now.

*Continued on page 6.*



(l-r) Dennis Gossett of Signature Engraving Systems shows his participants the specialty programs of his engraver, new software and the unveiling of the tilting spindle head.



Talking business between seminars at the Red Lion Hotel in Austin were (l-r) Harrell Harrison, Kirk Root and Robert Harrison/Austin along with TJA Board members Jeannie Roe/Del Rio, Renato Ronquillo/Baytown, and Mark Priest/San Angelo.


*Continued from page 5.*

## 2006 TJA MAGAZINE

The last edition of the TJA magazine literally popped out at you from the old format and styling of previous issues. We hope to maintain this level of quality and add more in-depth articles for all future editions. While we had upgraded the TJA newsletters just two years ago, we have taken a quantum leap this year with the new

magazine format. We encourage pictures of your jewelry designs, articles about the industry, questions about the industry and questions to the professional like "Ask David Geller?" found in this edition.

This is your magazine and your vehicle to advertise equipment, look for employees and or relax and read some very informative articles. Tell us what you like and what you want to see in future editions by writing the editor via email.



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## 2006 GOLF TOURNAMENT

This year I played golf with the guys and it was literally the worst golf I've played in years. I set a new low for my golfing career and maybe a new high score for the course at Onion Creek Country Club. Every hole I was literally out of control and nothing went right except one shot—one roll of the putter—when I sank the longest putt of



Golfers and teammates (l-r) Craig Loving –Robert Loving, Don Waisman and Bob Carr all played a fun round of golf under great weather conditions.



(l-r) Jeff Ronquillo, Renato Ronquillo, Kent McClanahan, Mathew Thies and Spenser McClanahan were the long ball hitters this year and played the course like traveling pros.



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the day for a \$100 prize purse. That was it. I'm not complaining about the \$100 but... it was a long day of golf. Fortunately, my team had a great time and actually played rounds of golf in the fairways, a place I rarely found.

It gets back to what I said earlier—it's really about networking and getting to know new people, new perspectives, and making friends out of strangers you thought you may not have anything to talk about.



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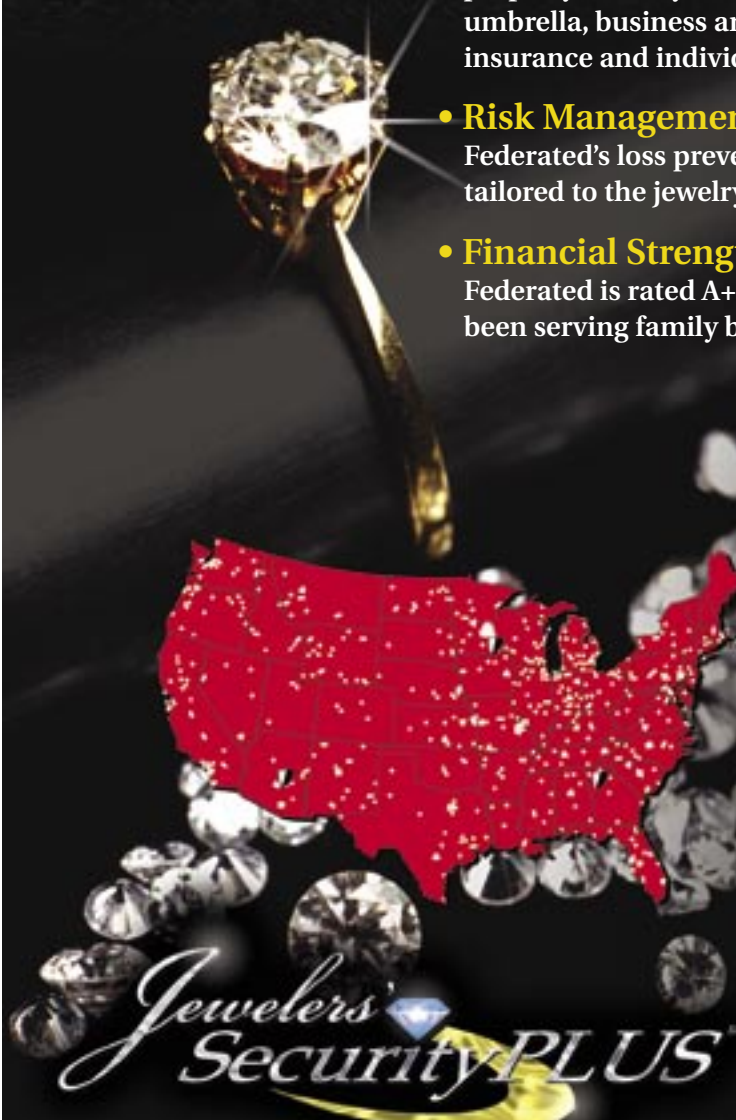
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## TJA Award Winner

# Ziad Noshie

**ALTHOUGH ALMOST ALL OF HIS 63** years have been spent in the presence of precious metals, exquisite gems and perfect pearls, Ziad Noshie of Houston's Almaza Jewelers continues to design his life around elegance and beauty at every level.

"My father was a diamond merchant in Lebanon," said Noshie, overall winner of the Texas Jewelers Association 2006 design competition, who is taking a break from his work on one rare and deliciously cool Houston afternoon. "I grew up, watching my father intently as he graded rough diamonds from West Africa."

Born in Ghana and the youngest child in the family, Noshie lived in the city of Beirut most of the year, but spent summer vacations in the nearby mountains, where it was cooler and where his father maintained a second home and a mini-zoo of sorts, populated with common livestock, as well

as strutting peacocks, pheasants, colorful parrots and monkeys of all types.

It was during his summers in the mountains that the youngster also became fascinated with horticulture and the grafting of plants.

"I had a wonderful childhood and grew up in wonderful homes furnished with exquisite art pieces and that beauty was instilled and rooted inside of me, so—even today—if I go to a place, the first thing I see is the beauty of a street lamp, or if I go into the lobby of a building, I pay attention to how chandelier is suspended. When I see a pearl or a stone, I see, automatically, what I want to do with it."

One summer, his father bought his then-nine-year-old son spools of gauge 9 and 12 steel wire, which the youngster would then make into toy cars and trains. As he grew older, he would sit for hours,

watching designers craft jewelry out of fine metals and gems, taking away something new every time he watched.

Continuing his fascination with diamonds and other gems, Noshie worked with his father until he finished high school, helping in the family's store each weekend until they sent him to The University of Houston to study business administration.

"Ah, we think we are so smart when we are young," the jeweler commented as he talked about his plans to return to Beirut after completing his degree in Houston and how they were interrupted by a young woman he had met as a college student.

"One summer, while I was at the university, my parents sent for me from Ghana, where they had opened a store for me," Noshie recalled. "My father wanted to trap me, but my fiancée and former wife kept pushing me to come back to the U.S."



# Designs *Life* around *Beauty*

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BY ALICE ADAMS

to finish my education. I was, of course, very conflicted and when I decided to go back to Texas that summer, my decision caused a big upheaval in my family. Later, they accepted my decision and came regularly to visit.”

When he returned to Houston in 1968, he opened his first business—Almaza Importers—that August and went back to the University of Houston, taking only a small class load since running his store took up so much of his time.

“I brought art pieces from West Africa, also African beads—gorgeous African trading beads,” he recalled fondly.

As his importing business grew, Noshie also began collecting African tribal pieces and now has a museum-quality collection that decorates his home and his store while



Ziad Noshie and his family. Noshie’s award winning piece (pictured above) started three years ago when he fell in love with a Baja pearl while attending a Tucson trade show.

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the remainder of the collection resides in a warehouse. “I would read about this art and get every book on West African art I could find,” he explained. “Now I have an entire library on African tribal art, and it is this style with all of its geometric qualities that has influenced me.

