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Texas Jewelers Association

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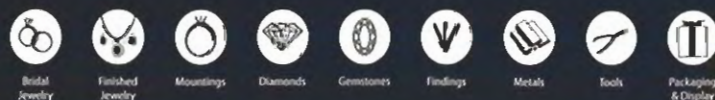
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Greetings to One and All

I'm very proud of our TJA. Doug Jackson has done a great job as president. My goal is to see the growth and enthusiasm continue to grow.

The 2008 conference is a time of sharing. I believe the core of any successful group is the membership's passion to share. Our industry has many challenges. One big way to affect those challenges is to share our

knowledge and experiences. Whether it is a simple marketing plan that knocked a home run or a new fastseller that's putting a smile on your face, sharing helps everyone.

I commit my knowledge and experiences to you. With 31 years of jewelry retail under my belt, I've seen a lot of changes. Some of those changes have been outright hilarious. Some rippled through the industry and threatened to shake its very core. By sharing... from jeweler to jeweler, friend to friend, person to person... the jewelry industry thrives. You and you and you and I are the reason for that.

Not to be philosophical but we work in one of the world's oldest industries. That's pretty darn cool. We all have an integral

link to that heritage. And not just anybody can have heritage. It only comes over time. Every piece of jewelry is connected to that heritage. So these few words are just meant to take you a few steps back and a few steps over to cross your arms and get a look at the big picture. Jewelry is beautiful. It's valuable. It tells stories and marks the most important moments in everybody's life all over the earth EVERY DAY! And it can last for hundreds or years!

I think we work and thrive in one of the most magnificent professions in the world. Through TJA we all have a part in shaping what the future will be.

Wishing you all a profitable holiday season filled with family and friends.

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The Be-Back Bus Isn't Coming Back!

BY BRAD HUISKEN

You have done everything in your power to give the customer a memorable presentation. You have developed a relationship, established trust, shared in the emotional reason why the customer is buying jewelry, asked the proper questions to determine what is important to the customer in the selection of jewelry, demonstrated the product based on the information learned, and have finally asked the customer to buy. Then it happens, the customer gives you an objection. He/she says that he/she needs to look around a little bit, or that your store is the first place they shopped, or they need to talk to the spouse. Believe me it happens to everyone. Rejection. Apparently, somewhere in the sales presentation something went wrong.

If in fact, as we have determined, a sale is made based on trust and value being established, then it also must hold true that a sale is lost due to a lack of either trust, value or both. Somewhere along the line, we have missed the mark. We end up half a bubble off of plumb. Whatever happened, our job now is to figure out what happened and to solve our customer's reason for rejecting our presentation and the purchase of the jewelry.

Objections

The single most common type of rejection is an objection. If you have been in sales for longer than a New York minute, you have heard, "I need to think it over", "I need to shop around", "I'll be back", and "we'll talk about it and let you know tomorrow." Objections are as common as the hair on your head. By giving you an objection, that customer is telling you that they are not convinced. Something else is going on that the customer may not feel comfortable telling you.

In many situations, a false objection is given as their ticket to get on the "Be Back Bus". You are in for a very long day and frustrating career if you spend your working hours standing on the corner waiting for your customers to come back on the Be Back Bus. I hate to be the one to break it to you, but although the bus always leaves, it very rarely comes back.

Many salespeople give their business cards to their customers in the hope that they will actually come back in to see them. In reality, a business card could very well be a one-way ticket giving your customer the ability to leave, with no insurance that they will be coming back. Granted, in some

cases, especially in the jewelry business, customers do come back. The point I want to make is that as long as you have the customer in your store; give it your best effort to save the sale.

The real frustration, and a fact that the professional salesperson has to realize, is that up to 60 percent of all objections given are in fact false reasons for not buying. Customers have learned that it is very easy to get rid of a salesperson by giving them the typical "I'll be back" or "I'll think it over" objection. I have never walked up to someone who is deep in thought, asked him or her what they were doing, and gotten the reply "I'm thinking over Joe Salesperson's presentation from earlier today". I have never seen or heard of a customer going home, turning the lights down low, pouring themselves a glass of wine, putting a little jazz music on the stereo, sitting back in the recliner, when the spouse comes in and says; "Honey, what are you doing?" to hear the response that "I am thinking about the jewelry salesperson's presentation." It just doesn't happen that way. The customer has given you a false reason for not buying in order to get off the hook.

Further, I contend that as much as 70 percent of the time when the customer gives you a false reason for not buying it very well may have something to do with the price. The customer is simply embarrassed to tell you that the price was too high or that the price was more than he/she wanted to spend. I find this to be particularly true in cross gender buy/sell relationships. The man with an ego doesn't want to tell the sales lady that he can't afford the piece of jewelry that she was presenting. Therefore, the customer makes up an excuse not to buy.

In some cases, the salesperson actually causes the customer to become confused and thus in turn the customer gives an objection. I find that many salespeople in the jewelry industry tend to talk in terms of their industry jargon, or industry specific terms that the customer doesn't understand. Should the customer not understand a word or a phrase that the salesperson stated, many customers won't admit their ignorance; they will simply say; "I'll be back" or "I need to think about it". Believe it or not, many customers don't know the difference between Carat & Karat. Some customers don't know that a three grainer is $\frac{3}{4}$ of a carat. In other words



if you, as a salesperson, are delivering presentations using your industry jargon without explaining to the customer what you said, you may be causing the customer to give you an objection or false reason for not buying.

It is also true that you may receive not one, but numerous objections throughout the process of completing the sale. Your customer may just have several concerns about your products and services. These will all need to be addressed in order to complete the transaction. I certainly wouldn't

purchase anything if I had unanswered questions or concerns about an item or service. Realize that you will encounter objections, and that your customers have the right to have the objections answered in a caring and professional way.

We will be discussing two different types of objections in this article, 1) the stall, and 2) the specific objection. Your quest, in order to handle the objection and to save the sale, is to identify the type of objection that the customer has given you and to solve the situation.

A stall may or may not be true. A stall objection can be identified as the examples I gave you earlier, "I'll be back", "I need to think it over", or "I need to bring my spouse back" among dozens of others. Be very careful though, because a stall could very well be a true objection. If the customer really does need to bring their spouse back in before making the decision, that is a specific objection. You need to be very clever and use specific techniques in order to discover the true reason for not buying while being careful not to intimidate the customer.

A specific is probably true. A specific objection is defined as the customer telling you certain information that they are concerned with, which is probably true. For example things like, "It is the wrong color", "The length is too short", "It's the wrong size" or "It's the wrong shape" could be specific reasons the customer isn't buying. However, these examples could also be a stall and not truly the reason they aren't going along with the deal. It's up to you to figure out which it is.

You will find that in most cases once you discover the objection is a specific reason for not buying, it is usually due to a poor needs assessment. You could have found out what color they needed, what size they wanted, or the shape they had in mind by asking more or better questions during the needs assessment.

Your customer may even have an objection to the price of the jewelry. People think that the price of everything is too high until value has been established. The lesson to be learned about price is that any money issue is a specific objection. However, an objection to the price is potentially an objection to one of two completely different issues either value or budget.

The customer may not find enough value in your product, or you haven't created enough value, for them to trade their money. If this is the case, they will need to have more value added in order to make the purchase. Remember, everything is too expensive, until value has been established and that value is simply perception.

On the other hand, the customer may find the value in the jewelry, but simply not be able to afford it. If they can't afford the price of the product you have shown, it



would then be an objection due to a lack of budget.

