

It pays to be on guard and proactive when the economy is slumping, says Bob Hawkins. He's reining in expenses, shoring up his business, and remaining optimistic about the future.

BUSINESS

By Stephanie Boozer

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Hard times

A depressed local economy spurred Bob Hawkins on a new path

As the reality of financial hardship, a shrinking middle class, and a general consumer malaise seems to have settled in across the country, what's a photographer to do? "Don't lose hope," says Bob Hawkins, M.Photog.ME.I.Cr., CPP, of Bob Hawkins Studio in Newton, Iowa. With over 30 years in the business, Hawkins has weathered many an economic storm. But with America's suffering economy, and locally, a major spike in unemployment in Newton, Hawkins is in the midst of one of the worst yet.

For about a century, Newton was the headquarters of Maytag Corp. and home of its largest factory. Fred L. Maytag's thriving company propelled the small town into a happily employed, self-sufficient entity. That is, aside from the famous workers strike of 1938, when the governor of Iowa declared martial law and the National Guard surrounded the factory with tanks and machine guns at the ready until the dispute was resolved.

But in the spring of 2006, change was in the air. Whirlpool Corp. bought out Maytag, and Newton residents were anxious about the plant's fate. To Hawkins and his wife, Sari, the merger was a black cloud on the horizon.

"It couldn't be good for Newton in the short run," says Hawkins. The merger could mean layoffs or worse, plant closure, and that could make a big impact on their business. The Hawkinses brainstormed over what precautions they could take if the worst should happen. They looked at their expenses for problem areas, and focused on belt-tightening and resolving their debts.

“You get your business rolling along, then all of a sudden you see the environment changing,” says Hawkins. “I decided I could either ride on top of the wave or go under wishing I’d done something. We chose to be proactive and it’s paying off.”

The worst did happen, as Whirlpool systematically laid off upper management, before announcing the plant’s impending closure. Roughly 4,000 Newtonians lost their jobs in 2007. And health insurance. And pensions. In a town of just over 15,000 residents, that’s a massive hit.

The effects on Hawkins’ studio have been

gradual. The customer count hasn’t changed, but those customers are spending less. It’s not a drastic reduction in average sales. A senior portrait session might include five or six poses now rather than 10. Or parents might pass on team sports accessories like photo buttons and trading cards. “Fortunately, we can’t say that business is bad,” says Hawkins, thanks to rethinking the cost of sales.

But staying afloat isn’t Hawkins’ only challenge. The town of Newton is aging, and the demographics are changing. Hawkins describes it as a “gray community,” where the average age of the residents is about 50. Births are down,

and the high school senior class numbers only 200 this year, and fewer in classes behind.

Newton’s market has changed,” says Hawkins. “It used to be much easier to throw a shingle out and get people in the door, but customer loyalty is different these days. People have more choices. So the question becomes, what do you do to create new business?”

Constant evolution is crucial to a studio’s survival, says Hawkins. With new competitors on the field in the form of just about anyone with a digital camera, and an increasingly savvy consumer base, photographers need to adapt. A major component of adapting is



a good sense of customer service and the ability to build a strong relationship with every client—the rising number of boutique studios and other businesses is solid evidence.

The Hawkinses started with a redesign of their Web site, which is still in progress, to appeal to a new generation. They've found that people will drive over 100 miles for senior portraits and wedding photography, and they are avidly working that angle as well.

"We're looking at every aspect of what we do, from pricing to style, to do the best we can to be appealing to a new demographic," says Hawkins. "It's obvious in this business climate that we need to make changes. Those of us who've been out here for a while really need to recognize that the market is different."

Before assuming a role in the studio, Sari Hawkins had been a McDonald's store manager. "She actually went to Hamburger University back in the '70s," says Hawkins. "It means she gained a strong focus on customer service. It may be clichéd, but I really feel you should treat people the way you want to be treated. We try to smile a lot, and most important, listen to our customers."

The Hawkinses are still exploring marketing approaches and business strategies for surviving the soft economy, but the most important part of their story is that it pays to be on guard and proactive. Knowing what you're spending, where your money is going, and most important, planning for the future is key to survival, says Hawkins.



As for the town of Newton, good news is on the horizon. A manufacturer of wind power generators is moving to town within the next year, creating possibly 400 to 500 jobs. There are also rumors that another maker of wind generators is scoping out Newton, and murmurs of other potential employers. Diversified employment makes a stronger town that's resistant to economic downturns.

A new runway has been added to the Newton Municipal airport, and the recently built Iowa Speedway hosted its first Indy last year, so there are definitely signs of new life around town. "In the long run, this change in the community will be for the better," says Hawkins.

"I sense that everything's going to be okay. As the employers come back, the community will rally and younger people move in. The evolution of the town is just beginning." ■

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