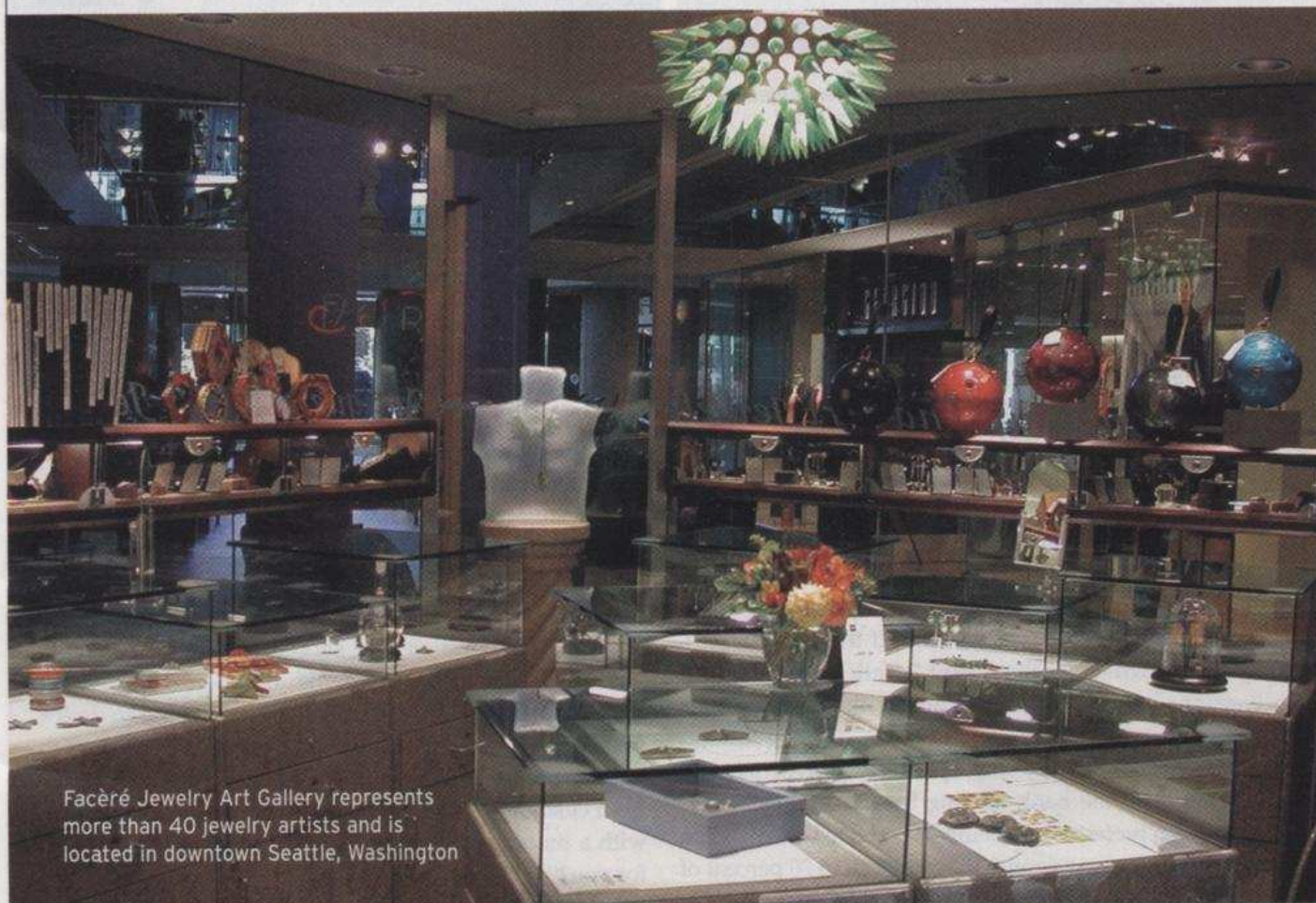


GALLERY NEGOTIATIONS

20 important things to resolve
before doing business with a gallery

BY SHARON ELAINE THOMPSON



Facère Jewelry Art Gallery represents more than 40 jewelry artists and is located in downtown Seattle, Washington

Oh, happy day! A gallery has offered to represent your work. It's time to celebrate! But first it's time to negotiate.

Yes, negotiate. "A gallery contract can be simple or outrageous," says Salida, Colorado, artist/jeweler Michael Boyd. You might assume something is standard that the gallery doesn't think is standard at all. So enjoy the excitement, but first consult your business side and ask the questions you should ask. (Yes, you're an artist, but you have to have a business side if you want to make a living doing what you love. Ask any of the artists here.)