The strategies and techniques for handling price objections based on value or on budget are completely different. You must first determine which of the two price objections you are dealing with. Many sales and/or profits are lost due to an assumption that the customer is objecting to value when in reality it is a question of budget. You may lose the sale completely or think incorrectly that you need to discount your products if you assume that your customer's objection is budget when actually the customer has an objection to, or doesn't see the value in the item.

I find most salespeople handle objections one of two ways, both of which are incorrect. One salesperson may hand the customer a business card and tell him/her when they decide come back to see them. In this case, the salesperson is inviting the customer to leave. The salesperson did not give a presentation with his/her best

effort possible. On the other hand, a more aggressive salesperson may start saying things like: "What other information do I need to give you" or "I told you this or I told you that", or "If I could get it for you for less would you buy it today". The customer may take offense to a salesperson arguing, defending the store, and the merchandise. The result in both cases is the customer will probably never come back even if they were intending to come back up to that point.

Remember the following important statement: No customer has ever changed his or her mind from a "no" to a "yes" based on the information already given. Just as no trial verdict has ever been changed from guilty to not guilty based on the evidence already presented. In order to re-open the trial the lawyer must present new evidence. Your job as a salesperson is to present new evidence or new information to the customer in order to get the customer to change their mind from a "no" to a "yes".

The Objection Handling Process

There are seven basic steps to handling objections, both stalls and specifics. Through following these steps, you will be able to determine if your customer is giving you a stall or specific objection and what the true objection is. Once you have learned this information you can then "fix it". By fixing it, I mean you will be able to address the customer's concerns, quite possibly solve the reason they are objecting and make the sale.

1) Listen to the entire objection. The last thing that you would want to do is interrupt the customer in the middle of their objection. They are giving you their concerns, and want and need to be heard. Should you not listen completely, you may just miss the secret to saving the sale. In addition, I believe that most customers have one defensive shield and you will want to repeat back their defensive shield verbatim. Don't give the customer a new defense that they can come back with. Further, I don't believe there is anything more important to a customer than being heard.

2) Acknowledge the Objection. By acknowledge, I mean you need to verbally let the customer know that you really heard their concern and are about to address the issue. Through repeating back the objection, "I can understand you want to come back" or "I can appreciate you needing to talk to your spouse" or "I understand that you are concerned about price" the customer will know that they were heard and that you can empathize with their concerns.

3) Give agreement. By giving agreement you will let the customer know that they aren't in for an argument. There is, however, a fine line between agreement and agreeing. Should the customer say that they need to look around, agreeing would be saying, "Yes, you should look around". By giving agreement the professional would say, "I can understand that you feel you should look around, it's a big decision isn't it?" As in every other step in the selling process, this step is designed to get the customer to say, "Yes".

4) Relieve resistance. Your customer may just have some leftover fear, resistance, or tension in them that will need to be eliminated before the purchase can be completed. You can very easily relieve their resistance and ease their tension by saying "Before you go, Can I ask you a quick question?" By saying before you go, you are letting the customer mentally off the hook; however, you will still have them physically in the store. In this way the customer may be more willing to tell you the true objection. In asking can I ask you a quick

question the customer will always say "yes" the issue becomes what is the question. I like to ask; "Did you like the _____?" The answer will be either yes or no. Should they answer no, then you have a chance to clear up any misunderstanding. Should the customer say, "Yes" then reconfirm how beautiful is the piece. "It is a gorgeous _____ isn't it?"

5) Review NA=A/DA. Through reviewing the elements of NA=A/DA (needs assessment gets you answers, so demonstrate the answers)



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you will be able to clarify that you understood exactly what the customer needed and wanted, and that you demonstrated those needs and wants. At this point, your customer could tell you whether or not the objection that they gave was the whole truth and nothing but the truth. For example, "How did you feel about the colonial look of the jewelry?" If they say they liked it then reconfirm how the look will benefit them. Should they say that they are not sure then you can explain the benefit further. Should the customer agree to everything that you showed during the demonstration and confirmed it during this process, then confront them head on with: "How did you feel about the price?" The price will be either fine or too high. Should the price be fine then increase the value.

6) Increase the value. This is the time to pull out your cannon. Remember the customer may have to have more value added in order to complete the transaction. Back in the demonstration step you should have saved your best for last. It is now the time to pull out your most powerful FBA (Feature – Benefit – Agreement Question). Remember that your most powerful cannon may be another company story. For example, I also wanted to mention that we have free cleaning and checking, or appraisals etc. Should the price be too high then address the price.

7) Address the price. Now, and only now, is the time to address the price issue. It is also the time to determine whether the price concern is in fact a question of value or budget. The following question is the single most effective way to determine which price objection you need to address.

Is the price of this particular _____ too high, or is it more than you wanted to spend today?

"Is the price of this particular item too high", will tell you if it is a question of value.

"Is it more than you wanted to spend", will tell you if it is question of budget.

If they respond that the price of the item is too high, (value) then it is time to add value with your most powerful FBA or Company Story.

Through "is it more than you wanted to spend today", they will tell you if it is a question of budget or money.

If they respond that the price of the particular item is too high, it is up to you to fix it. How you fix it is different for every customer. You may need to show them a less expensive item, or add value to the item.

Sell the lower-priced item on its own merit, with its own FBAs that fit the needs of the customer. They may ask you

"Does it have this?" or "Does it have that?" The only answer is "No, unfortunately it doesn't". You certainly wouldn't want to say "You get what you pay for" or any other condescending statements liable to make your customer uneasy. If they really want the features and benefits of the higher-priced item, figure out a way for them to have it. A little value and creativity can go a long way.

If they respond, "it is more than I wanted to spend" you will know that the item is not within their budget. Now is the time to ask the question, "How much did you want to spend?" Their answer will tell you what you need to do next. They will say, "I didn't want to spend over (X) amount of money." You can then show your customer an item that fits their budget and make the sale.

A key to handling objections is to realize that you may uncover the true objection at any point during the objection-handling process. Once the true reason for not going ahead with the transaction has been determined, the only answer is to "fix it". You will either need to add value with a new reason to buy, (add some additional or your most powerful FBAs, or sell the store more), or address the price issue, and close the sale again.

Will this process work every time? No, but I assure you that you will handle more objections and close many more sales with this method than saying here is my card – or "What would it take for you to buy this jewelry today?"

Author, trainer, consultant and speaker Brad Huisken is President of IAS Training. Huisken authored the book I'm a salesman! Not a PhD, and developed the PMSA Relationship Selling Program, the PSMC Professional Sales Management Course, The Mystery Shoppers Kit, The Weekly Sales Training Meeting Video Series (exclusively for jewelry) along with Aptitude Tests and Proficiency Exams for new hires, current sales staff and sales managers. In addition he publishes a free weekly newsletter called "Sales Insight". For more information contact IAS Training at 1-800-248-7703 or info@iastraining.com or fax 303-936-9581. Feel free to visit their website at www.iastraining.com.

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Gift Wrapping the Guarantee

BY BILL HOEFER, G.G. FGA



Like many things in life, appraisals used to be simpler. Valuations were limited until the early 1980s, when the explosion of valuation theory courses boosted awareness and elevated gemologists from appraisal boredom. However, even though a score of years has passed since then, trained appraisers are still a minority.