Because of his enduring interest in jewelry design, the enterprising young

man enrolled in a jewelry-making course at Houston’s renowned Museum of Fine Arts. “I did excel there, but my studies were interrupted when I had to take a trip overseas. Before I left, my professor said I was advanced enough and didn’t need to come back,” he chuckled.

#### ALSO AN AWARD-WINNING VINTNER

Producing pieces of jewelry professionally since 1970, Noshie confesses his other

love is the vineyard he has established in Galveston. “I love wine and horticulture and am a life member of Texas Wine Grape Growers Association—and I never miss any of their meetings. In the interim, I continue to learn and read a lot about viniculture.

“Thirty years ago, I would only drink red wine,” he continued, “so before I put in my vineyard, I asked what would grow best and was told the best would be to get French hybrids from the Finger Lakes, so I ordered them. Then, I studied how to plant a vineyard and hired people to help me.”

Noshie’s vines grew well under his nurturing eye. “When the people who mowed my other lots cut down some of my vines with a weed eater, setting me back five years, I decided to have my helper do the mowing and I would spend every weekend there and all Sunday training the vines and feeding them.”

He also tried his hand at fishing, but couldn’t bear to take the fish from the water. “I would catch a fish and would then kiss it and set it free,” he admits.

As his vineyards thrived, Noshie also learned that he would have to check his vines at night to find whether or not any critters were feasting on the leaves of his vines. “I would park my car so the lights would shine on the vines so I could see if there were any bugs on the leaves because they disappear in the daylight.”

Since 1993, his small winery has won 39 or so awards in Texas and competitions across the country. “I tell the Atlanta competition I’m not commercial, and they bend the rules for me so my little winery can compete,” he said. “I also enter the Indiana International Wine Competition—the third largest competition—and usually wine a medal.

#### DESIGNING AWARD-WINNING JEWELRY

In 1975, Almaza Importers moved to a new location in the heart of downtown Houston. At that point, Noshie had the words “Jewelry” painted on the door and his business began to diversify in that direction.

Those were the years during the oil boom in Texas, and much of his business came from the oil companies. Between 11:30 a.m. and 1 p.m., secretaries would come in on their lunch hours and there would be layaways and



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sometimes a custom order. Later in the day, the oil men, themselves, visited, spending big money on their wives or their girlfriends.

"I learned not to ask to whom this piece was going," Noshie recalled.

As he established his reputation as a jeweler, the young man also received several unusual requests. "Some of the secretaries would come in, asking me to solder a chain around their waists," he remembered. "I suppose it must have been some type of fetish they must have shared with their lovers."

Another unusual request came when a woman, the paramour of a wealthy Houstonian, came in and asked if he would make a platinum casting of her torso. "Because I didn't feel I could turn down any request, I agreed and first made a plaster-of-Paris mold. Of course, I was much younger then. I wouldn't do anything like that today."

#### THE DESIGN PROCESS

Winning numerous state and national awards for his jewelry designs, Noshie said no amount of money could buy any of his award-winning pieces. "We have been approached by the Museum of Natural History for a museum show," he revealed, "but I tell them to wait a little longer."

Most of Noshie's designs are based on an inventory of loose stones so he will not have to wait to buy the stones. His favorites include pearls and black opals. "They move me," he said, his voice softening, "and coral. Unfortunately, not too many people know coral, and that's why I don't include coral in my competition entries."

To begin the design process, Noshie and his wife Lydia gather information. From this research, Noshie creates a graphic that takes about 10 days. Most of the time, these graphics are a one-to-one ratio. Once the graphic is complete, the client will come in and take a look. If the design is exactly what they had in mind, the piece is begun immediately.

"The graphic is identical to the item when we complete it," Noshie said. "When we're making the piece, we have a black-and-white graphic of it, and we work very closely with it until it is done precisely to the graphic. We do not work with molds," he adds. "The graphic is my mold."

*Continued on page 12.*



TJA Award Winner

## "HEAVENLY STAR"

Captured by Lucky Gambler

The coveted "Heavenly Star," designed by Master Jeweler Renato L. Ronquillo, was the jackpot prize at a recent star-studded Roaring 1920s charity benefit hosted by Carl Lewis and Vivica A. Fox at Lewis' Los Angeles Pacific Palisades estate. The 14k gold and diamond necklace, a 2004 Texas Jewelers Association award-winner, was donated by Ronquillo to benefit the Los Angeles Chapter of Best Buddies, an international nonprofit organization dedicated to enhancing the lives of people with intellectual disabilities.

The March 25 celebrity bash featured a "Casino Night" with prizes awarded to those ending the evening with the most money. Attendees gambled the night with an eye on winning The Heavenly Star, appraised at more than \$1,500, with proceeds going to programs and services of the Best Buddies organization.

J.A. Certified Master Jeweler Renato Ronquillo ([www.Ronquillos.com](http://www.Ronquillos.com)) designed the "Heavenly Star" in 2004. The piece was awarded honors in the 2004 Texas Jewelers Association jewelry design competition. Ronquillo is the owner of Ronquillo's Jewelers in Baytown, Texas. "I was just happy to be in a position to help a great organization like Best Buddies," said Ronquillo. "It's all about helping people, and it feels good to know that the 'Heavenly Star' will make somebody's life a little better."



The "Heavenly Star" winner (left) with actress Vivica A. Fox and jeweler Renato L. Ronquillo at a Casino Night fundraiser with proceeds going to Best Buddies, an international non-profit for people with intellectual disabilities.



*Continued from page 11.*

The most expensive piece he's ever created is a complete suite—necklace, bracelet, earrings and a ring. Titled, "The Glory of the Sea," the pieces are 90 percent platinum and 10 percent, green gold, set with 11 carats of thermo-chromatic diamonds from a mine between Mongolia and Beijing and Chinese pearls of all sizes. Worth an estimated \$450,000 to \$500,000, only the necklace was entered in the TJA competition in 2001, where it won first place. It later earned honors at the Jewelers of America competition in New York.

"What we do involves luxury," Noshie pointed out. "You don't need anything in my store. It only embellishes your life and makes your life nicer, but you can live without any piece of jewelry – just like when you go buy a Mercedes Benz. It just makes you feel good."

#### 2006 WINNER

His entry in the TJA 2006 competition was actually begun in 2003 while he was attending a gem show in Tucson, AZ. "I didn't go to buy. I went to receive an award," Noshie admitted, "but during the day, I was

wandering among the exhibits and I saw this gorgeous Baja pearl. Believe me, I was not only fascinated, I was mesmerized...and so was my daughter. The piece was a perfect, round, huge South Sea Pearl."

A friend from Houston, for whom Noshie had done some work, was also at the show and found out how much Noshie loved the piece, so when they returned to Houston, the friend came to the store and took the jeweler back to his office. Then, he produced a box, opened it and there was the pearl.

He said, "Ziad, in your whole life, you won't see anything like it."

"I thanked him, and so, this magnificent pearl came to me. Automatically, it looks like dolphin or a sea lion. I ordered a book on sea lions, seals and otters, but nothing in the book moved me."

Several days later, a client visited the store who worked as a volunteer at Moody Gardens in Galveston. "When she found out I was looking for a dolphin or a sea lion, she invited me and my family to come down, and I captured this beautiful seal with camera," said the designer. "I watched him move...he has very fine movement. So, I developed these pictures, and this gave me a very clear view of

the seal, enough for me to start to work.

"He is made out of white gold, 18 ct. and the weight of metal alone is 44.3 grams. The pearl – the center pearl -- is from Baja of California, and he's encrusted with full-cut diamonds for a total of 138 diamonds. The sapphires are diamond cut and there are 286 of them. The pearl is 12.5 to 13 mm. The piece took 75 days to create and the total cost of the materials is \$13,750."

Then, he adds in voice that cannot belie his passion, "When you hold it, there are such gorgeous colorations, from cobalt to purple, into blue and then a gorgeous green that transforms into orange, yellow and iridescents."

