

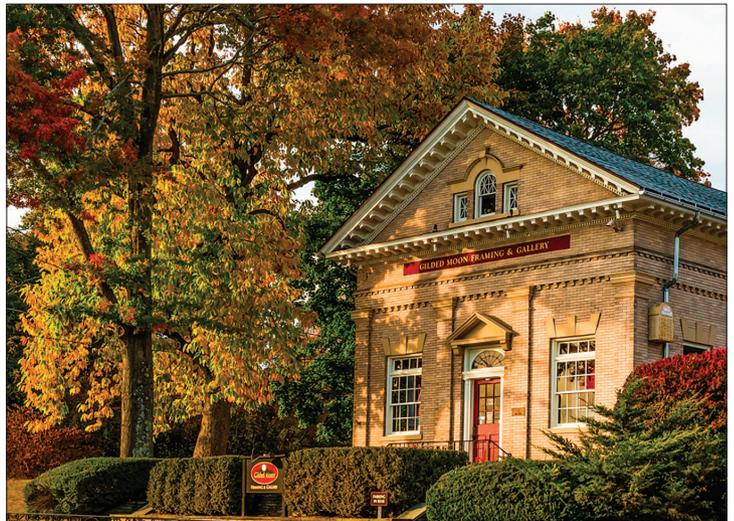
Building a Business of Value

There are no statistics available for how many frame shops end up selling versus closing when an owner decides that they are ready to move on. I do, though, have a pretty good feel for the answer, since I own Bella Moulding and every year we have a percentage of frame shops that close, while others introduce us to new owners. So, what I am about to tell you is more than anecdotal. I would call it observational, but not quite scientific.

Here is what I see: most (80-90%) frame shops just close. There are a few reasons for this: 1. The business might not do well enough to be worth anything. 2. The owner might not know how to successfully put it up for sale. 3. The lease on the store is not stable. 4. They might just not have any desire to sell it, for numerous reasons.

There is nothing to say about reason #4, as this is a very personal decision and people should do whatever works for them. On the other hand, I have plenty to say about #1-3. As a matter of fact, it is a perfect summary of everything I have been speaking about, writing about, and living for many years. This will all sound familiar to people who know me: just because you love framing doesn't mean you shouldn't make a really good living at the same time. If this is obvious to you—well, progress has been made!

My speaking journey started after I sat through a speech by the president of the trade association at a national tradeshow probably



35 years ago. He made the following proclamation: "I've never met anyone who really made money in this industry; they are in it because they love framing." I didn't know whether I should laugh or cry. In fact, his statement might have been accurate from his perspective, since he obviously hadn't met the people who were doing quite well. I have spent the years since trying to give insights into how to both love framing and make money. There are plenty of success stories, and this magazine has profiled many of them over the years. With that being said, I am thrilled to share a story that encapsulates everything I have been talking about; how to build a company that has value, so you can make a good living and also have something to sell at the end of your rewarding and meaningful journey.

Over this past summer, I traveled to New York State to go to a family wedding. While there, I was sitting in front of a coffee shop

Gilded Moon Framing, owned by Jill and Paul Choma and located in Millerton, NY, has been valued at \$1.85 million. Here, the Chomas reveal how they built a business of value.

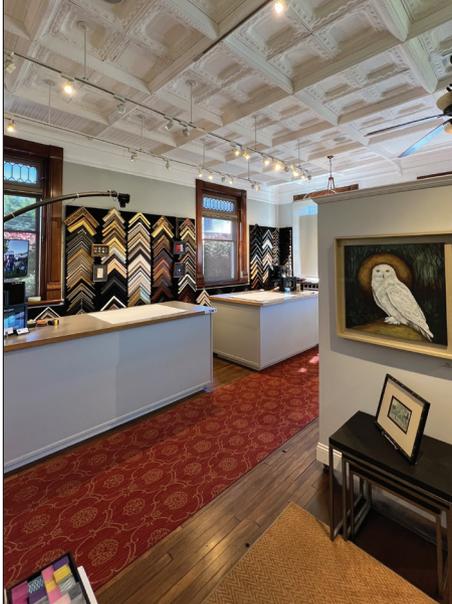


Jay Goltz is president and founder of Artists Frame Service, Inc., the world's largest custom picture frame shop, and Bella Moulding. With more than 40,000 square feet and 50-plus employees, this facility is more than 20 times the size of the average picture framing company in the U.S. He also owns Chicago Art Source and Jayson Home, located adjacent to his framing business in Chicago. Jay has received numerous business awards and is a frequent public speaker. Artists Frame Service was featured in the book "Small Giants-Companies That Choose to Be Great Instead of Big" by Bo Burlingham (editor of Inc.). Jay is also the author of "The Street-Smart Entrepreneur."