"Please ...," you say in anticipation that I am trying to sell you on the benefits of appraisal training. "I do not need to take courses because we just stick to reports for items we sell." Well, I am not selling you on the idea of training although it would be nice if you did. Instead, I want to tell you that although you may not embrace the latest valuation theories and standards, there exists an aspect of appraising that affects all retailers who appraise items they sell. Listen to this.

We Guarantee It

Guarantees come in many forms – such as implied or express warranties.

Basically, express warranties are created as

part of a sales contract. Implied warranties are linked to the idea that goods should be merchantable. You sell someone a ring then they should be able to wear it as a ring. By the way, there is no distinction between new and used goods as both have the same warranty standards.

Most warranty laws can be found in both the federal and states' Uniform Commercial Code (UCC) – including Texas – specifically in section (represented by the symbol §) 2-313.

Put it in Writing

What do warranties have to do with an appraisal? Well, believe it or not, the courts have deemed appraisals issued by a seller to be a warranty. Yes, you heard that right – that appraisal you rendered as a courtesy to your customer (often referred to as gift wrapping by independent appraisers) is really a written warranty!

If you describe the diamond as a D color, then it must be a D color. You guaranteed it in writing!

Basically a description in an appraisal issued by the seller is a warranty. Whatever is stated is looked at as a fact. What happened to subjectivity? Unless you make it clear that the description is subjective, it is assumed not to be.

Let's back up and look at this closer, shall we? An express warranty is one in which the seller affirms a fact to the buyer which relates to the item sold. It becomes part of the basis for the sale. The point here is that the item must conform to the warranty.

There's more. Any description of the item made during the sale is also considered a warranty. Even a sample or model that is part of the sales pitch can be a warranty. The seller does not have to use the words "guarantee" or "warranty" for an express warranty to exist.

Better Late than Never?

If you sell an item and six months later render an appraisal for that item, even that report's description will be considered a warranty.

A precedence setting case in Virginia ruled that an appraisal's description issued by an appraiser that was sent months later was a warranty. This case is a treasure trove of good information about the appraisal-warranty issue.

The appraisal's limiting language – usually included in a cover letter – did not specifically mention the descriptions as subjective. If the seller-appraiser had said that the description was his "mere opinion," the outcome may have been different.

Since the seller had superior knowledge as to the quality of the diamonds, the description was ruled to be a warranty. Every jeweler will qualify as having superior knowledge to a customer unless your customer happens to be a gemologist.

Worth is Not a Warranty

Although the Virginia case *above* discussed value as a warranty – the court did not state their decision in a crystal clear manner.

But another Virginia case did state it clear enough for non-attorneys to understand. They declared that "...an affirmation merely of the value of the goods or a statement purporting to be merely the seller's opinion or commendation of the goods does not create a warranty." By the way, this is taken literally from the UCC §2-313.

An interesting case from a North Carolina court also concluded that no express warranty existed when a jeweler stated a value of \$2,000 to a customer. And then, the jeweler sent an appraisal later stating the value to be \$2,600. To complicate matters even more, an independent appraiser rendered a valuation for a mere \$595!

Since there were no special circumstances separating the seller and his appraisal statements from those of other merchants in ordinary transactions, the court deemed there was no express warranty since several values were rendered for the item and each value was determined with different circumstances in mind.

In fact, the UCC § 2-313(2) states in part "...an affirmation merely of the value of the goods or a statement purporting to be merely a seller's opinion or commendation of the goods does not create a warranty".

An exception occurs if the seller clearly states the value in a non-opinion manner – for example, if you tell the customer, "The item will appraise for more than the price paid." A Pennsylvania court concluded that such a statement created an express warranty.

What About Certs?

Diamonds offered by Internet dealers usually include a laboratory report. To compete, retailers in brick-and-mortar



stores have become reliant on laboratory reports too. Diamonds are almost a loss leader in today's retail jewelry stores. Retailers have to be sharper in selecting inventory, more knowledgeable and willing to work with skeletal profit margins. Most retailers blame the Internet.

However, both markets' sellers have a common problem. The lab reports they use to sell diamonds are considered warranties. Wait a minute, these "certs," as they are called in jewelry parlance, have fine print stating them to be subjective. It does not matter.

Say you sell a 10 carat D Flawless diamond. Worse yet, pretend that you sold this diamond during the early 1980s when diamond prices made oil price increases look economical by comparison.

You gave the customer a Gem Trade Laboratory (GIA-GTL) lab report for the diamond. Sometime later, she decides to sell the diamond. However, she has lost the lab report and resubmits the diamond to GIA. Instead of a lab report stating it to be D in color, it is now an E.

Of course, she is upset. You tell her, such

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transaction. Thus, the laboratory report was considered an express warranty. The jeweler was made to pay the difference in value between a D and an E.

Wait. There is a silver lining for every cloud. "...there were no representations made at the time of the sale to dissuade plaintiff from relying on the accompanying report," reported the court. It continued with "I further find the report to state facts and not mere opinions. Certainly to an unsophisticated buyer a diamond's rating of color and clarity appear to be objective enough to be relied upon." What does this tell us to do? State that lab reports are subjective when selling a diamond.

Bill Hofer is a valuation methodology consultant to professional appraisers. In addition to being a gemologist-appraiser, he wrote the International Society of Appraisers (ISA) appraisal course, Expert Witness, as well as the Advanced Personal Property Appraisal (APPA) course, offered by the Jewelers' Educational Foundation (JEF) and the American Gem Society (AGS). He offers appraisal tips and professional online seminars through his websites at www.AppraisingDemystified.com and www.AppraiserUnderOath.com.

a report is subjective, it states exactly that on the back in almost unreadable gray print. She calls her attorney and together they lodge a lawsuit against you for breach of warranty. What would be the outcome?

No need to guess because just such a case exists. This Florida published previous judicial opinion (called case law) reasoned

that the warranty section of the UCC only applied to the vendor and did not include third parties such as the GIA-GTL. In other words, it did not matter what the report stated as subjective.

The seller used the laboratory report as a selling tool and the buyer relied on it, therefore it was considered part of the

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The Three Most Important Rules of Business

BY DENNY DURBIN



Both small and large business owners must pay close attention to their modus operandi, especially in these times of inflation, recession and consumer cutbacks. All indications point to this grim economy being a short window of our lifetime. The key to coming out on top is paying close attention to your customers and making them priority one.

The first thing managers must do in a slow economy is get their priorities straight: Do they choose to keep growing the business or just make sure they survive the downtime? Many wise decisions are not based on net profits alone, but on the future of the business. Even in times of slow spending, everyone still needs products and services. Sometimes the first thing business owners cut back on is marketing. However many successful managers know how to focus on creative marketing strategies and get creative to get the biggest bang for their buck.

3 Most important rules in any business

1. Bring them in the door.

Whether you have a brick and mortar or a Website, you have to bring customers in the door to generate revenue. The key here is to be innovative; never try to blend in, you want to stand up and be noticed. It's the edgy innovative things that make people point and start talking about you and your business. If it's a website that you're trying to promote, offer every friend you have something in order to use their e-mail database to send out a couple of e-mail blasts inviting people to check out your site. If it's a street address, with drive-by customers, you should focus on the curb appeal, signage, landscape, front of building and entrance. Don't try to look like the guy next door, try a brighter sign with giant letters that are easily legible at 45 mph. If you have no customers, have your employees park their cars up front. If you're

selling a product that can be displayed on the front sidewalk, carry it in and out all day and keep trying new things to look busy.