When questioned about the passion he has for his work Noshie is silent for a moment and then, as if remembering a time long ago, he says in the same soft tones he uses when discussing his work, his vineyard and his family. "My dad used to send me pieces made in Lebanon and that sort of put my future in front of me. The love grew, and when he would come, I saw how he worked on a piece and fell more in love with the jewelry and the design. It is what I love. It is what I do," he said modestly.



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email: [roseco1@msn.com](mailto:roseco1@msn.com)

# 2006 TJA Design Contest Winners

Being creative and able to express one's creativity in jewelry is always exciting and the excitement was well received at the latest Texas Jewelry Association convention in April in Austin.

This year TJA had 21 unique items turned in from around the state, competing in four different categories. An additional category was implemented this year for the bench jeweler, called the Bench Jeweler Exclusive. The first three categories were broken down into dollar value at jeweler cost and the fourth had no value but was restricted to the bench jeweler doing everything from concept to wax carving/fabrication, setting of stones and final polish. Along with the addition of a category, strict judging rules were implemented this year, as well.

All of the categories had many beautifully executed and designed pieces, which were all on display at the convention. Many of the jewelers who designed or made their piece attended the convention in anticipation of the final judging.

The judging was done offsite by four seasoned professionals from the industry, all of whom had no direct connection with the jewelers entering the competition. All of the pieces were judged blindly, without identification. From a Professor at the University of Houston, to an independent jewelry appraiser, an owner of a local artisans gallery and a professional jeweler/artisan who even has some of her pieces in the Smithsonian, the judging was fair and impartial.

"We are very excited with the entries this year" Amber Gustafson said. "It is always a pleasure to see the creative minds of Texans and appreciate the different techniques used," she said. Gustafson, along with David Harleston, Kip Stodghill and Ronnie Miller, organized this year's competition. With the success of the contest, they are looking forward to next year's competition and to making every effort to enhance and expand the contest.

## THIS YEAR'S WINNERS:

### Category I (material cost under \$1,000)

1. Ziad Noshie – Almaza Jewelers
2. Renato L. Ronquillo – Ronquillo's Jewelers
3. Rudolf Bettenman – Bettenman-DeVries

### Category II (material cost \$1,000-\$3,000)

1. Renato L. Ronquillo – Ronquillo's Jewelers
2. Steve Kriechbaum – Steven Kriechbaum Jewelers
3. Ziad Noshie – Almaza Jewelers

### Category III (material cost over \$3,000)

1. Ziad Noshie – Almaza Jewelers
2. Kay Knight – Bob Carr Jewelry (Creative Custom Designs)

### Category IV (Bench Jeweler Exclusive)

1. Rudolf Bettenman – Bettenman-DeVries
2. Peter Barr – Peter Barr Designing Jewelers
3. Ziad Noshie – Almaza Jewelers

#### Category I & III Winner Zaid Noshie

#### Category II Winner Renato L. Ronquillo

#### Category IV Winner Rudolf Bettenman



## BEST OF SHOW

Ziad Noshie of Almaza Jewelers with his winning piece from category I. The piece is made from 18 carat white gold and has a natural grey blue pearl, simulating a seal. Multi shades of sapphires were paved into the body and rubies and diamonds were used, as well.

This piece will go to New York for the national competition in the near future. Watch for the competition changes to come and get those creative minds thinking for next year. We are looking forward to an even greater participation in the competition upcoming years.

# TJA CONVENTION HIGHLIGHTS



TJA Board members who served the needs of the membership and association faithfully over the last two years include (l-r) Richard Hirsh/Dallas, Kip Stodghill/Houston, Alan Lodinger/Houston and Ziad Noshie/Houston.



Becka Johnson Kibby and her JA program “Relationship Selling” – A True Competitive Advantage gave TJA members unique insight to human behaviors and what it takes to sell your store and products in today’s market.



(l-r) Peter LeCody/Dallas Texas receives his Past President’s plaque from incoming President Doug Jackson of Paris, Texas. Peter served as TJA President for his term of two years.



GIA’s “Diamond Cut Grading System Seminar” representative Lisa Schoening speaks to one of the major industry changes in many years and explains the new process to a packed room of jewelers.



(l-r) TJA board members Amber Gustafson/Houston, Ron Miller/Houston, TJA President Doug Jackson and wife Sue/Paris, and TJA vendor Board member Bob Singleton all visit and strike a Kodak pose.



The 2006-2007 New Executive and Board of Directors are (l-r) TJA President Doug Jackson/Paris, President-Elect Mark Priest/San Angelo, Amber Gustafson/Houston, Ron Miller/Houston, Renato Ronquillo/Baytown, Peter Barr/Corpus Christi, Jeannie Roe/Del Rio, and Bob Singleton/Colleyville.



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# A Case for Briolettes

BY DIANA JARRETT  
GG, RMV, NJA

## WITH ALL THE HUBRIS SURROUNDING

briollette cut stones of late, one might mistakenly think they've just been invented. Actually, they have an ancient and colorful pedigree in the history of cut gems.

First of all, how do you pronounce the word briolette? If you listen to many people who like—and sell the cut, you hear bree - oh- **lay**. Think Frito-Lay. It's not meant to be pronounced like that for heaven's sake. Remember high school French? The French language is much more exacting with its pronunciation rules than English. Any word ending in "ette" *must* be pronounced as "et". I et a biscuit. Say bree-oh-let; say that 't'.

Both French and English dictionaries date this French noun to 1865, defining the

or hexagonal facet briolettes, which are rarer, are a variation. It could be said that they are in the family of rose cuts—like a hybrid of a bead cut and a pear cut.

Years ago, I got my first up-close-and-personal encounter with the briolette cut in New York. I wasn't even in the jewelry industry in those days. While wasting a bit of time on Madison Ave and 53rd Street, early for an appointment, I wandered into an antiques store. The friendly Middle Eastern proprietor struck up a conversation



Some historians believe the briolette cut owes its' origin to the Middle East. Numerous ancient briolettes are amongst the prestigious Crown Jewels of Iran.

There is also evidence of briolettes having been used since Roman times, most likely evolving into their faceted form from rounded or tube shaped beads.

The legendary 'Briolette of India' is a 90.38 carat diamond. If the fables surrounding it are true, this may be the oldest diamond on record, predating the Koh-I-Noor Diamond. Eleanor of Aquitaine, the 12th century Queen of France and later England, brought the stone to England. Then stories say her son, Richard the Lionhearted, carried it on the Third Crusade.

It disappeared for four centuries, only to re-surface in 1950. Famed New York jeweler Harry Winston bought it from an Indian Maharajah. It was subsequently sold and then re-purchased by Mr. Winston, 10 years later.

The briolette next appeared in the 16th century when Henry II of France gave one to his blonde mistress, Diane de Poitiers. When I'm hot on the trail of discovering the provenance of an ancient jewel, I resort to researching ancient royal portraits. Museums and rare libraries are some of the places that provide me with a jewels roadmap through history. I found this famous briolette was indeed painted into a portrait of her while at Fontainebleau.

By the 17th century, the French gem trader Tavernier was writing about this exotic cut. From his epic travels to India, he returned to Europe with many briolette cut gems. Tavernier observed Mogul emperors and sultans who sewed briolettes into their turbans and clothing. He adopted this elaborate style of dress for himself.

*Despite its colorful history and pedigree, the briolette now appears to be identified with fresh and youthful fashion.*

*Designers like to incorporate the briolette into their line because the cut is fully orbbed, allowing for maximum creativity.*

word as "an oval or pear-shaped gemstone cut in triangular facets." It also requires the pronunciation of the final 't'.

The most notable difference between briolette and all other cuts of gemstones is the fact that it is faceted to be seen and worn in any direction. There is no front and back to the cut.

Classic briolettes are teardrop-shaped and composed of triangular facets. Rectangular

with me about jewelry.

