



Tried & True

Norbert Brinkhaus of Brinkhaus Jewellers talks about Calgary, community-based retailing and reaping what you sow.

BY CAROL BESLER

PHOTOGRAPHY BY ADINA CURRIE

Here are a few things you probably didn't know about Norbert Brinkhaus: After high school, he finished a degree in horticulture, specializing in exterior landscaping and fruit farming; he studied ivory carving and art history at the Staatliche Zeichenakademie in Germany; and he originally rejected the idea of following in his parents' footsteps in the family jewellery business, mainly because he saw they were putting in 60 to 70-hour weeks. (What, fruit farming and a stint in the German army were easier than jewellery retailing?) He ended up doing it anyway. He emigrated from Germany to Calgary in 1977 to open a branch of his father's jewellery business. He was shocked by the cold weather.

The rest, as they say, is history. Brinkhaus went on to become a prestigious, award-winning jeweller (the company has won multiple De Beers design competitions and Spectrum Awards, and was a Canadian Jeweller Retailer of the Year, as well as a multiple winner in the Canadian Jeweller Buyer's Choice Awards). Brinkhaus served two terms on the board of the Canadian Jewellers Association, is a member of the board of Jewellers Vigilance Canada and a director of the Alberta BBB. Two years ago, he sold his \$15-million-a-year business to Birks and Mayors in what, although he won't disclose details, he says was a "sweetheart" deal. (The press release says the purchase price was \$13 million, to be paid over time.) Looking back, Brinkhaus says he has had the time of his life, and it's not over yet. As part of the agreement with Birks, he and his wife and partner Kim continue to run the stores and still own the workshop.

Norbert's father, Karl, who apprenticed in a jewellery store near his home in Muenster, Germany, in 1936, started the family business. He lived with the proprietor's family while he worked in the store and attended a watchmaking and goldsmithing school. Karl was drafted into the air force in 1940, but after the war he and his wife, Mia, started a jewellery wholesale business, working out of the living room of their flat.

He took a rather circuitous route to Canada. Karl loved travelling, and in the early '70, he embarked on a road trip from New York to Alaska. He stopped at Vancouver on the way, and completely fell in love with the city. The following year, he sold the family's real estate in Germany and took the jewellery business, which was portable, to Vancouver where he took over an existing retail business with stores in Vancouver, Calgary and San Francisco. His daughter and Norbert's sister, Gisela, followed in 1975, after earning a gemology degree in Idar-Oberstein. Gisela worked in the business until her retirement four years ago, running the workshop and store in Vancouver.

Norbert joined his family in 1977, when his father asked him to run the Calgary store. "I was in my late 20s at the time, and I said 'sure I'll do it,' not knowing what the winters were like," he says. "That first January, I had tears in my eyes after 30 days of minus 30-degree weather; I thought, what the heck have I done?" In those days Calgary was a city of about 300,000 people. "It was a nice community, like a small town," says Norbert.



“I learned to appreciate and love the people. Through our customers, I met some very nice families, who kind of adopted me and made my life very easy in those early years.”

A few years later, he met his future wife, Kim, whom he married in 1983 and has been his partner in the business ever since. Kim has a background in fashion; she was a model, who went on to produce fashion shows and work in fashion marketing. She is the main buyer for Brinkhaus Jewellers and handles all the marketing and advertising. Gisela, meanwhile, handled most of the company’s administration and ran the workshop in Vancouver, completing the triumvirate that ran Brinkhaus for so many years and putting it on the map in Canada. “Gisela knows a lot about manufacturing and finishing,” says Norbert, “and having worked at the German Gemological Institute in Idar-Oberstein and later for a diamond trader in Antwerp, she was also really good at picking gemstones.”

Although Norbert initially didn’t want to do what his parents were doing — “they were working 60 to 70-hours a week. When you close your doors at 6 or 6:30 in this business, that’s when the real work starts”

— he eventually began to see the other (glamorous) side of the business. “I went to Basel for the first time [about 40 years ago], and gradually I started to understand the mystique of the industry,” he says. “After being drafted into the German army for 1.5 years, I came home and decided to join the business. I went for eight semesters to the Staatliche Zeichenakademie in Hanau, Germany, where I got training in everything from enameling to ivory carving, with exams in goldsmith techniques and gemsetting. I also studied art history because how can you be a major player in jewellery design or any design industry if you don’t know what Bauhaus is or Baroque?”

Brinkhaus has always been what used to be called a carriage-trade jeweller. “We have never touched 10k or 14k — only 18k and platinum. We have stayed high-end, and it has worked. The key is to be consistent. You can’t be everything to everyone. So, pick what you want to be and stay with it,” says Norbert. He likens it to a good restaurant. “In any major city, you have two or three good steakhouse restaurants that have been famous for 30 years. They don’t fight for Italian food; they don’t fight for French food; they are full every night. They stick to what they know. We are a specialty, and we have a very strong presence in our community.”

The key to the Brinkhaus philosophy is to offer something unique — to work off the assumption that wealthy people want to have something that no one else has. While they offer heavyweight jewellery brands like Roberto Coin, La Nouvelle Bague and Fabergé, the store also sells the Brinkhaus brand. “Suppliers are like migratory birds: they come for food and stopovers, but add very little to your community,” says Brinkhaus. “We make over 50% of our jewellery. So many retail jewellers keep buying line after line and there is no coherence to their product mix. When we do carry something else it has to be unique, or something we just couldn’t do.” In terms of watches, the store carries almost all of the heavyweight brands, including one of the most extensive Rolex businesses in Canada.