2. Make sure they leave happy, and can't wait to return and bring friends.

Your goal should be to turn satisfied customers into loyal customers. You can be happy with satisfied customers, but don't be surprised if they also spend their hard-earned dollars with your competitors, especially when price is involved. Loyal customers, on the other hand, are far more focused on quality and service when deciding where to buy. Loyal customers will literally jumpstart your grassroots campaign by becoming mavens for your business and telling everyone they know of the pleasurable experience of doing business with your company. Essentially loyal customers become a major part of your marketing and sales team and the best part about it is you don't have to pay them, you just have to create them.

Number three is the most important rule in any business.

3. Know what business you're in. It doesn't matter what business you're in – auto, apparel, banking, restaurant, real estate, and the whole gamut of the business world – you better know what business you're in. You may be surprised, but it's rarely what you think it is. If you are in the restaurant business, and someone asks you what business you're in, you're automatic response would be, "I'm in the food business." The real answer to that question from a savvy restaurateur would be, "I'm in marketing." If you answer you're in the food business, there's a good chance you have a lot of empty seats and a better chance you won't

be in any business long. But if you're in the marketing business, there's probably people waiting to get a seat at your restaurant.

Everyone in business should be in the business of marketing. Once you know the three most important rules of any business the next step is to implement them. It's one thing to know what you need to do, it's another to actually do it, and that alone can put you ahead of the competition.

First, it's important you know the difference between marketing and paid advertising. A quick and simple definition of marketing is anything and everything, nothing too small and nothing too big, that you do to bring customers in the door. These are everyday, common things that you're probably already doing, but now you're going to look at these daily tasks in a whole new light.

In today's fast-paced world it's an ongoing education that every business owner should be enrolled in. New tricks of the trade pop up every day; the difference between a marketer and those who choose to do the same thing every day is the marketer is a risk taker who believes in being innovative and testing new strategies, at the risk of making a mistake. Mistakes



are considered necessary steps to success, and truly successful entrepreneurs learn from their mistakes. If you're not learning something every day, you're simply not paying attention.

A good marketing strategy encompasses a wide variety of daily exercises.

Some are paid for, some simply involve the investment of time and some forms of marketing cost nothing. A good example is grassroots marketing. These community driven, word-of-mouth testimonials have proven since the beginning of time to be the most valuable form of publicity and marketing. They have great capacity to jumpstart a

worthwhile product, topic or cause.

A good mention of your business from satisfied customers goes a long way toward sending you new customers. When you take a step further and convert your satisfied customers into loyal customers, it's a guaranteed home run for your business.

Denny Durbin is an entrepreneur and author of "Lazy Enchiladas, Redefining Success," which explains firsthand the values of taking risks, assessing success and adding creativity to a career. Denny has created, built and owned more than a dozen businesses. Visit www.lazyenchiladas.com for information.

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It's Not What Your Business Makes That Counts

It's What You Get To Keep!

BY PATRICK ASTRE

The hardest thing in the world to understand is the income tax. – Albert Einstein

There are two things in life you don't want to watch closely as they're made; the first is sausages, the second is tax laws. While death and taxes are inevitable, death doesn't get worse every time Congress meets. The constant push-pull of special interests, partisan and "pork barrel" politics left us with an income tax system that is convoluted and overly complex.

The system has one saving grace; it's semi-voluntary. For example, everyone knows

that if you own a home, you may deduct the property taxes and mortgage interest. But you are not required to. You could file form 1040A and forego deductions and "volunteer" to pay more taxes.

There are a great number of tax-saving opportunities available to business owners.

Sad to say, many of these opportunities are not well known and often ignored even by tax planners, CPAs and attorneys. By not using them, you will have "volunteered"

to pay more taxes.

Let's get one thing out in the open at the get-go: Everything this article covers is legal, audit-tested and rooted well within the IRC (Internal Revenue Code.) So let's get started so you can keep more of that hard-earned money from your business.

There are plenty of business tax savings in the system without resorting to illegal strategies that can come back to bite you. Stay away from tax evasion schemes such as foreign trusts, secret offshore bank accounts, claiming your house as a "church," and other shady deals sold out of magazines or the Internet. Remember what happened to Wesley Snipes

recently? Well, here are a few legitimate strategies you can implement now:

- Rent part of your home to your business. Many business owners use part of their homes for business, second office, storage, etc., and yet those expenses are not deducted. Determine the portion of your home that is used for business and rent it to your corporation or LLC. Rent should be reasonable and average for your area. You must report the income on Schedule E of your personal tax return (1040) but you will apply a percentage of deductions against that income such as utilities, home insurance and maintenance, depreciation, etc. that you cannot use otherwise.

- Don't fear the home office deduction. If you operate as a sole proprietor, you cannot rent part of your home to yourself. However, you can use the home office deduction. A court ruling in the late 80s resulted in that deduction being outlawed and denied to many businesses. Legislation two years later overturned this ruling and restored the deduction. However, many accountants to this day fear using this. Don't listen to them. Home office deductions are legitimate and allowed by the IRC. As in all deductions, be sure to

keep documentation to back it up.

- Don't neglect business use of your automobile. Simply because you don't use your car often in your business, it doesn't mean you shouldn't deduct the amount that you do use. Keep a log of your business mileage, reimburse yourself by using the IRS mileage rate and deduct it on your business tax return. Do not include commute to and from your business, and make sure to document the business reason for auto usage.

- Make your spouse part owner (shareholder) of your Sub S Corporation. A recent tax court ruling held that any money paid sole shareholders of "S" corporations from the business must be taken as payroll. That's because "S" distributions are not subject to payroll taxes and the IRS wants those taxes paid. The tax court backed it up by stating that a single shareholder-owner is rendering service to the corporation. By having a spouse part owner, you no longer have a sole shareholder and the spouse may receive distributions without payroll taxes. Caution: Be certain you have a good marital situation because your spouse will now own part of the business.

- Are you bad at record keeping? Consider LLC "Disregarded Entity Status."

If you are a single member LLC owner, the IRS allows your status to be "disregarded" for income tax purposes. You file a Schedule C (Self employment) just like a sole proprietor, yet you are protected from liability. The advantage is simplification of record keeping. You can take money out of your business anytime, you can co-mingle money, avoid filing as a corporation and generally make business life easier. Caution: You must still document income and expenses and retain documentation to back it up.

- Set up a SEP IRA, SIMPLE, 401K or other retirement plan. Since it comes off the top, this will save 27.5 percent and 7.5 percent (NY) in the average brackets. Sure, you can't spend it until you retire, but so what? You're going to get older and need money for retirement; where will it come from if you don't accumulate it? Caution: If you have employees you must contribute equally to their retirement plan. Consult with a pro for the details.

These are only a few business ideas. There are tons more in the IRC. Be proactive. Work with your accountant to develop safe, tax-saving strategies. If you want to "volunteer" money, give it to your favorite charity, not the IRS.

How small businesses can audit proof their tax returns

There are differing degrees and levels of audits, yet they all have one thing in common: They are triggered by what people put in their business tax returns. The IRS has something called Discriminate Function programmed into their computers. When the numbers on a return fall under certain criteria, the return is flagged for manual review. An agent will determine if that return should be audited. Although the specific criteria are secret, we know that certain things will trigger audits: Ratios and unusually high deductions, and certain tax shelters and strategies. You should claim these deductions if you have incurred them, but retain documented proof such as receipts and cancelled checks.

