



August 1, 2008

IAB Minutes

Tamara opened and welcomed all. St Louis is a nice area. First she requested that everybody stand and introduce himself or herself.

Tamara Houk, Swiss Service Center, Inc.

Jim Lubic, AWCI Director

Jack Kurdzionak, Boston Watch Corp.

Stephen Boynton, Chelsea Mass

Jason Ziegenbein, OSU Okmulgee

Anita Watkins – OSU Okmulgee

Klaus Lehmann, Swatch

Chuck Berthiaume, Rolex

Rick Dietel. – Time Care

Norman Basch

Michael Michaels

John Horton – Toledo

Jerry Faier

Jim LaChepelle

Mark Butterworth, Butterworth Clocks, Inc.

Dennis Warner, AWCI President at the time

Paul Borel – Jules Borel

Denis Jaquenoud, Richemont NA

Dale Porter - Richemont

Peter Foster – Swatch

Wes Grau – AWCI Chief Examiner

Rick Foster – Cas-Ker Company

**Tamara Houk reminded everybody about the voting procedures.
One vote per company.**

Tamara Houk requested a vote on accepting the minutes from the Feb meeting.

Chuck Berthiaume, motioned 1st.

Mark Butterworth 2nd

Accepted.

Report from Jim Lubic – about AWCI:

Jim said we had an acceptable year. We made progress at AWCI. The staff dealt with budget issues, staff cut to the bone. 1st balanced budget since 2000. Projecting a surplus for next year. Situation- need more help and volunteers for the organization. In the past, AWCI had 8-10 folks willing to travel and give bench courses. Now wants to push the WT, CW21, CC21, need volunteers. Time expertise...

Chuck Berthiaume: Appeal to industry. Need watchmakers. Rolex providing 3- soon to be 6 to access exams, requests help from industry colleagues. In eyes of membership, shows unity of industry.

Jim Lubic: Rolex has set a great example, Cemany (sp), Stoeber, Jones - all did seminars helping generate revenue and PR. Involvement via teaching and cert – gives all insight – true picture of skill levels. Members desire to do what needs to be done. Our mission. AWCI is a go between industry and members. Providing CW21 standard for all, also new implementation and requirements, can go to industry to provide results.

Chuck Berthiaume: Swatch has donated Fenwick's time

**Jim Lubic: Richemont, Garhart, Loyd. All helped. Need more!
Karen will get request to John Horton.**

Peter: Who is asking other brands?

Jim Lubic: LVMH, Breitling (not yet), Jim wants to spend more time on industry issues.

Klaus Lehmann: mentioned others.

Jim Lubic: We have 26 members. More room for growth.

Jim Lubic: Students: 59, 40 accepted free membership offered by Richemont

Richemont, paying \$10,000 IAB last 3-4 yrs, providing toward student membership. Get students into AWCI. Now students can get a vote. Good intent is not always right. New privacy laws issues at schools. Give to 2nd year students, or when they graduate, because they forget AWCI, and the schools can't give the forwarded address. Wants to give student free membership 1st year after graduation. (maybe exchange for contact data for potential follow up.)

Jim Lubic: another update. Manuel was our instructor for the academy and cert. He resigned 11/07. New instructor Tom Shoemaker, a CW21, doing great. Tom was local and willing, and met the challenge.

Wes Grau: Update as chief examiner. Program was a success. Education class and exam is full. Need more involvement. Nov. added admin. That class is also full. In process of re-evaluating exam. Looking for deficiencies of techs to fulfill needs to improve skills in those areas. WT, WS, CMW, - continuing education. Must have some reason for continued

education regularly. A big push. Recruit. Need industry help – people! Use resources. A small pool of individuals, then get those folks plugged back into the program.

Jim Lubic: On certification. On pricing. Tom and Jim have reviewed costs involved. CW21 going up \$100 to \$1,695. Provide option of CW21 option to buy a chrono watch. The 7750 movement is very rare. Use to be \$200, now \$550. Tissot use to provide them, but due to issues, can't continue. Luckily, we got 110 Bulova same model – important all has the same watch to work on. Dials, hands... this is a continuing issue. 2nd price for exam, \$2295 if they want the chrono. Not sure if we want to sell if we can't replace. Looking for other avenues to get watches.

Peter Foster: ETA is booked through 2009 for new manufacturing.

