

Dennis Collins from the Chevron Group and Dennis Collins Jewellers in East London talks to *SAJN* about being a jewellery retailer in today's challenging economic climate and the impact being a part of the Chevron Group has had on his business.

**What is your view on the current general trading conditions of the jewellery retail sector in SA?**

The perception and reality at the moment is that things are quite tough. There used to be many more retail jewellers countrywide than there are now. In fact, I think there might only be about 20% of the number there were years ago. The ones who've disappeared are mainly the "mom-and-pop" stores, while it appears that the chain stores have become bigger and stronger.

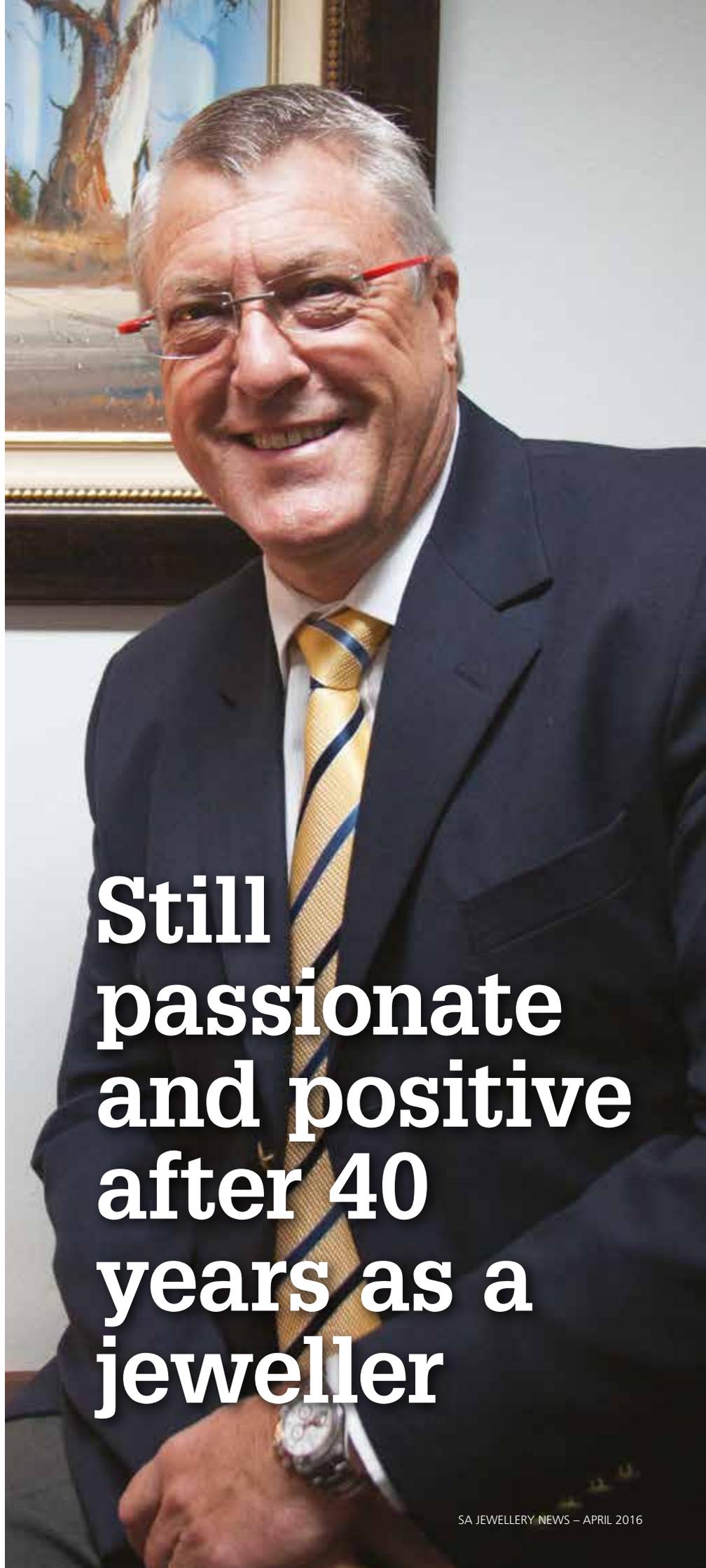
With less money being available today, I believe the secret is to really know what's going on in your business. Never before has there been more necessity to have good controls in place. You also need to know your market and focus on giving your market exactly what it wants.

**What do you see as the most critical element in running a successful jewellery retail store?**

There's only one thing worse than making a loss and that's not *knowing* that you're making a loss. Keeping books and budgets, even if you can't do it yourself and employ the right person to do it for you, is critical. I've been very blessed in that I've always had good people running my budgeting and accounts.

Cash flow is of the utmost importance in controlling your business. Another thing we do on a weekly basis is replenish our stock. My son comes in on a Monday and goes over every single item that we sold the previous week, analysing how long it was in stock and whether we need to replace it immediately.