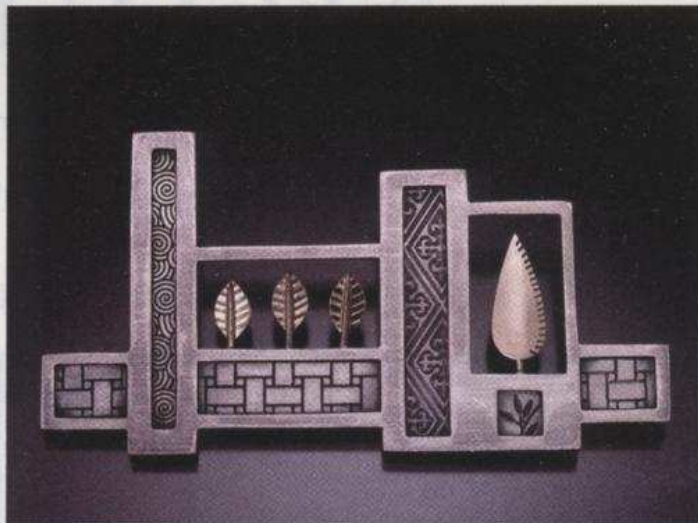
1. CONSIGN OR WHOLESALÉ?

Your first decision is whether to consign the work or sell it outright. When wholesaling, says Vermont artist/jeweler Karen Krieger, there is little negotiating to be done. "You've already decided ahead of time what the price is, what the minimum order is, your terms — net 30 or COD or pro forma for the first order — what your return policy is, what you'll charge for shipping, packing, insurance, handling. These are all things, from an artist's perspective, that you'll know before you actually go to a wholesale show or approach a gallery." (You did figure all that out, didn't



Bracelet. Silver and found stones by Kristi Zevenbergen. Image courtesy Facère Jewelry Art Gallery.

CONSTRUCTION BROOCH, by Karen Krieger. Sterling silver, 14K. Fabricated sterling frame with etched sterling pattern inlay, oxidized with a brushed and sanded finish, 14K leaves and tree, 3" W x 2" H.



you?) You might alter those terms a bit depending on the gallery or the situation, says Krieger, but for the most part, those decisions are fixed.

If you and your work are unknown quantities, consignment may be your only option. Galleries want to see if you can dependably provide work of a consistent quality, and if their clientele will buy it. Once you have an established track record of delivery, quality, and sales, galleries may buy at least some of your work.

Boyd prefers consignment which gives him more control over the work. "If I consign, and I set the retail price, the gallery can't change that. If they purchase it, they can do whatever they want." Galleries cannot put a consigned piece on sale, either, without the artist's consent.

However, consignment ties up money in materials and labor. It's like "the bank lending money for free," says Krieger, who prefers wholesaling. "It used to be that, when you had work on consignment, you got 60 to 70 percent of the retail price as a trade off," says Krieger. When you're getting only 50 percent of the retail price, she says, "It becomes a different issue. Then you've lost the financial advantage of consignment."

If you create "out there" or "edgy" work, galleries may take the work on consignment to bring people into the gallery, but those clients may buy other, more conservative work. Boyd, who is part owner of Culture Clash gallery in Salida, says they represent artists whose work is so different they know they won't sell a lot of it. "But the work is awesome and we want to show it. But the gallery has to be honest with the artist and say, I like it and I want to show it, but I don't know if there's a huge market for it."

2. CHECK REFERENCES

You're an artist and you think of yourself as an artist or jeweler or designer. "But what you have to remember is that you are now a business entity," says Seattle artist/jeweler Micki Lippe. "You have certain rights within the scheme of things. You can check references. You should check references. You don't have to ship everyone work who wants it, if they don't have the proper bank and craftsperson references, you can say no."

3. WHAT'S IN IT FOR ME?

"The first question you should ask when presented with a contract," says Boyd, "is: What are you offering me? What is good for me? What are you going to do for me? Are they going to advertise your work? Invite you to participate in a group show? Will they give you feedback from customers? Will they pay you on time? Provide you with a monthly statement? Will they take custom orders for you?"

4. COMMISSION

Most galleries charge a commission of 50 percent of the retail selling price. A few, says Boyd, still take only 40 percent. Occasionally, galleries in large metropolitan or fashionable areas such as Santa Fe take a higher commission because of the cost of doing business in their area. Is the exposure in that area worth the increased commission? Will the sales be more numerous?