Although he knew I was not going to buy, he graciously began to show me things he thought would appeal to me. From a drawer in the back of this cluttered narrow shop, he carefully brought out the most exquisite five tiered collar style neckpiece of briolette cut rubies. I was hooked. Today I am still fascinated by the workmanship and fantasy of this cutting style.

Portraits of him reveal a portly and proud man arrayed in Eastern dress complete with a tall gem studded turban. Many magnificent ruby, sapphire, diamond and emerald briolettes can be traced back to this time and culture.

This fanciful style of cutting had many other devotees as well. Louis IV, Marie Antoinette, Henry Philip Hope, former owner of the Hope diamond, and English royalty all owned beautiful gems cut *en briolette*.

Earrings or necklaces fashioned in briolette gemstones were very popular at the French courts during the time of Napoleon. Napoleon presented a fabulous diamond necklace to Empress Marie Louise containing 10 diamond briolettes, each weighing more than 4 carats. See it on display at the Smithsonian Institution in Washington, DC.

By the 19th century, as diamond cutting techniques evolved, many historic traditions fell victim to progress. Gem cutters abandoned such historic cuts, turning to versions of the modern table crown and pavilion cuts we now have

today. Traditional historic cut gemstones like the briolette disappeared as they were recut to the new standards. This ancient art form lay dormant for many years.

It wasn't until the Victorian and Art Deco periods that briolettes enjoyed a resurgence in popularity. This trend then faded with the Depression and later post-war years of the 20th century. Briolettes were thought to be a wasteful use of gem rough.

If you've been to any jewelry shows of late, or grabbed a trade magazine recently, you're aware of a huge turnaround in thinking. With a renewed appreciation for history and classic design, briolette popularity is enjoying center stage once again. Besides being the subject of numerous articles in trade journals, briolettes are being incorporated into the jewelry of many top designers. Their appeal is proving to be timeless.

Despite its colorful history and pedigree, the briolette now appears to be identified with fresh and youthful fashion. Designers like to incorporate the briolette into their line because the cut is fully orbled, allowing for maximum creativity.

I was astounded at the amount of briolettes at every end of the spectrum at this year's Tucson show. It appeared in everything from diamonds to quartz, loose goods to elaborately crafted one-of-a-kind creations. If you haven't folded the briolette into your lineup, now is as good a time as ever. Your customers will thank you, as they become walking advertisements for your style savvy selection.



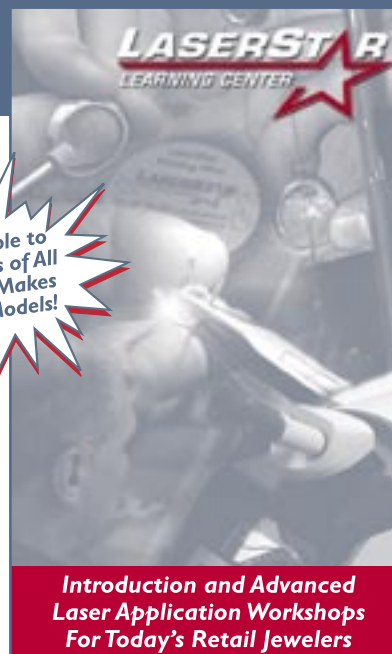
*Diana Jarrett (www.dianajarrett.com) is a frequent lecturer on gem and jewelry subjects throughout the U.S. Most recently, she earned the coveted designation of Registered Master Valuer after successfully completing*

*jewelry appraisal certification in the Master Value Program. Article reprinted Courtesy of Southern Jewelry News. Photo courtesy of DS Gems Inc., 866-4DSGEMS or contact info@dsgems.com.*

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- striving to improve quality while minimizing risk?



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W W W . L A S E R S T A R . N E T



# Top Five Things Every Jeweler Should Know

BY CAROLINE STANLEY,  
RED JEWEL, INC.



## WHILE EVERY JEWELER TAKES ON

multiple roles within their business requiring knowledge of many areas, there are a few items that every jeweler should know about. In my experiences, both as a retailer and as someone working within the trade side of the industry for the last decade, these are currently my top five. Do you agree?

### 1. THE INTERNET MATTERS

It doesn't matter if you are on the Internet or not – the Internet matters. It matters to your business, to your sales and to your bottom line. If you've had your head in the sand, it's past time to evaluate your place in the Internet. You should have one!

Whether your customer base purchases on the web or not, there is a high probability that they research and browse on the web first. At the very least, they may "Google" your store name to see what they find. Hopefully it is your website. You're not sure it will be? Go to [www.google.com](http://www.google.com) and put in your company name and see what exactly turns up. This is often the first impression a new customer may have of your store or business. There may be press mentions of your business or you may even find someone has written about your store. Investigate. See what your potential customers are seeing.

Not finding any relevant search results? See #2.

### 2. EVERYONE SHOULD HAVE A BASIC WEB SITE

Having an expensive site with lots of bells and whistles isn't the answer for everyone. A basic site is the best place to start. Even if it's just one page – inviting potential customers to come by in a warm, friendly manner and including your most important information – that's enough. If someone wants to know a bit about you, they are likely to look on the Internet. Make it easy for them to learn about you.

Have a picture or two of your store. Show a few pieces of jewelry. List your store hours and basic directional information. Give an easy-to-find phone number. Consider listing the brands you carry, talk about your services and detail anything that makes your store different from everyone else's.

Most importantly, devote one (or more) well-written paragraph(s) to why someone should shop with you. And as you get comfortable with the site, you might consider adding email newsletters, e-commerce and/or a more comprehensive site to fit your changing needs.

### 3. WHERE TO GO FOR HELP

Do you know where to go for assistance when you need it? The chart accompanying this article shows many of the helpful organizations in our industry, their area of

The photo is a sample of Caroline's basic press kit. Nice folder with the back side of her business card showing; Recent trade article; Company/personal bio; Articles/Publications List; Services page. Caroline adds or subtracts items from this basic list. Don't forget a business card!

smarts and a contact phone number. These are the ones you'd probably use most – but not *all* by any means. For others, keep your eye on trade magazines for an organization that meets your specific needs (such as the Women's Jewelry Association, [www.womensjewelry.org](http://www.womensjewelry.org)).

Almost all of those companies on the list have low-cost or no-cost items that can help you in your everyday business. It's worth the time to make a phone call or visit their Web site to get better acquainted and see what these trade organizations have to offer you and your company.

### 4. WHAT A PRESS KIT IS AND WHAT IT DOES

A press kit tells the world who you are in an official way. It's usually an imprinted folder or a nice folder with one of your

Organization	Specialty	Phone	Web
American Gem Trade Association (AGTA)	Gemstones	(800) 972-1162	www.agta.org
Cultured Pearl Information Center (CPIC)	Pearls	(212) 688-5580	www.pearlinfo.com *
Diamond Promotion Service (DPS)	Diamonds	(800) 370-6789	www.dps.org *
Gemological Institute of America (GIA)	Education	(800) 421-7250	www.gia.edu
Jewelers of America (JA) and your local affiliate	Retail Jewelers	(800) 223-0673	www.jewelers.org
Jewelers Board of Trade (JBT)	Credit and Collection Services	(401) 467-0055	www.jewelersboard.com
Jewelers Security Alliance (JSA)	Security Issues	(800) 537-0067	www.jewelerssecurity.org
Jewelers Vigilance Committee (JVC)	Legal Matters	(212) 997-2002	www.jvclegal.org
Jewelry Information Center (JIC)	Public Relations	(646) 658-0240	www.jewelryinfo.org
Manufacturing Jewelers & Suppliers of America (MJSA)	Manufacturers and suppliers	(800) 444-MJSA	www.mjsainc.com
Platinum Guild International (PGI)	Platinum	(949) 760-8279	www.preciousplatinum.com
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gift-wrap stickers (if you are a retailer) or a business card glued to the front with two pockets inside and a place for a business card. Why is a press kit important? For those times when you need to introduce yourself or your store to a particular person or company. And, no, you don't have to have one just for the press, though that's certainly a great use.