Jim Lubic: Need criteria about that chrono. It must be provided – allowing reduction of program cost. Hoping they can buy wholesale. Submit to Tom S in advance w/watch, then get back. Dial company will add logo to dial.

Wes Grau: Not enough of Tom's time. Can't afford replacement watches. Need cont education. We are full, but ok.

Chuck Berthiaume: How many CW21s can you give, 12 at each exam site 144/year, but have not done yet (now a rate of 120). Pass a year? Maybe 40 – 60/yr pass rate. Now charging for re-takes, segmented pricing introduced. Staggered days to get more people through. Bulova accepted post dated checks. OK – June.

Jerry Faier: Cautioned use of pass rate. Offer info to help students. Need documents. Clock program is up. Has new S&P. Watch is being updated. 10 step series. A member comes out. A shop review taking place. Shop quality, written exam, lots of individual tasks are tested. Deal with construction. #1161 movement, common, must deal with American mantle, learn to fabricate parts. Coo Coo clock movements. Trying to give jewelers a list of skills they know. Quarts, automatic... clock certification is done. Had 80 people on a list waiting. Wants to approach slowly. Lots of magic required. Trying to get more clock money. But slow to start. WT and WS programs are next. Defined the programs again. Clock associate, like WT/WS, being talked about. CA is in trial test, maybe ready by fall. Brad / Nancy Wellmann – not here due to ignoring examines.

Henry Kessler: Publicity / Trade Show report and request for discussion

Our mission is to grow the awareness of the watchmaking profession and the strength and capabilities of the AWCI organization.

Over the past two years, progress includes exhibiting at the American jewelry industry's largest show – twice. Starting with what image do we wish to portray to defining our goals and mapping out all of the steps

required to reach fulfillment; all of this represents a tremendous amount of work and coordination. By “showing up” like this, we have taken our first few steps in a very long time toward putting a new face on the organization and the profession of watch and clock making.

We managed to win free exhibit space – which represents a (\$7,000 value) – each year. We received our trade show display (\$20,000) – which includes transport cases, a table and chairs, art for the display (\$4,500), magazine ads – JCK, Watch & Jewelry Review, HT and others (\$10,000), workbench chairs (\$1,000), a 3 QT Ultrasonic cleaning machine and hand tools (\$500), and the use and transport of a top quality workbench, factory representatives from multiple companies in addition to the use of their equipment and knowledge (one man came in from Switzerland), virtually hundreds of man-hours of work from several people that worked the booth, and more. (\$43,500.00 +)

Although this \$43,500 does not show up in the accounting, and further, there are additional accounts receivable, the AWCI books show a net cost, after contributions over 2007 (of \$10,195) and 2008 (of \$8,000), there remains about a \$10,000 deficit. We will need to turn a profit over the course of the next year!

Jerry Faier: Criteria for what it has accomplished. Big on hands on. Involvement = participation.

John Horton: mentioned that they have been doing this WS WT thing for 10 years. Big facility in Toledo. Space and people. Toledo Jewelers is interested in partnering with AWCI – to refine and help to create the program. As mentioned previously...

Jerry Faier: AWCI can only push their talent so far.

Jim Lubic: Also invited to In stores Chicago. Active members there. Tamara says she is there. Jim thanks the Borels, Greiner, etc. The equipment was helpful. Toned down for 2nd yr. Met several members. They like to meet Casker, Borel, etc. Happy to meet. A new face for AWCI. Shows unity. We try to track leads so we know where it came from. But they go to web, etc, needs refinement for tracking.

Jerry: Always helps if we know results.

Henry Kessler: Showed JCK full page ad and backdrop image.

REC Schools

Ask Jim for his comments.

Herman was elected as REC chairman. Jason gave a presentation on W/M and the Okmulgee school. A good meeting.

Old business: Tamara...

Chuck Berthiaume: put some money together for other schools. Maybe create a scholarship fund, to pay for AWCI exam. But, schools are not all up to the standards. Wostep grads were able to take test. But not one has applied to take the exam, not ready. So shelve the motion for now. Elm trust, pass through grant fund for W/M education, divided between 10 REC schools. A student at each school. An avenue for assistance.

Jim Lubic: Appreciates the JIDA members, Borel, Casker. Split form management by AWCI. A CPA manages their money and a management company does their trade fair. Jim will contact her for doing AWCI fair. Invites to JIDA. Jim goes to JIDA meeting. They know they are invited to participate. Some are advertisers, good partners.

Tamara: Introduced Jason.