The key is keeping your stock new and getting rid of old merchandise. If you replenish on a weekly basis – and not only when reps



**Still  
passionate  
and positive  
after 40  
years as a  
jeweller**

arrive every six to eight weeks – you'll never end up with a big backlog, having to place huge orders which you can't afford on 30 or 60 days' credit. Replenishing your stock on a weekly basis staggers your payments, keeps your stock fresh and gives you control of your stockholding and cash flow.

#### **Do you think things are going to become tougher for jewellery retailers?**

Unfortunately, the feeling out there is a very definite "yes". However, I believe that those who run their businesses well and know exactly what's going on might be able to take advantage of these difficult conditions.

#### **Has being a part of the Chevron Group benefited your shops?**

I can honestly say that Chevron is an amazing organisation and I can't believe it took me so long to join – and I've been a member for many years now.

There are about 32 individual members (although our membership has started growing) and we represent about 40 stores of those members. We have some of the major players in the jewellery industry, as well as many smaller jewellers who come from towns all over the country.

The Chevron Group is a forum for sharing ideas with some of the top jewellery brains in the country. We meet twice a year to discuss everything from staff to security, location, advertising and computer and financial systems. That's besides the financial assistance Chevron has to offer all members.

#### **As an executive of the Chevron Group, what was your impression of Jewellex Africa last year?**

I was co-opted onto the Jewellex Africa Planning Committee for 2015 and meeting clued-up people in the industry on a regular basis was a major part of what made Jewellex 2015 a great success. First of all, there was a lot more floor space hired out than in previous years, which meant many more exhibitors. The quality of retailers who visited was good and I've heard from numerous wholesalers that the first day – when Chevron members attended – was the best one they've ever had in the history of Jewellex. So I think 2015 was a turning point for Jewellex.

As far as the Chevron Group's concerned, we cut out our mini-mart (which is where wholesalers come directly to our meeting) and we co-ordinated our Chevron AGM to coincide with Jewellex, so that all our members who were in Johannesburg attending the Chevron meeting had the opportunity to walk across the road and

visit Jewellex, where they could invest in stock.

Chevron invoices of purchases from October to November 2015 were the biggest in the history of the Chevron Group, which we attribute directly to our members orders at Jewellex.

#### **What advice would you offer someone considering opening a jewellery retail store in SA?**

Unless you have a lot of experience or a family history in the jewellery retail sector, or you've got tremendous financial backing, opening a retail store is extremely difficult. You need to know exactly what you're aiming for on a daily basis to succeed.

#### **Do you think there is potential in opening jewellery retail stores in non-traditional locations such as townships?**

Definitely, although there are issues that need to be addressed, such as security. A person from that area might find it easier to open a store than an outsider would. Watch distributors, in particular, might fare well in townships.

“ I can honestly say that Chevron is an amazing organisation and I can't believe it took me so long to join – and I've been a member for many years now. ”

#### **How easy is it to get the correct people to work the front end of a retail jewellery store?**

People can always be trained. We have a saying: "We hire for attitude and employ for aptitude."

People can be trained to sell and can be taught about jewellery and watches, but they need to have the right attitude when you hire them. For me, when it comes to front-end staff, it's much more about attitude than about knowledge. We do train our staff and send them overseas for further training – from jewellery design to GIA courses – and it's been very rewarding, but attitude is an indispensable element.

#### **Watches have always been a critical part of retail jewellery stores. Are they still so critical?**

In certain stores they're not. I know of a big group which does extremely well and it doesn't sell watches at all – its focus is on diamonds, tanzanite and magnificent gold jewellery.

Watches do, however, still play a huge part in many retail stores and there's definitely a market for good, expensive brands. Branding, in general, is very important. I also know of a number of jewellery brands which are doing exceptionally well at the moment.

#### **Do you get the services you need from local suppliers?**

In terms of administration and paperwork, we definitely do. In terms of merchandise, more and more retailers have decided over the years to travel abroad. It's sad that that's the case, but we retailers have in the past been able to find far bigger selections there at far better prices. However, with the current rand/dollar exchange rate, that's become more difficult.

So jewellery manufacturers in this country have a great opportunity to step up to the plate with new ideas and begin producing the quality and style of jewellery we'd normally have to travel overseas to buy.

#### **In your own stores, what percentage of stock is imported and what percentage is locally manufactured?**

Our watches are quite a big part of our business, as we carry some big brands, so we have to take those out of the equation, because they're all imported.

About 80% of my jewellery, gold, diamonds and silver is imported – because even if I haven't imported it myself, I'm buying it from somebody who has.

#### **If you could have your career over again, would you still choose to enter the jewellery sector?**

Absolutely – even though some of my friends might think I'm nuts!

The trade's been very good to me and I've been very fortunate, thanks to the Chevron Group, Jewellex, the Jewellery Council and people in the industry. I've always made it my business to talk to these people and the big guns in the sector so that I can learn from them and they've all been amazing to me. It really has been very rewarding and we're truly blessed to be in the position we're in now in terms of the business. I must add, though, that I couldn't have done what I did without the support and dedication of my family. ■