Here are a number of audit triggers on corporate, partnership and other business returns that you can easily avoid.

Audit Triggers:

- Round Numbers: Deductions rounded off to the nearest hundred or thousand will lead the IRS to think the taxpayer is guessing rather than determining from accurate records. You didn't spend \$10,000 on advertising - it was \$9,487.56!

- Answer all questions and boxes: Blank doesn't mean "no." Questions on various returns involving trusts, partnerships, foreign accounts, accounting methods, etc. should be answered. Don't leave them blank.

- Categorize deductions: Large deductions headed "Miscellaneous" or with vague wording may lead the IRS to decide you're not keeping good records, can't prove the deduction, or are hiding false deductions within that general category.

- Be careful about distributions on Schedule K of your corporation tax returns (1120 or 1120S) If you are a sole shareholder of a "sub S," a recent tax court ruling holds that you may not take distributions, it must be structured as payroll. If there are multiple owners, the amount of distributions on Schedule K must always be less than officers' compensation on page one of your 1120S. If you are a "C" corporation most distributions will be considered a dividend and subject to double taxation.

- Document NOIs (Net Operating Loss) very carefully. If you have a year in which you occur large losses in your business, you may go back three years by filing for NOI and receive refunds of taxes

paid previously. NOIs are scrutinized very carefully and audited most of the time. Be sure your documentation is near perfect before filing.

- Skewed ratios and constant business losses. You can't operate a plumbing business for a decade and lose money each year. A real estate office may have gross commissions of \$200K in one year and expenses of \$190K. A couple of years later the gross income rises to \$600K. Will the expenses also rise to \$570K? Usually not. These are actual cases that were audited. As you may guess the results weren't very good.

- Choose your tax-preparer and accountant carefully: You are responsible for your business return. If there are errors triggering an examination, you are the one who will be audited and pay. When the IRS suspects tax preparers of incompetence or misconduct, it can force them to produce lists of clients who may face examination. Here are some guidelines to use when

choosing an accountant or tax-preparer:

- Always use preparers with certifications. EAs (Enrolled Agents), CPAs and Attorneys are the only ones authorized by the Treasury Department to represent clients before the IRS. There are many good preparers out there without certification, but how would you know which are good and which are not?

- Never accept a return without the preparer's tax ID number and signature ... this is required by law. If it is left blank or states "Self Prepared" there's something wrong!

- Review your return. Are the figures on the return the ones you gave? Ask questions. Even the best preparers can make a mistake, especially during the pressures of a busy tax season.

- Talk to your accountant. Be sure you're on the same page and ask about strategies. Be proactive. It will keep you out of trouble and save you money.

In recent years IRS audits have dropped

for staffing reasons, but are now increasing. Businesses and average-to-higher income individuals have greater chances for audits in coming years. This is just a small sample of the savings possible with good planning. There's not enough room to list them all, but they're out there waiting for you ... just like the IRS.

Patrick Astre – CFP, EA, RFC – is an author, speaker and a recognized tax and financial expert specializing on the economic issues of longevity and business. As the founder of Astre Planning, Inc, Patrick has been advising individuals, small businesses and corporations for nearly 40 years. Clients include ING Direct, Princess Cruises and Emerald Passport International. He is the author of, "This is Not Your Parents' Retirement," (Entrepreneur Media Publishing) and "Educated Investing and the Four Seasons of Money." For more information, contact Patrick at 1-631-744-9100 or visit www.ProsperousBoomer.com.



Jewelers of America Releases 2008 Cost of Doing Business Survey

In 2007, mid-range independent retailers saw declines, while higher-end independents grew 3.5%

Jewelers of America, the national association of retail jewelers, has released the *JA 2008 Cost of Doing Business Survey*, which analyzes member stores' financial data from 2007. The *Survey*, which has been published annually for 17 years, represents the most complete and historical comparative financial information available to specialty jewelers in the U.S. It compiles data from a cross section of jewelers, including independent high-end firms (22.6%), independent mid-range firms (36.5%), jewelry chains (7%) and designer/custom jewelers (11.8%).

Sales Growth & Profit

For Jewelers of America members, 2007 produced mixed results. There was growth among designer/custom, independent high-end and chain retailers; while mid-range independents saw real declines. Overall growth was essentially flat for the first time since 2001 and 2002, coming in at -0.3% on average (down from 4.1% in 2006). Designer/custom retailers fared best with a 6.1% sales increase over 2006. Independent high-end retailers saw growth of 3.5%, but that was down from 2006, when



the category was up 7.4%. Chain stores experienced 2.5% sales growth, while mid-range retailers were down 1.7% compared to 2006 sales.

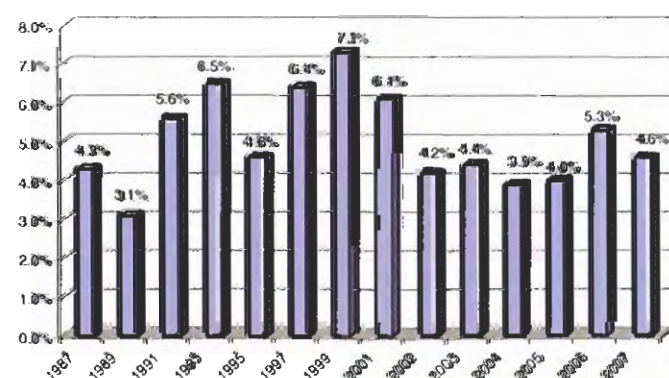
Profitability was down in 2007, with specialty retailers experiencing a median 4.6% net profit as a percent of net sales compared to last year's 5.3% [Chart 1]. Gross margins were 48.7%, down from an increase of 49.1% in 2006. Results once again varied by type of specialty jeweler, with independent high-end retailers seeing their margins improve slightly to 45.2% (versus 42.9% in 2006), while chains and designer/custom firms were pressured by lower margins.

Gross margins at independent mid-range stores were steady from year to year.

Share of Sales

The *Survey* shows that the distribution of sales remained consistent from year to year. Diamonds (loose and set) are still in the majority, with 52% of sales, up 2% from 2006. The next biggest product categories are colored stone jewelry (10% of sales) and karat gold (8%). Repair sales continue to be important, bringing in 11% of sales, up 1% from 2006. Sales of timepieces went from 4% of sales to 3% of sales, compared to 2006.

Chart 1.
Net Profit as Percent of Net Sales



High-Profit vs. Low-Profit Stores

The *JA 2008 Cost of Doing Business Survey* proves that effective management can make the difference between a high-profit and a low-profit firm. While high-profit stores in 2007 did not have greater sales per store (\$1,179,108 on average compared to \$1,214,544 for low-profit stores), they did have higher sales per full-time employee, with lower payroll and operating expenses. Also, high-profit stores had a 20% greater inventory turnover than low-profit firms [Chart 2].

High-profit retailers contained their operating expenses in 2007 by spending a lower percentage of net sales on payroll, occupancy, advertising and other related expenses. They spent 6.5% less on total operating expenses than low-profit companies [Chart 3]. "It is clear that high-profit jewelers do many things just a little better than their low-profit competition," says industry analyst Ken Gassman, who Jewelers of America commissioned this year to do a supplementary analysis of the *Survey*, entitled *JA 2008 Cost of Doing Business Survey: An Analysis*.

In his analysis, Gassman

Chart 2.