in Millerton, NY, and across the street, perched on a hill was a beautiful old bank building that had been converted into a frame shop. The sign read Gilded Moon Framing, which I immediately recognized as I have had a long relationship with the owners. You might find the name familiar because the store and its owners, Jill and Paul Choma, were featured in this magazine in June 2018. I was excited to have an opportunity to see their store and catch up with them.

I walked in and was warmly welcomed by their lead designer, Helen.

She explained that Jill and Paul were out of town on vacation, but she'd be delighted to give me a tour. I was in for a surprise. Not only is it a beautiful store with an extensive selection and lovely samples of framed artwork, but it also has an incredible bank vault with a glass door that shows all of the gears, or "complications," as they say in the watch business. In some ways, it reminds me of what framing can be about; taking something beautiful and old and making



The business was started in 2004, and is now serving as a vehicle for its owners' retirement.

it new. In some artful and psychic way, the bank vault just works. This was clearly one of the nicest frame shops I'd ever seen. I was thrilled that I accidentally ended up there, and frankly, it was much more exciting than the wedding! (I know my relatives don't get this magazine.) I was sorry that Jill and Paul were out of town, but they called me soon after my visit.

After several minutes of chit chat, they gave me the news; they'd decided to explore selling the business with the property so they can retire and transition to the West Coast, where their

children have relocated. I'll "cut to the chase"—the business with the property has been valued at \$1.85 million. Unlike many other frame shop owners I have talked to, this is not based on their opinion. It is the result of an appraisal from both real estate professionals and an experienced business broker. The appraisal of a business is typically based upon cashflow, and so is commercial real estate. Many frame shops don't make enough money to create any value after

Imagine the Possibilities...

*Color - Texture - Design...
...are yours to define*

**Stock Moulding • Stretcher Bars
Custom Milling • Finishing Kits**



Superior quality Unfinished Moulding
& Stretcher Bars, since 1922

*Provide your customers
with something exclusive*

**Toll Free: (855) 759-5900 • Fax: (323) 758-4071
info@fosterplaningmill.com • www.fosterplaningmill.com**

you back out the market price of paying someone to run it, whether or not it is the owner. Most people do not want to basically “buy a job.” They want a return on their investment in addition to paying themselves for running the business. In this case, the person who pays the \$1.85 million will get a very good return on their money, whether they get financing or pay cash. The price is in line with everything I know as both a business owner and as a real estate investor.

Jill and Paul started the business in 2004, and in addition to making a very good living and enjoying what they do, they have built a very nice vehicle for retirement. I wish this for everyone who wants or needs to get some value out of their business when they decide it is time. I am going to give you the keys to this success story. Better yet, I’m going to let Jill and Paul tell you. **PAUL CHOMA:** First of all, when we first considered getting into the framing business, Jill suggested a book to read. Perhaps you have heard of it; “The Street-Smart Entrepre-



The old bank vault is still intact inside Gilded Moon Framing.

neur.” We related to the no-nonsense approach described in the book. We speak the same language. (For those of you who don’t know, that is the book I wrote in 1997. Nice to hear!) I also want to thank you for all of the advice you have given us over the years, from your classes at the show, articles you have written, and for being so approachable both at the shows, and the few phone calls along the way. Your “formula for success” has served us well. I also want to thank PFM and all of the instructors at the trade show who have given us invaluable education on everything from

framing to business. To show you we have been paying attention, I would say there are five keys to success:

1. Having the right location is very important. As you have said many times, 90% of the zip codes in America cannot support a frame shop. We were very deliberate in where we opened our store. Yes, Millerton is a very bucolic place, but it is the business hub for many affluent surrounding towns filled with people who have the desire (maybe even



Oil Painting Restoration Supplies



Watch our restoration videos at gainsboroughproducts.com Call to order 800-227-2186



©2023 Framerica is a registered trademark of Framerica Corporation.