It's best to have a few kits made up and on hand—it's better to be proactive than reactive in this case. You'll probably want to have a few basic core items that go in every press kit and then customize other items depending on who is receiving the Kit.

You could mail one to a prospective customer (along with a well-written cover letter) or give one to the reporter who comes to you with a question. It's also a great way to introduce yourself and/or your company to a new designer or manufacturer whose line you'd like to carry—it makes a great impression!

Below is a short list of what could go in your own press kit. Add or subtract items so you end up with an impressive selling and public relations tool.

**History Sheet/Backgrounder.** This can be a few paragraphs or a few pages on the history of your store. You should include why you're in business, your store's personality and your selling philosophy.

Explain your tag line if you use one.

**Products and Services Brochure.** You may already have something to hand to customers who want to learn more about you. Include it in your press kit. Don't have one? Make one.

**Biography of Owner(s).** A photo (optional) and a few short paragraphs per person are great. You also may consider adding any other important staff members to this page(s), such as your experienced bench jeweler or top salesperson.

**Press Clippings.** These are items written about your store (or you) in the past year (or older if the article was especially impressive). They usually are from local newspapers or magazines. You may also have some national mentions in trade or consumer publications that could be included.

**Product sheet or brochures.** These will help familiarize the press kit reader with your store. You might include pre-printed brochures from manufacturers (make sure they have your contact info on them or your store's sticker), any fliers you've used in recent promotions and educational material such a brochure on diamonds.

**Any print ads.** If you have any great ads that show off your store, be sure to include them.

**One overall note:** Keep everything neat and pretty. If your print ads are small and may get lost among larger sheets of paper, use a glue stick or double sticky tape to put them neatly on a piece of your stationery. While you build the kit, keep putting yourself in your reader's shoes – is it easy to follow, does it appropriately convey your store's image, is it neat? If so, you're ready to go.

## 5. YOU ARE LEGALLY RESPONSIBLE FOR WHAT YOU SELL AND APPRAISE

This shouldn't come as a surprise to anyone, yet it often is. When you sell an item, you become responsible for what **you** say it is. It's not enough to use someone else's opinion as fact. The Jewelers Vigilance Committee can help you if you have additional questions.

You should know the actual content of your showcases and jewelry. And hopefully you're doing some quality control to ensure you're ordering and actually receiving items of the same quality. You don't have to test every item, just make random checks of merchandise from each vendor to ensure the correct quality – after all, just like your customers, you should get what you pay for.

Laws applying to the jewelry industry are from the Federal Trade Commission "Guides for the Jewelry Industry," as well as additional state and local laws.

The JVC advises that this responsibility applies to appraisals too. Here's what you should know:

- If you make a representation regarding anything that is an expression of opinion or a statement of fact, you can be held legally responsible.
- If your customer relies on that assertion and is harmed, you can be held liable.

Hopefully, as an appraiser, you've had advanced training from an appraisal organization. Know what you are doing. If you're not qualified or comfortable doing an appraisal, just say no!

*A third-generation jeweler, Caroline Stanley is the president/CEO of Red Jewel Inc., Redondo Beach, CA, providing industry-savvy marketing, communications and consulting to the fine jewelry trade. Reach her at (310) 937-8997, [www.redjewel.com](http://www.redjewel.com).*

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# Are You Protected?

## Repair take-in and pick up procedures

BY STEVE KONETZKE, CPCU

### AS AN INSURANCE AGENT PROVIDING

coverage for retail stores, I have been asked many times what are the obligations of a retail jeweler to a customer that leaves his or her jewelry in the store. This is called "bailment for mutual benefit." When a jeweler accepts an item for repair from a customer, both parties expect to benefit from the transaction. The customer receives a repaired item and the jeweler receives a fee for performing a service.

In this situation, the jeweler, acting as the bailee, owes a duty of reasonable care to protect the customer's property. "Reasonable care" means the jeweler must provide the same care that the average jewelry business would exercise with its' own jewelry inventory.

There is nothing more embarrassing or that creates more ill will with your customer base than to lose, misplace or error in repairing a customer's item.

To reduce problems with repairs, create a written procedure for every employee to follow (including the owner). Review it periodically. Here are some basic components:

### USE A THREE-PART REPAIR FORM

Use a separate three-part repair ticket or form for each jewelry item to be repaired. Complete the ticket, including the customer's name, address, phone, description of the item, the customer's stated value of the item, the repair to be made, and the expected completion date. Some jewelers use repair forms that address enhanced and damaged stones, how long the item will be held for pick up, liability waiver and other disclaimers. The customer should sign the ticket. Then place the jewelry item into the envelope.

Give one part of the repair ticket to the customer; store the second part in a safe place away from the job envelope. The third part should remain attached to the

job envelope.

Some jewelers use transparent, plastic bags instead of repair envelopes. They place the third part of the form inside the bag before sealing it.

**NOTE:** Storing the second part of the repair ticket away from the job envelope helps assure that you will have the information you need in case the repair envelope and jewelry are lost or stolen during a burglary, robbery or theft.

### PHOTOCOPY THE REPAIR ITEM

Many jewelers photocopy the piece of jewelry and attach copies to the three parts of the repair ticket. This can help prevent confusion if jobs are mixed up or if the customer insists that the chain was longer or different than the one returned after repair.

### PICK-UP PROCEDURES

For pick-up, the customer should be required to provide his or her copy of the repair ticket and sign the ticket on the job envelope. Compare the signatures. If someone other than the customer picks up the item, require the customer's copy of the repair ticket and a signature on the job envelope. In addition, you might ask

for identification or even call the customer to confirm the arrangement. Keep the customer's ticket and signed job envelope for a period of time.

### CHECK YOUR INSURANCE LIMITS

Finally, make sure you have adequate insurance limits to provide coverage for the potential total loss of all the jewelry on the premises, which include your own inventory, memo goods and customers' goods.

## SOURCES FOR JEWELRY REPAIR ENVELOPES

**Printed Systems Division,  
Menasha Corporation**  
(800) 525-1235 or (800) 352-2332

**Impact Specialties Inc.**  
(800) 543-4264, [www.isiprint.com](http://www.isiprint.com)

*If you have additional questions or comments regarding this article, you can contact Steve Konetzke of Sleeper Sewell Insurance at 210-490-6611 or [konetzke@sbcglobal.net](mailto:konetzke@sbcglobal.net).*

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# Risk Management **Strategies**

## for Jewelers Planning to Keep Key Employees

BY MIKE JENKINS

**BUSINESS OWNERS TODAY ARE** constantly planning—from sales events to taxes and finances, to business transfers and even retirement. However, one area of planning that is often overlooked involves one of your most valuable business assets—your key employees. How do you keep your valuable employees from leaving and what do you do if a key employee dies or becomes disabled?

### WHAT IS A KEY PERSON?

A key person is an employee who possesses special skills that cannot easily be replaced. The loss of a key person can often disrupt a jewelry business for several years.

What are some of the special qualities and skills a key employee might have?

- Builds relationships with customers and/or suppliers
- Jewelry design skills
- Experience
- Jewelry repair skills
- Training, education, designations or expertise
- Supervisory/managerial skills
- Good reputation

### WHAT IF A KEY PERSON DIES OR BECOMES DISABLED?

How much will your business suffer if

a key person dies or becomes disabled? How long will it take to find and train a replacement? Who will perform the employee's duties until you have a trained replacement? Resolving all of these issues is costly to a business.

In the event of death, you can protect your jewelry business by owning "Key Person" life insurance on those employees whose loss would be a significant financial blow to your business. Additionally, you can help assure that the employee's family is taken care of by helping the employee establish an individual life insurance plan.