Comparative Financial & Operating Ratios High-Profit vs. Low-Profit Firms

Performance Measure	High-Profit Firms	Low-Profit Firms
EBIT to Total Assets	13.8%	2.7%
Net Profit Before Taxes to Net Sales	8.7%	0.8%
Asset Turnover (net sales/total assets)	1.6X	1.4X
Inventory Turnover	1.2X	1.0X
Sales Per Square Foot - Total	\$556.25	\$609.58
Sales Per Full Time Employee	\$251,643	\$238,500
Sales Growth	2.8%	-1.0%
Total Debt to Total Assets	41.7%	48.9%
Current Ratio	3.6	2.9
Sales Per Store	\$1,179,108	\$1,214,544
Store Size	1,775	2,200

Chart 3.
Comparative Income Statement High-Profit vs. Low-Profit Firms

	High-Profit Firms	Low-Profit Firms
Net Sales	100%	100%
Cost of Goods Sold	49.3%	52.6%
Gross Margin	50.7%	47.4%
Operating Expenses:		
Payroll (Incl. Benefits)	20.0%	20.3%
Occupancy %	4.9%	5.9%
Advertising & Promotion	3.3%	4.4%
Employee Training & Ed	0.1%	0.2%
Other Operating Expenses	7.8%	9.8%
Total Operating Expense	38.9%	45.4%
Operating Profit	10.0%	1.2%
Interest Expense	0.9%	0.9%
Other Non Operating Income	0.1%	0.1%
Other Non Operating Expense	0.0%	0.0%
Profit Before Taxes	8.7%	0.8%

observes that while financial results for 2007 were less robust, the business is cyclical. "It wasn't a bad year in 2007; rather, it was clear that the industry hit its 'high water' mark in 2006, and the tide began to recede in 2007, a trend that continues

today," he says.

Gassman's analysis not only looks at this year's numbers, but also offers a historical perspective. Retailers may yearn for the "good old days" of more prosperous times, but he says a look at the *JA 1998 Cost of Doing Business Survey* (which reviewed 1997 data), reveals a different story. "Ten years ago, jewelers' gross margins were lower; their stores were large, inefficient...and, sales per store were a fraction of current levels," he notes.

Jewelers of America's 2008 Cost of Doing Business Survey contains 77 pages of data tables organized by the four categories of specialty jewelers. To order the 2008 *Cost of Doing Business Survey*, visit www.jewelers.org or call Jewelers of America at 800-223-0673. It is available to Jewelers of America members for \$24.95 and non-members for \$150.

Big Risks Come in Small Packages



Big things come in small packages is certainly true for jewelry. But when it comes to shipping, a "small" piece of expensive jewelry has a better chance of arriving safely if it is delivered in a big, inconspicuous package.

Shipping the Hope Diamond in a large plain brown envelope to the Smithsonian Institute proved to be an insightful move to avoid a potential loss. However, experience shows that a small package passed through many hands, may end up lost or otherwise diverted if every handler down the line knows of the high value inside.

Jewelers may face a greater risk of theft when shipping their products than any other retailers. Shipping jewelry takes more thought than simply placing items in a box and attaching a mailing label. Below are some tips that may help you review your shipping procedures and possibly prevent a loss:

- Whenever you ship jewelry, double-box it. Place one of your business cards and

the packing slip in the small, inner box containing the jewelry. The larger, outer box should be strong, and large enough that a dishonest shipping company employee cannot hide it. Use a plain outside box and do not use labels that indicate value.

- Small boxes, folders, or envelopes are much easier to steal or to become lost by handling mistakes – so bigger is better. Special security tape might seem like a good idea, but is more likely to be a red flag for thieves. Tape the box securely using reinforced tape. Never use jewelry-related words on the box or label since it draws attention to the high value of the contents. Using jewelry terms in the address or your return address is like writing "steal me" on the box.

- Make certain the address is accurate and then glue or tape the label securely to the box. Consider the type of labels you use when shipping jewelry. Don't use the type that is inserted into a clear plastic sleeve or pouch. Thieves can easily replace

these labels with new ones that divert the delivery destination to one of their liking.

- Use plenty of packing material so the box is quiet when you shake it. Add some extra weight, because a very light, large box indicates high value. Apply regular, reinforced shipping tape.

- Always require that a signature be obtained upon delivery. This helps assure that the package arrived at its destination and may help track a lost package or help identify a thief if it falls into the wrong hands.



- Check your current insurance policies and procedures. Your insurance policy may not properly cover shipping jewelry, as each type of shipment needs a limit for coverage to apply. There is often a one-limit option providing parcel delivery service and another covering Registered Mail™ or Express Mail® by the U.S. Postal Service (USPS). Depending on the insurer, you may or may not be required to purchase insurance from the USPS. Armored car services may also be provided under some insurance contracts. Make sure you completely understand how your insurance carrier will respond to your various needs. Use the U.S. Postal Service's Registered Mail™ or Express Mail® shipping options as often as you can. Loss statistics compiled by the Jewelers Security

Alliance show this is by far the safest way to ship jewelry. You can also arrange for the USPS to pick up your packages. Another overnight delivery option is FedEx's Declared Value Exception (DVX) program.

- Consider the destination. New York City, Chicago, and Los Angeles require particular attention. It is especially risky to use a parcel delivery company to ship jewelry to these ZIP Codes: 10036, 90013, 90014, and 90015, so take special precautions.

Ship wisely and safely. Even though the shipment is insured, if it is lost or stolen, you can't recover the hidden costs of the loss. Insurance won't make up for your time to investigate and file a claim, or for the sentimental value and loss of customer trust and goodwill.

Following these risk management guidelines will help assure that your "big" small items are delivered safely. This article was provided by Federated Mutual Insurance Co. Risk Management Strategies For Jewelers The FEDERATED Insurance Companies Home Office: Owatonna, Minnesota 55060, Phone: (800) 533-0472, www.federatedinsurance.com

This publication 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

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

Jewelers of America Helps Jewelers Thrive in 2008 with Free Business-Building Tips Online

New online program is designed to give retailers five actionable tips a week to build their businesses



Responding to retail jewelers' concerns about economic conditions, Jewelers of America, the national association for the retail jeweler, has launched a Thriving in 2008 program online. The elements include:

- Daily online retail jewelry tips at a new microsite, <http://tips.jewelers.org>
- Tips in Action: individual jewelers' proven strategies for thriving in 2008
- Thriving in 2008 weekly e-newsletter

The Thriving in 2008 program kicked off in May and will continue throughout the year. In addition to a daily tip on the Thriving in 2008 site, the weekly e-newsletter delivers the week's five tips directly to jewelers' inboxes every Friday.

All jewelers can sign up to receive the free Thriving in 2008 e-newsletter at Jewelers

of America's homepage, www.jewelers.org, where they can also link directly to the Thriving in 2008 site (<http://tips.jewelers.org>). At the Thriving in 2008 microsite, Jewelers can view past tips grouped by topic to quickly find ideas that fit their immediate needs.

