

Out of the Dark...Part I

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In the 16 months, or so, that I've been involved with NPN, I've heard many concerns about the quality of various professional photo labs. Concerns have been raised about everything from scratched and damaged film to lost orders and switched film to prints from transparencies that do not match the original transparency. I spent 23 years in the photo industry. I started my career in professional photo labs, moved to aerial photography (where I not only shot aerial photographs, but managed the on-site darkroom facilities), spent a considerable amount of time as a forensic photographer, and ended my photo career supervising many aspects of a couple of pro labs in my area. The reason I left professional photo lab services may give you a perspective as to the root causes for your concerns.

Back in 1977, when I started working in the photo industry, the concerns of most professional photographic labs revolved around quality and quality control. A lab made or broke its reputation on the quality of its products and services. Labs hired the best technical personnel, paid competitive wages, provided job stability for its employees, and maintained the photo lab equipment according to well-defined maintenance schedules. When I first started, many lab personnel had been with companies 10 years or more. The few professional photo lab industry magazines in existence, at that time, supported quality service and products as being the number one deciding factor as to whether a professional lab was going to be profitable or not. A basis of customer satisfaction, employee stability, and proper equipment maintenance formed the business ethos of the time. Competition between local professional labs for a limited customer base became fierce. My oh my, how times have changed!

I left the professional photo industry in 2000. As the economy and business practices changed through the years, so too, did the professional photo lab industry. The concerns of professional photo labs, today, aren't so much centered on quality service and products, but are centered on the "bottom line". As more and more photo labs competed for a relatively stable customer base, business and production practices were adopted to minimize waste, maximize production, and minimize operating expenses. On the surface, this looks reasonable and necessary.

Like many regional professional photo labs, the last lab I worked for instituted many of these practices. Additionally, the lab I worked for started to buy the local competition. In the eight years I was in the employ of this lab, the owner purchased the largest local competitor, before selling the business in 2000 to a larger international corporation. Previous to my employment, the owner of the business had purchased other local competitors. The loss of local competition took away the "edge" that develops when competition is fierce. Now, being the primary local pro lab in an area isn't all that bad as long as quality and service is kept high. Such is not always the case, however.

Probably the greatest contributing factor in the downturn of quality services and products is as the result of "newer" hiring practices and employee longevity. Sometime around 1992 to 1994, the leading professional photo lab periodical encouraged professional photo lab owners to further cut the "bottom line" by not keeping photo lab production employees for more than 2 to 3 years. The reasoning behind this was that two-fold: 1) wages and associated benefits and taxes could be held lower by not having to pay "experienced" photo technicians higher wages, and 2) creating a higher photo technician turn-over rate will keep a large pool of locally unemployed, but "experienced", photo technicians available in the labor pool who are willing to work for whatever wages and benefits are being offered. Professional photo labs were encouraged to maintain a well-paid management team with a rotating production work force.

In my experience, this has not worked to the benefit of the photo industry. It takes at least one year to train a good photo lab technician and make that technician efficient and quality conscious; regardless of the type of service that technician will be performing. It takes that first year to teach a technician the proper way to handle the customer's products so as not to damage film or prints. The second year of employment "seasons" the technician and, by the end of the third year of employment, that technician is performing his duties with maximum skill and efficiency. By the end of the third year, this employee has reached his maximum wages and either quits or is replaced with a new employee starting from scratch. This, as you can see, turns into a dangerous cycle in which 1 and 2 year employees create the majority of a lab's services and products.

Along with the "new" business practices has come a lessened desire to maintain the photo lab equipment on a proper maintenance

schedule to avoid "downtime". Equipment in maintenance is equipment not producing a product. The prevailing attitude became "fix it when it broke." Newer equipment purchases are only considered when the older, improperly maintained equipment utterly fails. Wages spent maintaining equipment were considered better spent elsewhere. I will admit that not all professional photo labs follow this practice, but as the costs of equipment and associated leases has risen and the percentage of profit has declined, many, many labs have chosen this route to contain costs.

Employee loyalty and stability cannot be emphasized enough to produce a quality service and quality product. However, this has become the least concern of many of today's professional photo labs. Employee longevity leads to higher employee wages and higher benefit costs. Professional photo labs either do not pay high enough wages after 3 years. employment to keep a valuable employee, or the employee is "rif'ed" and replaced by a lesser experienced and lower paid employee. The result? Well, you have already experienced the results, otherwise there wouldn't be the concerns expressed here on NPN.

Consider this: a well-paid professional photo lab technician was making about \$6.00 to \$7.50 per hour in 1977 dollars. A well-paid professional photo lab technician, today, makes about \$8.50 to \$10.50 per hour in 2002 dollars! There are some local exceptions due to the cost of living in certain geographical areas and a few exceptions made for certain personnel, but not many. Given the devaluation of the dollar by inflation through the years, it is not surprising that it is hard to maintain a pool of skilled technicians willing to work for this kind of money.

The digital marketplace has created some difficulties for professional photo labs. To keep up with the digital marketplace, maintain a customer base, and remain competitive, professional photo labs have had to invest in some incredibly expensive hardware. Initially, locating and hiring qualified technicians, with a photo background, to run this equipment was extremely difficult and the wages paid to those technicians was very high. For example, one company I worked for became "digitized" in 1992. A network of "486" workstations (woohoo!) was created, an Isomet drum scanner and Kodak LVT film recorder were purchased. Prints, at that time, were produced from negatives created in the LVT film recorder. A few years later, a couple of Durst Lambda printers were purchased to produce prints directly from digital files. With workstation upgrades, all in all, my employer spent nearly \$1.5 million dollars to enter the digital marketplace. Technicians hired to run this new equipment and produce a quality product, due to their scarcity, were making nearly double the wages, or more, of the average professional photo lab technician.

Today, it is a significantly different story. Due to the increase in demand for digital technicians, local junior colleges started cranking out "certified" Photoshop technicians. With a glut of "certified" digital technicians, higher wage, experienced employees are being replaced, again, with lower wage, inexperienced employees. But this is only the tip of the iceberg. Too many of these "certified" technicians have never had experience working in a traditional photo lab. These technicians do not know how to properly handle the customer's materials and do not know what a "proper" photograph should look like. Again, when the technician does become proficient, he/she either leaves the industry due to poor wages or is "rif'ed" by the employer in trade for cheaper labor. Also, the average digital technician today only makes about \$8.50 to \$10.50 per hour.

Now, not all of the responsibility for the downturn of quality professional photo finishing can be laid on the shoulders of the professional photo labs alone. Customers of professional photo lab services and products have to shoulder some of the responsibility, too. Customers have expected prices for quality services and products to remain relatively stable through the years. The owner of a professional photo lab is in business to make money. Customers will balk at paying higher prices for services and products or will balk at paying the same prices, but for lesser services or lesser quality products. However, there is no "free ride" for either the customer or the lab owner.

Although the picture painted so far is not entirely pretty, all is not entirely grim within the professional photo lab industry. Read on in next month's installment of Out of the Dark...Part II.

Editor's Note - Visit Tom's online resource of photographic information at www.reasonableexpectations.com.

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