In the event of disability, will you expect to continue to pay a salary from the business? Can the business afford to keep paying an employee who is not working? Although an employee may receive some income benefits from workers compensation, if injured on the job, or from other sources, many jewelers may wish they could continue to pay a salary to a valued disabled employee. However, most could not handle that burden in addition to the costs of hiring, training and paying a replacement. It is more cost effective to help the employee establish an individual disability income insurance plan. If disabled, the employee would receive an income from the insurance policy. The jeweler would not need to use personal or company funds to help the disabled employee.

### KEY PERSON RETENTION

Losing a key person to a competitor can be even more financially devastating to the business than losing a person to death or disability. Customers may follow that employee to the competition. It is important to keep your valuable employees satisfied, motivated—and, working for

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~~The courses are too expensive.~~  
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you! Competitive salaries and a solid benefit package are essential, but the typical benefits may not be enough.

A Private Bonus Plan may offer a solution. This is a written agreement whereby an employer agrees to pay selected valuable employees previously agreed upon bonuses at specified times. Employers may have the option to fund the plan with life insurance when needed.

The employees agree to meet certain criteria and must forfeit their rights to future bonuses if employment is terminated for any reason, or if they can no longer perform their duties. The agreement is neither an employment contract nor a retirement plan and, if properly written, is not subject to nondiscrimination requirements and ERISA laws.

A Private Bonus Plan can help retain highly-skilled employees and key leaders, or promising young employees who may not be as attracted by retirement benefits early in their careers. It also can provide a reward to help reduce turnover and encourage long-term commitment from your most valued employees.

If your plans for future success depend upon keeping your most trusted and valuable employees, it's wise to spend some time exploring options that will keep them satisfied. Contact your Federated Insurance marketing representative for more information on plans that could help you keep your employees or protect your jewelry business if you should lose a key member of your team.



*This article is intended to provide general recommendations regarding risk prevention. It is not intended to include all steps or processes necessary to adequately protect you, your*

*business or your customers. You should always consult your personal attorney and insurance professional for advice unique to you and your business. ©Copyright 2005 Federated Mutual Insurance Company, All Rights Reserved*

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# Your Customers

## Can Only Have **2** out of **3**...

## ...or You **Lose Money**

BY BOB JANET



Customers want three things from you.

- Great service,
- Top quality products, and
- Low price.

And it would be great if you could figure out how to give them all three and make money, but no one ever has.

You have to determine which two of the three you are going to give your customers

that will allow you to stay in business and profit. If you are in a market where you feel low price rules. A market where you must be the low price to sell, (I have never seen a market area like this, other than in the minds of sellers doomed to fail), then you must either give the customer poor service or sell low quality products.

The problem with selling at low prices

is your overhead is the same whether you are selling high quality or low quality items or giving good service or bad. Shortly after I opened my furniture store I realized that selling at low price would not allow me to prosper in the furniture business. My advertisement for a 4 piece bedroom suit appeared right across from my competitors ad for the same bedroom

suit. My competitor's price was \$4500. Mine was less, only \$3,500. Every time I sold this bedrooms suit I made \$1,500. My competitor made \$2,500.

The ad cost me exactly the same as it cost my competitor. My competitor's cost for delivering the bedroom suite was the same as mine. And his overhead—lights, heat, labor, etc.—were comparable to mine. I knew right away I was doing something wrong. I was losing money because we were selling the same bedroom suite (same quality) and I actually delivered better service, which, of course, cost me more. I was giving the customer all three things he wanted: high quality, great service and low price. I realized it would not be long before my increasing overhead would cause me to operate in the red.

Shop your competition. Shop the most successful and the least successful. See for yourself that the higher priced seller is more successful. The successful sellers have figured out you can not give the customers all three things they want.

For those of you who are reading this and saying, "Bob does not know our market, we cannot increase our prices!" Look around you. Unless you are in a very depressed area, there are high priced sellers selling every kind of product and service. Do you have a gas station/convenience store in your area? Their prices are 100s of percent above a grocery stores. They get those high prices because they deliver what is more important to the customer than price—they deliver the service of convenience.

Diminish the importance of price with the use of benefits. The more benefits you give your customer the less price is a determining factor in the purchase of your products and services.

When my customers say, "Your price is too high!" I use a technique my father taught me to turn the conversation into the benefits I offer. I agree with them and then tell them why my price is higher than the competition or higher than they are thinking it should be.

I say... "I understand how you feel, and yes it is a few dollars higher. That is the same way all of these satisfied customers felt (give names) before they realized that the value of the extra benefits we provide (name benefits) more than outweigh the few extra dollars."

If the customer tells me they do not want the benefits but instead wants the lower price, then I have a decision to make. Should I take away the benefits and sell at a lower price? One day I was selling a washing machine and the customer was beating me up over price. Finally I asked him how much he wanted me to take off the price for him to buy the machine. He said \$10. I said fine, I will take \$10 off the price if you take the machine with you. He agreed. This was a windfall for me. One of our benefits was free delivery. It cost us \$35 to deliver a washing machine. I was making

an additional \$25 by reducing the price. That is called negotiation. When you give something, you get something. In this case I was giving a lower price but I was getting the customer to take the machine with him.

You can only give the customer two of the three things he wants. You must decide which two things enable you to increase your sales and profits.

---

*Bob Janet is a sales consultant/trainer, speaker and author of "Join the Profit Club." For more information, visit his website at [www.BobJanet.com](http://www.BobJanet.com) or email him at [Bob@BobJanet.com](mailto:Bob@BobJanet.com).*

## Mark Your Calendar

### June 3-7, 2006

15th Annual JCK Show  
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### July 30-August 2, 2006

JA New York Show  
New York City

The summer show includes over 1900 companies and 13,000 attendees. For more information, visit [www.ja-newyork.com](http://www.ja-newyork.com).

### August 12-14, 2006

Atlanta Jewelry Show  
Atlanta, Ga.

For information, visit [www.atlantajewelrysthshow.com](http://www.atlantajewelrysthshow.com).

### September 9-11, 2006

MIDAS Texan Show  
Grapevine, Tex.

For information on the event, visit <http://midastexan.com>. Or you can contact them at 972-660-3831 or [info@midastexan.com](mailto:info@midastexan.com).

### October 27, 2006

Gemological Institute of America's (GIA) Jewelry Career Fair  
Carlsbad, Calif.

Employers interested in recruiting at either event can contact GIA's Career Services office at 800-421-7250, ext. 4195 or e-mail Kimberly Northup, Career Services Manager, at [Kimberly.northup@gia.edu](mailto:Kimberly.northup@gia.edu). For more information, job seekers can also call GIA's Jewelry Career Fair hotline at 800-421-7250, ext. 4100 or e-mail Career Fair at [Careerfair@gia.edu](mailto:Careerfair@gia.edu).

# Trade Show Safety Tips

## RETAILERS CAN BE AS VULNERABLE

to jewelry losses at trade shows as the wholesalers and manufacturers who are exhibiting. Professional jewelry thieves work the jewelry shows as hard as you do, so take a few minutes to prepare.

To help prevent trade show losses, Jewelers Mutual recommends the following:

### BEFORE YOU GO

- If you take personal jewelry or store merchandise to wear at the show, prepare a list of the items and store the list at your business or home in case the jewelry is lost or stolen.

For your personal jewelry, review your homeowners policy or jewelry policy (such as the Personal Jewelry policy from Jewelers Mutual) to assure that these items are scheduled (i.e., listed specifically on your policy). Most homeowners policies limit theft coverage for unscheduled jewelry to as little as \$1,000.

For store merchandise, review your business's insurance policy travel limits and possible trade show limitations and exclusions. Verify that you have sufficient coverage. If you need a higher limit or have questions, contact your agent.

- If you plan to take delivery of merchandise at the show, verify that you have sufficient travel limits "to and

from" the show and coverage "while at" the show. Some jewelers block policies provide limited coverage "while at" at the show, but others require that you purchase the coverage. Check with your agent or insurance company.