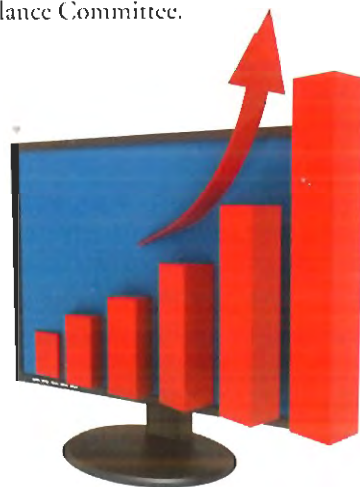
"Jewelers are facing challenging times right now, and Jewelers of America is providing them with actionable tools that will help them to succeed," says Jewelers of America Chairman John Green, owner of Lux, Bond & Green, West Hartford, CT. "If we can do one part of our jobs better, smarter and more cost effectively every week, our company will be more profitable and enjoyable. Jewelers of America's daily tips and weekly e-newsletter help retailers

do this - so they don't have to face the holiday season unarmed."

Calling upon the knowledge of Jewelers of America's resident experts, such as Director of Education David Peters and Jewelry Information Center's Amanda Gizzi and Helena Krodell, the daily tips deliver quick, up-to-date and timely strategies for retail success. The immediately actionable tips cover all areas of jewelry retail, from financial management and marketing to customer service, display, merchandising and more.

The business-building tips also take advantage of insights contained within Jewelers of America and JIC retail information products, such as the Jewelers of America's annual Cost of Doing Business Survey and JIC's Public Relations Handbook and trends reports.

In addition to internal resources, the daily tips pull together advice from a wide range of industry sources including the World Gold Council, the Diamond Promotion Service and the Jewelers Vigilance Committee.



www.texasjewelers.org

Meet Jay Volk One of TJA's Newest Board Members

The Texas Jewelers Association would like to welcome one of its newest board members Jay Volk, who owns and operates J. Patrick Diamonds Inc. in Dallas. His company has been working with manufacturers, designers and retailers for more than 20 years.

How long have you been in the jewelry business?

I've been in the jewelry business for 23 years. For the first two years, I worked in retail. After that, I formed a partnership with an over the counter buyer. We built the business from nothing. First we had one account, then 10 accounts, then 25 accounts.

Today, with one receptionist, I work with 60-70 manufacturers, designers and retail jewelers from here to Maui, Hawaii.

I still work with some of the first clients I picked up. We work as teams, rather than me picking things out of the air. I know their clientele and what will appeal to them.

What is your favorite thing about your job?

I love the process of putting together layout and trying to figure out what the end user's taste is. I listen exactly to the information jewelers give me, and come up with something their client will fall in love with. I pride myself on communicating very well with the jeweler, provided they get the information from the client. I also pride myself on having diamonds with personality.

What is the least favorite thing about your job?

Collecting money.

What's the best advice anyone in the industry ever gave you?

Do what you say you're going to do. Do that and you'll go far.

Why is it important to serve on the Board of Directors?

To help TJA pull jewelers together to work as a unit, instead of separate entities. If we can form buying groups and networking groups, we can keep the business in Texas. This association should work for its members.

How do you spend your time away from work (hobbies, interest, etc.)?

Ice hockey, gardening and painting. Right now I'm working on an oil painting of my daughter.

When I was a child, I wanted to be a....?

A professional hockey player. I grew up in Canada.

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The Eyes Talk in Business

BY LINDA TALLEY



Oculus is the study of eye contact and it is constantly being researched in university settings around the world because of its importance in the business world. Eye contact is something we all do, if we want to succeed in the business world because no eye contact throws up the perception of hiding something, deceiving someone, uncertainty and fear. You can imagine, any one of these is a killer in business relationships.

When you make eye contact with someone, it can show different things. For example, when a staff person walks into your office and you make 2-4 seconds of eye

contact with that person, you are showing warmth and attentiveness and recognition. Why do I mention recognition? Regardless of how long you may know someone, for each meeting, until you make eye contact, that person will feel invisible.

You can use eye contact to make the person feel welcome, usually 2-4 seconds. If you want to intimidate them, maintain eye contact for 8-10 seconds or longer. In this respect, the person who maintains eye contact longer will be perceived as more effective, confident and have a higher status.

Longer eye contact is also perceived as intimacy. Remember when you were dating

your beloved? How many times did you sit and stare into each other's eyes? Great way to create intimacy!

Using prolonged eye contact is a way of controlling the person or the business situation, particularly in negotiations. Why are there always an equal number of people from opposing sides during negotiations? Because if there is an unequal number, the person who is faced by the most people has the most influence.

So next time you make a sales presentation to a prospect, take along another person such as the sales manager or technical rep so that you have the prospect and the other person facing you, thereby, creating the perception of influence in the eyes of the buyer.

No eye contact can be a power methodology where you might say, "you are not important enough for me to look at" or a control methodology where you say, "I'm angry at you and not willing to see you. When you straighten up, then I'll look at you." Unfortunately we use "no eye contact" without thinking and it has dreadful consequences with staff as they feel invisible and become resentful towards you. This usually leads to decreased productivity and morale issues. The same thing happens at home. When you arrive at home and don't make eye contact, your spouse, kids and the dog feel invisible, taken for granted and lacking. Of course, if you have a cat, they simply don't care.

Use eye contact to create and sustain relationships at work and at home. Remember, eye contact in business is used for a variety of issues, make certain you are saying what you want to say with eye contact or no eye contact.

Linda Talley, a leadership coach, offers personal coaching sessions and frequently serves as a speaker at seminars and training sessions. For more information on her services and products, visit www.LindaTalley.com.

Smile...It May be the Boss Calling

BY NANCY FRIEDMAN, TELEPHONE DOCTOR

There's rarely a program I present that someone doesn't ask me if smiling is really that important – either on the phone or in person. People actually ask me: "Nancy, can you really hear a smile?" Yes, Virginia, you can really hear a smile. And your caller can hear the lack of a smile as well.

So this is a column about SMILING and the reasons for it. Now, if you happen to already be a smiler, you might want to pass this article on to someone who isn't, or doesn't know that you CAN HEAR a smile.

First, let's take the word SMILE from Webster's dictionary:

SMILE: To smile, be astonished; to have or take on a facial expression, showing pleasure, amusement, affection, friendliness, irony, etc...and characterized by an upward curving of the corners of the mouth and a sparkling of the eyes. See! It's something most everyone can easily do.

And if it's that easy...don't you wonder why more people don't do it? Haven't you ever been in a store, or just been walking around, and see that people aren't smiling. Even when you start talking with them?

A recent *New York Times* review by Roxana Popescu of the book *A Brief History of the Smile* written by Angus Trumble asks a very good question – "Why do English speaking people say CHEESE to make you smile, but Chinese speakers say Eggplant?" And Trumble continues, "The spontaneous smile of the little child is essentially truthful."

"Certainly we all know, not saying 'please' and 'thank you' is usually considered rude," says Friedman, "but the list of rude behavior is much longer than those offenses. I'm not sure why we constantly need to be reminded to smile," she continues, "but we do. You'd think it was common sense to smile when you're with a customer." Ah, but common sense is not that common now, is it?

Will a smile help? "Well," says Friedman,

"as my mother used to say, 'it couldn't hurt.'" Friedman also suggests keeping a mirror by your desk. "That" she says "is yet another good reminder to keep a smile on your face when you're talking with customers."

My husband and I are in airports a lot. We've made a conscience decision to keep a slight smile on our face when we walk through them. Why? Because when we look at the faces coming towards us... mouths turned downwards, looking worse than sad – almost mad...we decided we didn't want to look like that. Sure, it may feel a little funny keeping that little smile on our face, but we both know we look better for it.

SMILE week reminded me of a story a skycap told me a few years ago. You'll enjoy it.

