

CRISIS of Time

The current ECONOMIC *crisis* could have sounded the *DEATH* knell of small, indie watchmakers. But the *REALITY* couldn't be further from *the truth*.



V

ianney Halter has, possibly, weathered more financial crises than Ben Bernanke, chairman of the American Federal Reserve, since starting out in 1981.

The indie French horologist survived the Japanese quartz revolution, which saw mechanical pieces fall out of favour in the 1980s. Then came the Asian financial crisis of the late 1990s, and the SARS outbreak few years later. And now, Halter faces a global recession that has seen Swiss watch exports dip \$3 billion for the first half of 2009.

Faced with that many financial catastrophes, most watchmakers would have

lost faith — not to mention capital — but not this resilient watchmaker. “The most important asset of Les Montres Vianney Halter is my ability to imagine, design, develop and make watches,” said Vianney Halter. “That makes me a real independent watchmaker, even independent from the fluctuations of the economical situation.”

If anything, the beauty of being small in uncertain times is its flexible business model. Unlike the big players in the business, independents have no need to sell thousands of timepieces each year to break even. With his 20 employees, Halter manufactures fewer than 50 units annually. And he’s already churning out more than

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the average; independents may produce some 10 to 20 dazzling creations only, a year.

You could also look at Roger W. Smith’s Series 2. First conceptualised in 2004, this handsome timepiece has almost all its 225 parts — cases, dials, hands, escapements and balances included — handcrafted. Smith admitted that the “enquiries did drop significantly for several months” during the initial onset of the financial storm. “However, interest has returned. Work is carrying on as usual with the Series pieces, and some very interesting orders for commissions have been recently placed.” In fact, his workshop in the Isle of Man — an island in the Irish Sea — is now looking at hiring

Clockwise from top left: Roger W Smith’s workshop manufactures almost all its watch parts by hand; Smith, together with his team, assembles each watch painstakingly; Vianney Halter’s Antiqua watch; with impressive pieces like the HM3, MB&F rides the highs even during shaky economic times.

extra staff to cope with the burgeoning demand.

The credit crunch, said the British watchmaker, has been an eye-opener. “You can really never be complacent in this world. And collectors are becoming more discerning about their purchases, and that’s why they appreciate why my watches are different from any other piece on the market,” said Smith. “At least, among those who have sold part of their collections, none have sold their Series 2s.”

In these belt-tightening times, consumers commonly want to be convinced about a purchase. Compared to a machine-finished piece, what Halter and Smith offer is exclusivity; there are no two similar pieces in the world. Everything is done by hand



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and depends on the craftsman’s skill. “This crisis will make what we call followers disappear. These people think it’s easy to make money without talent or hard work,” said Halter. “Customers will now take the time to consider and slowly differentiate what is real and valuable watchmaking and what is only stardust.”

Maximillian Büsser concurs. The co-owner of MB&F widely regarded one of the pioneers in the modern independent scene notes that too many firms have created new “brands” by simply “casing industrial, cheap movements, spinning marketing stories and selling the pieces for more than a Patek Philippe”. By sticking to producing modern horological art with intrinsic quality, MB&F has grown from strength to strength. The team at MB&F has doubled from three to six and, for the first half of the year, its sales went up 22 per cent compared to the same period last year.

While the likes of Halter, Smith and Büsser are riding out the economic storm well enough, some others like Alain Silberstein have opted for a more cautious approach. Famous for quirky, toy-like designs, the Frenchman has applied to the Commercial Court of Besançon in France



for *redressement judiciaire*, which allows the company to freeze outstanding debts. He also has the freedom of paying off these debts under a 10-year instalment plan, while the company functions normally. A online statement from Silberstein said: “Our company is alive and well, and we are working hard to deliver all our Basel orders on time.”

That the likes of Silberstein aren’t just knuckling under to economic forces is indeed good news. After all, without such quirky creativity, the market would be flooded with cookie-cutter timepieces—the worst nightmare a true watch buff can imagine.

But the question remains: Can small-scale independent *ateliers* withstand the long, cold winter of the financial storm? In which even the luxury watch brands, with all their financial clout, have generally been forced to post deficits.

“The independents as a whole are a niche market, making a diverse and unique collection of watches which may be too unwieldy for the mainstream industry to make,” explained Smith. “Our watches have true looks, quality and intelligence, and this will carry our products through. Many other luxury brands may suffer because the underlying quality may not equate to their superficial appearance.”

Clearly, mainstream and independent watchmakers have different *modus operandi*. And independents are banking on their sheer creative ingenuity, coupled with hard work, to lead them out of this period. Will they survive? It’s still too early to tell. But at least, they have fighting plans.

Storm riders: Established indie watchmakers Romain Gauthier (above) and Kari Voutilainen say they aren’t feeling the economic slow-down chill.