### WHEN TRAVELING

- Don't discuss your jewelry business outside the show floor or at show events. Prepare a story to use if a stranger asks why are you traveling to Las Vegas, New York, or other trade show destinations. For example, you could say, "I work in fashion merchandising. I'm meeting some friends for a little R&R."

- Avoid discussing business with traveling companions while at the airport or during transit. Thieves could be sitting nearby.

- Don't wear or carry items that identify you as a jeweler. That includes clothing or luggage with jewelry logos or jewelry magazines.

### AT YOUR DESTINATION

- Store your personal jewelry (and store merchandise) in your hotel room safe when you are not wearing it.

- Avoid carrying a briefcase or bag in and out of the trade show. Thieves may assume that you are carrying jewelry.

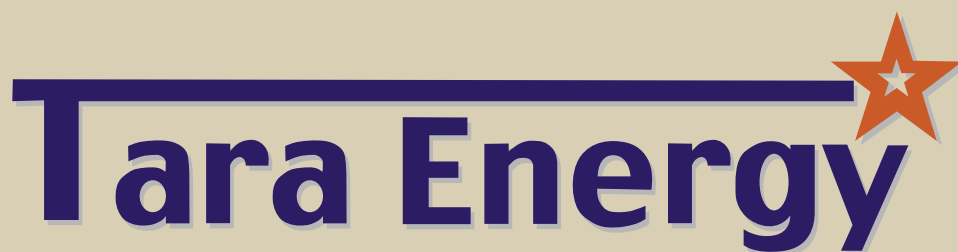
- Remove your trade show identification badge as soon as you leave the show floor.

- Ask vendors to ship jewelry purchased at the show to your business.

If you take delivery of merchandise at the show, make arrangements to ship it as soon as possible via insured armored car or other insured shipping carrier.

If you carry merchandise home with you, take extra security precautions; you have the same risks as a traveling jewelry salesperson. Visit [www.jmuniversity.com](http://www.jmuniversity.com) to complete the online course, "Danger on the Road: Traveling With Jewelry." Have a safe and productive trip!





## How to Comparison Shop Electricity Prices for Your Home, Business

If you are located in a deregulated area and can select your electricity provider, you have the opportunity to save money on your utility bill, especially if you are still purchasing electricity from your incumbent utility. When you begin shopping for electricity and comparing prices, it can seem difficult to compare “apples to apples.”

The best way to compare electricity prices for your home is to obtain the Energy Fact Label (EFL) for each of the competitors you are considering. The EFL contains general information for the consumer. Each retail electricity provider (REP) is legally obligated by the Public Utility Commission to provide an EFL to residential consumers. This can usually be found on the REP's website or at the [www.powertochoose.org](http://www.powertochoose.org) website. Be sure to obtain an EFL from TJA's exclusively endorsed electricity provider, Tara Energy. You can view their EFL online at [www.TaraEnergy.com](http://www.TaraEnergy.com) using promotion code: TJA0705 or you can email [tja@taraenergy.com](mailto:tja@taraenergy.com) to obtain the EFL. The EFL for TJA members will be different than what is provided to the general public since there is a discount for TJA members.

The EFL contains “all-in” costs of electricity, including the generation cost (the cost you pay per kWh), monthly fees, transmission and distribution costs, city and state taxes, and other pass-through charges. Comparing the prices on the EFL is the best way to get an idea of pricing being offered.

Other items that the EFL contains that are very pertinent to decision-making are the minimum contract obligations and penalties for early cancellation. On the EFL, you will also find the fuel sources for the power you'll be buying, as well as the emissions.

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## WORLDWIDE DEMAND FOR PLATINUM DROPS BY NINE PERCENT

Worldwide demand for platinum for jewelry manufacturing fell 9 percent in 2005, the first time since the mid-1990s that demand dipped below 2 million ounces.

The rapid escalation in the price of platinum has led to declining demand for its use in jewelry manufacturing in all three major markets, North America, Japan and China, according to Johnson Matthey, which released its mid-year report on the platinum market in New York.

Driven by investment fund enthusiasm, prices on platinum and other metals, including gold, have been spiraling higher lately. Johnson Matthey's press release, prepared prior to the release of the report, said platinum prices have "the potential to reach \$1,250 during the next six months." But even by this morning, the metal was trading at \$1,278 an ounce.

Demand in North America fell by 5 percent in 2005, a smaller decline than originally forecast, due to the strong market for luxury brand platinum jewelry, the Johnson Matthey report said. The high-end market seemed unaffected by the rising prices of the metal and benefited from robust holiday sales, the report said.

Both fashion and bridal jewelry sales suffered at the mid- and lower-priced segment of the market, amid increased competition from lower-priced white gold. Meanwhile, higher prices led to an increase in scrap returns and recycling throughout the trade, reducing demand for new metal.

The majority of platinum jewelry, here in the U.S., and elsewhere, is being made to order, as retailers are stocking more palladium and white gold.

China experienced the most extreme reduction in platinum demand for jewelry, falling 13 percent for the year, with buying falling especially low in November and early December when prices soared from \$930 an ounce to more than \$1,000 an ounce. Though the metal price came down in late December, the market failed to make a recovery that reflected that drop.

The jewelry sector in China drove strong demand for palladium in 2005, rising 71 percent as jewelers boosted inventories, a



move made attractive by the lower cost of palladium, and the metal's lower density compared to platinum, which allows twice as much product to be manufactured from a given weight. While manufacturing and retailer consumption has grown, sell-through increases remains to be seen. Retail sales are expected to show strong growth, though not as high as demand by manufacturers.

Palladium jewelry demand in the United States showed some promising stirrings, as a few select manufacturers began introducing limited lines of product, with many of them reporting enthusiastic acceptance by consumers.

## YOUNG SHOPPERS UNSTRAP FASHION WATCHES

Younger consumers are foregoing wristwatches as both fashion accessories and a way to tell time, resulting in a dramatic drop in the sales of mid-priced watches, according to an article in the Los Angeles Times.

Market research shows a 12% decline in mid-priced watch sales in 2005 compared to the previous year. Meanwhile, brands that cater to teens and younger shoppers are feeling the effects. Fossil Inc. reports an 18.6% fall in wholesale U.S. sales, while Oakley Inc. says sales declined 11% in 2005.

The Times article says that many under-30 consumers use their cell phones as their primary timekeeper — and research shows that will become true for older shoppers as cell phone manufacturers make the clock display on phones bigger. "It will very quickly replace the fashion watch as the No. 1 timepiece," chief industry analyst Marshal Cohen of NDP Group told the paper.

Piper Jaffray investment bank, in its biannual report on teen trends, found in its recent study that 59% of teens said they

never wore a watch, up from 48%. Only 13% of teens said they wear a watch every day, compared to 18% in the fall of 2005. And, 82% of respondents said they do not plan to buy a watch in the next six months, up from 76% last year.

The Times reports that some watchmakers are developing new technologies to appeal to younger people, including a watch currently in development by Fossil, Swatch Group and Microsoft that would deliver Web data to a watch for a monthly fee.

Canada repeals jewelry excise tax

## SEC PROBES ZALE FOR ACCOUNTING, EXEC PAY

The Zale Corporation is cooperating with a Securities and Exchange Commission (SEC) investigation regarding accounting practices, executive pay, and other matters the company announced. The investigation touches upon extended service agreements, leases, and accrued payroll.

The SEC subpoenaed material on accounting matters and executive pay compensation and severance, earnings guidance, stock trading, and the timing of vendor payments. According to Zale the commission initiated a non-public investigation, but the company believes that its practices complied with accepted accounting principles.

Former CEO Mary Forte received a severance package of about \$8.5 million upon resignation in January 2006, and the company appointed Betsy Burton interim CEO. The company's chief operating officer Sue Gove resigned in March. Paul Leonard was asked to leave in February after serving as president of Zales Jewelers.