JOE, our friendly skycap at the St. Louis airport told me this story. He was walking

through the airport a while back and came upon a woman sitting hunched over on her luggage – mouth turned down as far as it could be turned down. She looked – in his words – terrible. He decided to go over and ask her if she was OK. "Excuse me, M'am," he said, "are you OK?" The woman looked up – mouth continuing to be turned down, and grumbled a mean "YES." "Well," he said, "NOTIFY YOUR FACE."

So remember, if someone comes up to you and asks, "are you OK?" it probably means you don't look very happy.

Now say... "Cheese."

Nancy Friedman is president of Telephone Doctor, a customer service training company. For more information, visit www.TelephoneDoctor.com.

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JA Applauds Action on Burmese Gemstones

Jewelers of America, which last fall called upon Congress to amend the Burmese Freedom & Democracy Act of 2003 to include gemstones mined in Burma, commends the U.S. Congress for passing a bill to that effect on July 22, entitled: 'Tom Lantos Block Burmese JADE (Junta's Anti-Democratic Efforts) Act of 2008. The legislation prohibits the importation of Burmese jadeite and rubies, and jewelry containing those gemstones.

Jewelers of America issued an advisory to its members last fall, detailing its deep concern about the Burmese military government's longstanding human rights violations. "Jewelers of America members believe it is their responsibility to support and respect the protection of international human rights within their sphere of influence and to make sure the sourcing of gemstones is not complicit in human rights abuses, in line with the commitments they assume to the association's Statement of Principles."

"These commitments include adherence to the principles of U.N. Global Compact,



which JA has agreed to support." To see the complete Jewelers of America Statement of Principles go to: www.jewelers.org/aboutJA/responsibility.html.

Some of the steps Jewelers of America asked its members to take last fall included contacting their suppliers to ascertain whether any of the gems they supplied were from Burma. The association also urged members to seek, on all future orders placed, written assurances from their suppliers that they would not knowingly supply any gems mined in Burma, until the process of democratic reform had started in that country.

Hughes Leaving AGTA GTC

Richard W. Hughes, Gemological Administrator for the AGTA Gemological Testing Center (AGTA GTC), will be leaving his position effective at the end of August for a new opportunity in Thailand. Hughes has been with AGTA since 2005.

Hughes is one of the world's foremost authorities on ruby and sapphire. A Fellow of the Gemmological Association of Great Britain, his first book, the highly regarded Corundum, was published in 1990. Richard's 1997 book, Ruby & Sapphire, is the standard work on the subject and is considered among the finest monographs ever written on a single gem species. He also contributed several chapters to Robert Webster's Gems.



JFC Pledges \$3M to Charities

Jewelers for Children (JFC) has committed \$3,070,000 to its charity partners for the year ahead. The JFC made the announcement at its 10th annual Facets of Hope celebration held on June 1 in Las Vegas.

The distributions will include \$1 million to the National CASA Association to continue funding the Champions for Abused Children program. The National CASA Association supports and promotes court-appointed volunteer advocacy for abused and neglected children so they can thrive in safe, permanent homes.

JFC has also pledged \$1 million to St. Jude Children's Research Hospital toward a \$5 million multi-year commitment to fund research into the immune system. Including the 2008 monetary commitment, JFC has donated \$30,535,000 to charities on behalf of the jewelry industry since 1999.



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18 to 22 pointers	\$ 675	\$ 850	\$ 1,050
23 to 29 pointers	\$ 825	\$ 975	\$ 1,250
30 to 37 pointers	\$ 975	\$ 1,150	\$ 1,350
38 to 44 pointers	\$ 1,175	\$ 1,375	\$ 1,575

Princess	Weight	SI1/2, GH	VS, GH
1.5x1.5 to 1.7x1.7	.03	\$ 425	\$ 525
1.8x1.8 to 2.2x2.2	.05	\$ 525	\$ 625
2.3x2.3 to 2.7x2.7	.10	\$ 625	\$ 725
2.8x2.8 to 3.1x3.1	.15	\$ 750	\$ 850
3.2x3.2 to 3.4x3.4	.20	\$ 850	\$ 925
3.5x3.5 to 3.7x3.7	.25	\$ 950	\$ 975
3.8x3.8 to 4.0x4.0	.33	\$ 1,150	\$ 1,250



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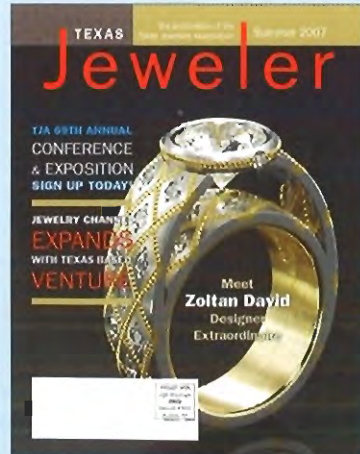
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GOLD & RED CARDS

**They will make you
a ton of money A little record
keeping makes you the
seller of choice**

BY BOB JANET

*Everyone knows the more you know about your customers
the easier it is to build a relationship.
Relationships = Trust = Sales*

Years ago I was embarrassed in front of a customer because I did not remember his wife's name. I should have remembered her name because they together had purchased electronics, furniture, appliances and tires from me for over 12 years. I vowed this would never happen again. Since I have a terrible memory I started writing everything down about every customer on index cards. Everything: name, address, telephone number, fax number, spouses name, every birth date of every member of the family, mother and father in-laws names and special dates, brothers and sisters, girlfriends names and special dates, (including anniversary of their meeting), what they had purchased from me and when, what I thought they might purchase from me in the future, etc. - everything.

Now right about, now you are thinking this is a lot of work. Well it really isn't because you do it over the time you first market to your new prospect and continually add to it. I started to make sales because I had information and used it that my competition did not have.

For examples:

If you were in my electronics store to purchase a new television and while there I demonstrated a stereo system to you, I wrote down on my card that you were interested

in a stereo system. Then a month before your birthday or a birthday of someone in your family I would telephone you and tell you the stereo system you were looking at was on sale.

My system always worked in my Jewelry store. Everyone looking at Jewelry indicated other pieces they wished they had when they purchased what they came in to buy. All I did was write the item down on my index card and wait until an occasion, (birthday, anniversary, graduation, etc) came and then contacted them.

**GOLD CARDS
have made me a ton
of money for years and
now RED CARDS
are adding to
my profits.**

When you purchased tires from my tire business we would measure the amount of life left in your brakes, determine when you needed an oil change (by asking you) and then when we figured it was time for you to replace your brakes, or change your oil, we called you.

I can go on and on and give you thousands of examples because my index cards became my major form of marketing.

This marketing system, my white index cards make me so much money I call them GOLD CARDS.

I was telling the sales professionals of Exterior Supply Co., during our sales growth seminar, this sales marketing and selling technique and the owner Mike Emily gave us an idea that is just as good. Mike, knowing that the more you know about your competition the easier it is to sell against them, came up with the concept of RED CARDS. A card with every bit of information there is about each of your competitors. I would include information about each of their sales people, prices, items they carry and items they push most, their buying terms, hours of operation, delivery information and who their customers are. Also what their customers like best about them, (We always want to know that, so we can do it better.) and what their customers like least about them. (So we can capitalize on their short comings.). All you have to do is telephone their customers and ask them. Like your customers, you can never know too much about your competition.

GOLD CARDS have made me a ton of money for years and now RED CARDS are adding to my profits.

Bob Janet is a sale and marketing expert. For more information, visit www.BobJanet.com.

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