Henry Kessler: I have pasted the text from their good PowerPoint below. Jason gave me his PowerPoint.

Ended meeting.

The OSU – Okmulgee watchmaking program has taken the opportunity to re-evaluate the current watchmaker education situation in the United States.

Feedback from graduates, industry members and employers across the country were cross-referenced with the current average US watchmaker graduate profile. Industry requirements from Brands to retail, current events and the average luxury watch consumer profile were taken into consideration when creating an overall picture of the situation.

It is quite apparent that there is a great disparity between the constantly evolving, modern industry needs and the depth and breadth of watchmaking education which has been provided by America's schools. We have come a long way from utilitarian watch service of the 70's. Today it is about passion, precision and luxury.

Some of the industry has taken measures to train the individual with product specific training, creating semi skilled technicians, however

The current situation of our profession, offers tremendous opportunities for the full fledged watchmaker (with a good overall package).

This is where OSU comes into the picture.

The next step in determining a direction for our program came as identifying the graduate profile for a modern Professional Watchmaker based off of these industry needs.

Aside from complete, competent service of a diverse spectrum of movements, a well rounded watchmaker capable of succeeding anywhere must have a strong background in:

- Case Repair**
- Case and Bracelet Refinishing**
- Casing Movements**
- Water Resistance**
- Dial and Hand Proficiency**
- Estimation**
- Quality Control**
- Workshop Administration/Organization**
- Efficient Workflow Practices**
- Customer Service/Soft Skills**

With the addition of these proficiencies, the resulting OSU program runs as follows:

The student gets a solid background developing their skills and thought processes in the Micromechanics sections.

Projects teach the student everything from proper tool maintenance/conditions to movement construction techniques during the school watch project. Excitement, brought on by challenging and rewarding projects, leads to self-encouragement and the creation of a confident student.

A transition into servicing watches is made during the External Watch course where the students learn everything from case features such as crowns, crystals, pushers and gaskets to water resistance to bracelets and refinishing of the case and bracelet.

As the student progresses through the theoretical portion of the program, they build upon their previous courses lessons while concentrating on the current theory section. By the end of the theoretical sections, the students will be able to completely service entire watches on a technical level.

Examples:

Casing the quartz movements they service.

Practicing dial and hand manipulations with each movement.

Precision timing discussions allude back to quartz oscillator stability.

Timing influences due to casing pressures.

Upon completion of the theoretical concentration, the students move to our 3rd classroom, which is setup to imitate the job market.

Aside from revamping the micromechanics sections to be more focused on real world practicality and the addition of the entire External Watches section as a stand-alone course, this is where the most changes were made.

Students not only learn how and why the shop functions but the self-management to maintain proper function. Students conduct workflow

studies, self-assessing their productivity, driving themselves to meet performance goals.

Estimating procedures and final Quality Control are taught hand in hand, re-emphasizing the importance of catching and solving issues the first time around, increasing efficiency and productivity.

This also prepares the student for a wider range of job opportunities in addition to increasing their awareness of watch condition.

Throughout the entire program, students are pushed to increase quality and productivity. The last course continues this message in preparation for AWC's CW21 certification.

Industry is placing a lot of importance on the CW21, and it will only benefit our students in having this certification as they enter the job market.

This new curriculum is an excellent starting place for correcting a major misconception. How many people think of a cluttered, dirty shop with a greasy man tinkering in the back of a watch as a real watchmaker? How many times have we all heard that watchmaking is a dying profession, or that nobody even knows it still exists?

The American Watchmaking industry has fallen out of the public's awareness and through years of neglect has wound up with a rather tarnished image. Our part in correcting this misconception is through the creation of honest, professional watchmakers. This curriculum is designed to take young men and women, develop their passions for excellence and give them the tools to become leaders of an industry.

We need good, quality watchmakers to help bring this field back to the public's awareness. We need role models to change perceptions. Our industry needs its workforce to support it in image, quality and reputation.

In order for the American watchmaking schools to overcome declining interest and enrollment, we must create a more attractive image to entice potential watchmakers. In order to do this, we must first create programs which will create the watchmakers who will be and live this attractive image for us. The best way to do this is with open and active communication.

The reality of the situation is that the demand for new watchmakers is currently more than double the maximum graduation rate of all the REC schools combined. There is no room for egos, hesitation or resentment in our futures as schools, only a willingness to work hard and selflessly toward our combined improvement.

One school cannot save the entire American watchmaking industry.