Norbert points out, however, that there is more to carrying high-end brands than just signing up with Rolex. “You have to bring value to the line. You have to cultivate the customer base and that takes years and a lot more than just putting it in your showcase. You also need to have knowledge and knowledgeable staff. And you can’t buy the clientele with merchandise. You have to have the clientele before you have the merchandise. If there are already two people in your community who are Rolex dealers, how can you add any value to Rolex to compete with those two people if you’re not known? Above all, you can’t buy your business through discounting.”

A heavy, consistent advertising/promotions/marketing campaign — the budget is \$700,000 to \$800,000 a year — ensures the stores do not have to resort to discounting. They do a catalogue every year, using original photography, which is mailed to the company’s customer list of 20,000. The website was launched in 1996 and they advertise in newspapers and high-quality magazines, as well as on billboards and duratrans. For in-store events, Brinkhaus mainly does events around special collections. The marketing campaign also has a service element: the company does free jewellery cleaning and gives complimentary cleaner, complimentary appraisals and free inspections. “We stay away from nickel and diming our customers,” says Norbert. “Our credit plan is also very generous — customers can make 10 equal payments with no interest. This is good for young people that buy an engagement ring, or someone who wants a special watch. It, all of a sudden, puts them in a different buying range: instead of having \$5,000 to \$8,000 to spend, they can stretch it out to \$12,000 to \$15,000.

The business boasts what Norbert refers to as “a healthy market share,” which he attributes mainly to its support of the arts, hospitals, charities, the Tom Baker Cancer Centre, Big Sisters and other community-building events and causes. “Our customers have become our friends over the years,” Norbert adds. “We went to a birthday party last Saturday with 40 people; at least 20 are also on our VIP customer list.



Enamel and diamond bangles in 18K gold from La Nouvelle Bague.

That's a wonderful thing." He says his customers are people who "appreciate quality, value, service and lasting memories. We now have three generations shopping at Brinkhaus. Many of our customers are also community builders and have a lot going for them. We have, from day one, attracted customers who are very educated people — doctors, architects and engineers — people who don't go out and buy bling; people who have a true sense of value. Jewellery has no nutritional value, so if you can't tickle someone's spine you are missing what it is all about. We are not a bling business; we are special-moment enhancers."

The store boasts a staff of 30, including six in-house gemologists who operate full gem labs at each location. Brinkhaus also operate the only independent level-three watch service centre in North America, which means it can service complicated watches. "We were the first independent allowed to issue Rolex service warranties," says Norbert. Brinkhaus's staff members all have some form of education related to the industry, and they take part in ongoing staff training, including brand-specific watch training and refresher courses from GIA or other courses that interest them. Brinkhaus pays for their courses, but if an employee resigns within a certain amount of time, he or she has to repay the company.

When asked what he believes are the issues facing the jewellery industry today in Canada, Norbert replies that "being a successful retailer takes a lot of capital; most Canadian jewellers are underfinanced and that's the main reason so many of them struggle." He also worries about the industry's ethical standards. "As you know, some of the people who have entered our industry over the last 10 years have not been desirable characters. They work by heavily discounting and then they go bankrupt and then start all over again. People who lie and cheat will win in the short run but never see the finish line. Most of these jewellers don't know the difference between a moissanite and a diamond.

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Ring and bracelets from the *Appassionata* collection by Roberto Coin.



They give the whole industry a bad name.” The solution, aside from more internal regulation, is a greater level of transparency and a lot more honesty. “When I was on the CJA, one of my goals was to try to make it a profession. What it is right now is a sophisticated flea market, with many people who hustle, people who cheat, protecting their margins by selling questionable certificates. I believe there is a distinct difference between a jewellery retail merchant and a professional jeweller.”

In the long run, better policies, he believes, translate to greater success. For example, “I have no idea how many jewellers pay their bills, if they even pay at all,” he says, “But we have never dragged on an invoice more than 30 days. That way, if you need favours or if you need something special, you’re normally the first to be considered. If you don’t pay your invoices or you wait 90 days, what is the supplier’s motivation to show you the nicer diamonds, or to do special events with you or give you early shipment on special products?”

What advice would he give to someone starting out in the industry today or starting a retail jewellery store? “It would take a major investment to start a jewellery business today,” he cautions. “If I didn’t have an investment of at least \$5 million to \$7 million I wouldn’t even look at starting a carriage trade store.” Anyone who does take the plunge, he says, should “learn a craft first. Take the jewellery programs and attend the art colleges. There are no shortcuts; you have to pay your dues. Do some volunteer work, try to do an apprenticeship with a reputable jeweller.”

Norbert stresses that jewellers should never be guided by short-term profit. “You have to focus on emotion. Jewellery without emotion to me is worthless. It’s our job to make people happy. A happy customer, it seems, makes for a happy jewellery storeowner.” Norbert and Kim recently purchased a home in Scottsdale, Arizona, where they spend time in the winter between jaunts to take care of business in Vancouver and Calgary. “After 35 years of Calgary winters, I think we deserved it!” [CJ]