Framerica
AMERICA'S FAVORITE
CATHEDRAL™
GREIGE

©2023 Cathedral Greige is a trademark and Framerica is a registered trademark of Framerica Corporation.



A view inside the shop, which operates out of a converted bank building. The location was something the Chomas researched intensely before choosing to open their doors there; they wanted to be sure the town and surrounding area could financially support a custom framing business.

need) for beautiful framing, and can afford it. Since we are within 100 miles of New York City, many people have second homes here. Early on Jill spent months researching the surrounding community to understand if a framing business could be sustained.

2. We have never been afraid of showing the best products in the industry, from Rhonda Feinman frames to Bella Moulding. We sell plenty of Tru Vue Museum Glass and acrylic, and almost always use conservation materials. And just because our customers can afford high-end framing doesn't mean they don't occasionally want a more economical option. For this reason, we offer frugal framing options as well. It comes with the territory. The customers always get what they paid for, and they go home very happy.

3. We have gone to most of the trade shows since we started. The education and relationships with vendors have proven to be invaluable. We have built a team we can rely on to help us execute our vision and to push the boundaries of framing.

4. Building a business requires attracting and keeping a staff who can offer their expertise and build relationships with our valued customers. That is why we have a busi-

Coverage you can count on!

Wizard Premium Service Plans

Your Wizard Computerized Mat Cutter is a critical tool your business depends on. Our Premium Service Plans provide varying levels of support through an annual subscription with affordable monthly billing. Don't go another day without having your cutter insured against the unexpected. Get the peace-of-mind coverage you need!

Learn more about our Premium Service Plans:
<https://info.wizardcutters.com/service-plans>
 Or call (866) 285-5582



Wizard products are proudly designed, built, & supported in the USA by hard-working Americans.



ness to sell. It isn't totally dependent on us. We have a terrific, well-trained, dedicated staff. Over the years, we've invested in their training, and have been rewarded with the longevity and professionalism they have acquired while at Gilded Moon.

5. Last but not least, buying a building has proven to be a critical part of our success. It gives us stability without exposure to the whims of a landlord, and also provides an asset that can be borrowed against. That's it. How did I do?

JAY GOLTZ: I couldn't have said it better myself! Jill, how "motivated" are you to sell?

JILL CHOMA: We would like to sell, but we don't have to sell. If the time isn't right, we can wait until it is. We are committed to find the right buyer.

JAY: Isn't a buyer a buyer?

JILL: We want someone who will continue to take great care of our customers and our staff. The right buyer also must



Offering top products, buying their building, and finding great staff helped them succeed.

possess the financial acumen to understand that \$1.85 million is a very reasonable price that will provide a healthy return on investment. We have the luxury, by design, to wait for the right buyer. And we are willing and able to stay on for the time necessary to help the new owner(s) thrive, even if that means selling the business and not the property. Again, this business is not dependent on Paul and me. We have training procedures and manuals in place.

JAY: If someone is interested in pursuing this, who should they contact?

PAUL: We have enlisted the help of a broker who will facilitate the sale.

JAY: I would like to thank and congratulate both of you. You have proven to be a great example of how you can love what you do and build value. I am confident that many people will get insight and inspiration from your story. I am also confident that a passionate buyer will see what a great opportunity this is and carry on the great legacy of Gilded Moon Framing. **PFM**



MUST-HAVE TAPES FOR PROFESSIONAL FRAMERS

Pro Tapes® is a master converter and manufacturer of pressure sensitive adhesives, with over 45 years of experience.

We offer a line of premium tapes specially designed for professional mounting, matting and framing applications.

Framers who use our products have come to rely on their superior performance. We provide tapes with unique features such as high conformability, pH neutrality, solvent and chemical resistance, delamination resistance, high adhesion and tack, & more!



Reach out to: Steve Espinal, Graphic Arts Manager, at sespinal@protapes.com
Visit www.protapes.com to discover our full line of products.