## FRIEDMAN'S TO RELOCATE HEADQUARTERS TO TEXAS

Jewelry company Friedman's Inc., is leaving Georgia for Texas as part of its new corporate strategy. Friedman's emerged from Chapter 11 in December 2005, and has signed a 10-year lease for office space in Addison, Texas, a suburb of Dallas, about 10 miles north of the Zale Corporation.

Friedman's said some 100 employees would relocate to the Dallas area and that the company plans to hire an additional 200 workers. The jeweler has about 450

retail stores in the United States, 38 of which are in Texas.

As part of its reorganization plan in 2005, Friedman's became a privately held company owned in part by Harbert Management Corporation.

### **BORROWEDBLING.COM WEB SITE LETS USERS BORROW LUXURY JEWELS**

Capitalizing on the growing trend toward leasing luxury, a new Web-based company has created a site where users can "borrow" jewelry in exchange for a monthly rental fee.

The site, [www.borrowedbling.com](http://www.borrowedbling.com), offers crystal jewelry, belts and other accessories from retail company Crystal Cocoons Designs.

"Usually the kinds of items that we see the celebrities wearing are not accessible to most of the public, and I wanted to help make these looks within the reach of everybody," said company owner Carol Wexler in a press release. "So, I created this Web site as an affordable new way for anyone to be able to wear the finest looking

pearls and accessories. Not everyone can afford to buy a thousand dollar crystal purse or a \$300 necklace, but most everyone can afford to borrow the items."

The service offers three levels of membership, ranging in price from \$29.95 to \$99.95.

### **AMAZON.COM DOUBLES Q1 JEWELRY AND WATCH SALES**

Online retailer Amazon.com Inc.'s sales of jewelry and watches increased more than 100% in the first quarter of 2006 compared to the same period last year, largely due to its success at holiday sales, the company said in a release.

The company said its merchant partners in the Amazon Jewelry & Watches store sold more than 58,000 styles of jewelry and watches in the first quarter, especially leading up to Valentine's Day. Offerings range from \$25 to \$10,000 pieces and include basics up to designer lines.

"We're extremely pleased that our strong fourth-quarter momentum continued into 2006," said Steven Goldsmith,

vice president, Amazon.com Jewelry & Watches. "We suspect that there were a lot of very happy Valentine's Day celebrations among Amazon.com customers this year."

### **CANADA PASSES NEW LAW ENDING EXCISE TAX ON JEWELRY**

An excise tax on jewelry in Canada became obsolete effective May 2, 2006.

"We are delighted that the Conservative government has ended the inequity and confusion inherent in the Excise Tax in the content of Minister Flaherty's Budget," says Morris Robinson, Chair, Canadian Jewelry Association Government Relations Committee.

CJA President Mo Charania reinforces Robinson's comments. As the former Chair of the Committee Charania well knows the many challenges and incarnations this repeal effort has taken. "Our industry have all been champions; past-presidents, directors, our hard-working members and many MPs from all parties who have worked with us on this file and we must salute them," says Charania.

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# with David Geller

## Questions & Answers with the Man Who Wrote the Book

*A 14th generation jeweler, David Geller created the widely used "Geller's Blue Book" in his Atlanta store to assist his sales staff in pricing. It took David over 2½ years, over 30 hours per week, to put together the first volume. Each issue, Geller will answer your questions. If you have a question, email it to Executive Director Joe McCullough at [jmccullogh@assnmgmt.com](mailto:jmccullogh@assnmgmt.com).*

### **Q: What are healthy Margins for Wedding bands, diamond pendants, colored stone jewelry?**

Not really the right question. Everyone focuses on margins. That's only 1/3rd of the equation. If you bought 10 chains from Leslie's and they cost \$100 each, would you be happier keystoneing or doing triple key? Silly question? No, not if you know the right answers.

If you buy ten \$100 cost chains you've got \$1,000 in inventory. If you triple key (\$300 each) and sell three you've taken in \$900 and made \$600 in gross profit. The \$900 in income isn't enough to pay the vendor the \$1,000 you owe them, even with triple key.

Buy if you sold 8 chains at \$200 each (keystone) you've taken in \$1,600. That's \$800 in gross profit and you can pay the vendor.

This relates to turn. It's not how much you made when you sold it, rather it's: "How much you made when you sold it, plus how many times a year you sold it plus how much inventory you had on the day you sold it."

Costco (like Sam's Club) doesn't mark up anything over 20% above cost. So if they buy a chain for \$100 they'd sell it for \$120, a measly \$20 gross profit.

But they sell it 24 times a year. They bring in \$2,880 while you brought in above \$900 or \$1,600. Turn is more important. There are other factors but if you'd look for a turn of 2 on wedding rings, diamond pendants and colored stone jewelry, you'd make plenty of money even with a gross profit margin of 40-50%.

But you did ask "What are the margins", didn't you? 47-52% is typical on the first 3 with 44-47% on watches. But turn is still more important. Which means you can compete, sell for a lower price and make money if you keep lower inventory levels.

### **Q: Should we discount on already low margin items?**

This kind of feeds back into the first question and the answer is YES. You just have to have really good turn. The actual answer to question 1 and 2 is too long for a short article but the answer again, is "It's not how much you make when you sell it, **it's how much you make, plus how many times a year you make it plus how much inventory you have on the day it sold.**"

There are only two Point of Sale Programs that have this formula and it's called **Gross Margin Return on Investment**. I look at it in dollars and a typical profitable store has a GMROI overall of \$1.10 to \$1.14. Each department will vary but the 3 areas in #1 above should have a GMROI of above \$1.00. Watch and loose stones might be between 75 cents to \$1.10. The formula for GMROI is Gross profit Dollars for the year divided by Average Inventory, memo is excluded.

I met a jeweler who thought his watches were a poor department, only making 28% gross profit. But because he had a turn of about 5-6 times a year (lots of special orders), his GMROI was well over \$3.00. He did indeed make it up in volume.

Would you rather have a \$100 watch and hold out for 12 full months to get keystone at \$200 or sell the \$100 watch for \$165 and sell it three times a year?

In the keystone example you'd make \$100 gross profit in a year.

At \$165 three times a year you'd make \$195 in gross profit for the year. Almost double.

In addition if the low margin item is over 1 year old, you'll never make your money back, unload it even if at cost.

### **Q: What software programs do you recommend and why?**

**The Edge**—[www.ajsllc.com](http://www.ajsllc.com)

A Windows program. Like many other programs, user friendly, etc. But the three BIG reasons for buying it are:

- The Gross Margin Return on Investment report it does and it does it by price point. You can make tons of money by this one report.
- Exports directly into QuickBooks, uses my chart of accounts separating a jewelry store into 3 income categories
  - Showcase Sales (sales of items we own)
  - Special Order & memo Sales (Sales of items we don't own.)
  - Shop sales (repairs, custom design, watch repair)
- The way it handles the shop-reports on due dates, items on order.

### **Second, I recommend Jewelry Shopkeeper**—[www.jewelrystorekeeper.com](http://www.jewelrystorekeeper.com)

A DOS program that runs very well in Windows XP. Has all three of the items above. There are some differences between the two, DOS being one of them. I used this program when I had my store where we did 8,800 jobs a year. Also has a GMROI report and done by price point as well.

The Edge starts at \$3,950 and Jewelry Shopkeeper starts at \$2,350.

If you're doing over \$250,000 a year in your store and don't have a POS system AND QuickBooks, you're being foolish. You can't manage that entire inventory without one.

By the way, the **GMROI** reports are what are used by Zales, Tiffany's, Macy's, Sears, all big retailers. Only two programs I know of in our industry have adopted what every other retailer already knows.

P.S. "We've always done it that way" doesn't cut it any more. The days of "Open a store, and they will come" are over folks. You must now run and operate your store.



# Coverage you can count on.

Selecting the right insurance company and coverage is one of your most important business decisions. Jewelers Mutual has been your partner in protection for nearly a century. We are committed to providing you with the coverage you need.

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