Some gallery owners add an extra percentage to the price on top of their commission. This may be to cover certain expenses — such as exhibitions, special promotional printings, staggeringly high rents due to the location — or it may simply be to help them to an early retire-

ment. Whatever the reason, you have a right to know what is being added to the price and to decide whether that added percentage is fair to your work. After all, if the work doesn't sell because the price is too high, you and the gallery will suffer. And if the work will support a higher price, then both the artist and the gallery should profit equally.

5. RETAIL PRICE

Because the price does affect the salability of the work, the retail price should be set by the artist and not changed by the gallery without the artist's permission, according to a sample contract recommended by the Seattle Metal Arts Guild, says Lippe. Control over the retail price is important because most artists sell at more than one gallery and also at retail shows. And one sovereign rule is not to undersell your galleries. "You have to be consistent in the price you charge. You don't want your gallery underselling you and vice versa," says Boyd. "It's a good way to damage a relationship."

Galleries who buy your work can put any price on it they want, they can put it on sale, or discount it. "They can throw it out if they want," says Lippe. However, if the work doesn't sell because the gallery marked it up so much, and they then want to return it to you for credit, you have the right to ask how they had it priced, says Krieger. "There is an understanding that they'll keystone it or add a little more but not an extraordinary amount more."

6. DISCOUNT

Some galleries add an extra percentage to the price on top of their commission so they can offer a discount to good clients or collectors. Artists vary in their response to this practice. "It's standard," says Boyd. Others are less sanguine.

However, if the gallery offers a discount to clients, says Lippe, the discount must come off the gallery's commission, not the artist's price. The artist's price must never be discounted without the artist's express permission.

7. PAYMENT SCHEDULE

The gallery should pay you regularly, no more than 30 days after the piece sells. Some states have regulations regarding payment for consignment work and it is to your benefit to become knowledgeable about what those regulations are.

8. SALES REPORT

Every month, the gallery should give you a record of the sales they've made and the inventory they still have on hand. This allows you to keep track of your inventory for taxes, and lets you know how much payment to expect. "If I want to top them up," says Krieger, "I don't have to talk to them to know what to send them."

Having a regular report is vital. It's too easy for numbers to go astray. Portland, Oregon, artist/jeweler Kristin Mitsushiga knows of an artist whose work has disappeared. The gallery claims to have paid the artist for pieces sold, bought others, and returned the rest, but has no documentation

TWO-WAY STREET

It's not all about you – negotiation is two-sided. While it's important to know you can negotiate your contract, it's also important to remember the gallery has a right to make demands, too.

GALLERY EXPECTATIONS

Galleries have a right to expect that you'll deliver work on time. They have certain busy times when they need your work in the store: special holidays, the beginning of summer season at summer resorts, in time for the monthly open-gallery event. If you take special orders, they have a right to expect you to be prompt in delivering that work.

Galleries have a right to expect you to let them know if you're going to miss a deadline – and the right to terminate the relationship if you don't deliver what and when you promised. If you have too many orders for a specific period, rather than saying yes and not delivering, tell the gallery up front that you are obligated for that time frame and perhaps offer to ship a partial order – if you can make the deadline. They are counting on your work to fill up a slot in their inventory. If you can't get the work there by the specified date, call them.

Galleries have the right to a consistent quality of work – don't send production work when they expect one-of-a-kind pieces. They also have the right to expect a workable collection.

YOUR EXPECTATIONS

In the exhilaration of getting a gallery to notice you for the first time, it's easy to put them in the driver's seat. And while they do offer you a valuable service, it is just that, a service. All the artists we talked to were very clear that they did not go into a gallery relationship with their hats in their hands.

You are paying the gallery a commission for selling your work; do not simply take whatever the gallery chooses to give you. It is important to remember that, especially in the first excitement.

A gallery relationship is a symbiotic one. You get exposure, promotion, and someone to deal with buyers while you work. The gallery owner gets beautiful work to attract customers. If a relationship is too one-sided, it's time to reconsider it. A contract is always negotiable. If you cannot negotiate a contract that is fair to both of you, it is time to say no.

When you are represented by more than one gallery, you have more leverage to negotiate a better deal. You don't have to be desperate.



Necklace by Michael Boyd. Sterling silver, 18K, 22K, Mexican fire opal, black jade, mookaite, imperial jadite. Photo © Steve Bigley.