

The Value and Impact of Seminary Training

R. Stephen Stuart
Stephen Stuart Export Co.

The Reverend R. Stephen Stuart is an Episcopal priest by profession. He is rector of two parishes and serves on the Diocesan Financial Committee and as a rural dean. However, he has spent most of his wage-earning life as owner/operator of Stephen Stuart Export Co., an internationally known photographic business, located in Kane, Pennsylvania. Stuart's unique entrepreneurial endeavor has been the subject of a televised news feature, and the object of camera collectors' attention since his company's inception in the early 1970s.

NEJE: Please describe your business for us.

Stuart: I deal with photographic mail order. I have sold what is termed "photographica"—just about anything that can be shipped by USPS, UPS or FedEx. My customers are mostly serious amateur photographers, with a smattering of collectors and those who are nostalgic. Photographers, collectors of photographic history and equipment, books on photography, photographs, libraries, museums, etc. Just about anyone with an interest in photography, but not necessarily photographers.

I'd say my customers are probably 50 percent collectors, 25 percent professional, and 25 percent nostalgia...such as Korean War Veterans that were photographers, and now want a camera outfit like they used in the military.

Initially, I advertised in *Shutterbug* (originally *Shutterbug Ads*). I was a "ground-floor" advertiser in the early 1970s when it was published in a back room. In the beginning the magazine was all classified ads. I was the first full-page display advertiser (actually two pages). This was 1977. That in itself changed the nature of my business and the magazine. How I came to be the first display advertiser is a story in itself.

NEJE: We'd be glad to hear it.

Stuart: Sure. In January 1977 I attended the PMA (Photo Marketing Association) in Chicago. It was an opportunity for a lookaround. Although it was all new equipment and that really wasn't my interest, I thought it an opportunity to develop contacts. At the Chicago convention, I met Glenn Patch, publisher of *Shutterbug*. As an aside, Glenn went on to be very successful in publishing (*Computer Shopper*, a series of used aviation reselling magazines, databases,

etc.). He had worked at Link Aviation in the 1960s and had early computer knowledge. He built his own computer typesetters and printing presses. Over a bottle of scotch in the hotel bar, he convinced me to move from classified to display advertising. The end result, the following month, I ran two full-page displays. Within 60 days, I had quadrupled my business.

For a period of 12 to 14 years, I staked out the inside back cover of the magazine. People read the magazine in this fashion: front, inside front cover, flip it over and read inside back pages and work toward the front. So I was in a good position. My customers could find me in the same spot every month.

NEJE: So your business grew slowly and solidly. Can you talk more specifically about how your business developed?

Stuart: Actually, it developed out of necessity. I was a collector. I supported my "habit" by buying and selling. One day I decided not to be a collector, and so I went to full-time dealing.

My business started when I was in high school. I bought a Leica from a teacher, and sold it a few years later at a profit. That was about 1959. I did a lot of high school photography. I liked equipment, good equipment. I was too busy in college to do photography, but picked up on it in graduate school. It was a good hobby. Later when my wife and I started our family, my interest peaked in photographic history. As a hobbyist, I did a lot of trading, buying, and selling. I started turning a profit, and it grew into a business. As my family grew, I needed more money, so I decided to make it a full-time profession. Some of what happened in the very beginning was simply by chance, like a career-changing experience in Pittsburgh about 25 years ago.

NEJE: And that was...?

Stuart: While I was at the PMA, I landed a sales job with Amphoto, the largest photo publisher in the United States (and the world). I called on Pennsylvania stores. My real interest was to get into stores looking for good used equipment. At one Pittsburgh store in July 1977, I was asked by the buyer to meet with the owner. The owner laid out that he had been asked to make an appraisal, but couldn't do it because the woman was the widow of a deceased county commissioner...and about 50 percent of their sales went

to the county. It would clearly be a conflict of interest.

I made arrangements to meet with this party. At her home, I came upon room upon room of select equipment—from Leicas to sophisticated stereo cinematographic equipment. After six hours of appraising, I handed her an appraisal of \$80,000 (resale value based on retail), explaining that she could expect to find someone who might pay her only about one third to one fifth that value, again somewhat less, but she would need to find the right person. You must understand, this stuff could, and sometimes does (in similar situations), end up being taken by the owners to the dump.

She asked me if I bought such equipment and I replied that if I had the money, I would happily give her \$20,000 on the spot, but that I had just used every cent I had on a house down payment and was flat broke. She responded, "Would you give me \$1,000 for everything?" I replied that I would happily give her \$1,000, but I was overwhelmed having bought my first house, had five mouths to feed, and really didn't know where I'd come up with the cash. She said, "Do you know how to write postdated checks?" My response was that I was pretty expert at that, so I wrote her two \$500 checks. Her desire was that I remove everything immediately, so the next two days I spent moving everything.

Within a week, I instructed her to cash her checks and within six weeks, I had about \$20,000 from the sale of the equipment in my checking account. This would serve as my "working capital." It was a bonanza and there was no looking back from that point.

NEJE: That's quite a start.

Shuart: Yes, but it began to snowball as I got the hang of it. In the spring of 1978, another dealer friend, Ted Bromwell, who had studied law at Yale, but ended up as a buyer for the May Co. (and later in a responsible management position in Pittsburgh), called my attention to a scheduled federal bankruptcy of a photo supplier in Huntingdon, Pennsylvania. We met there the day before the sale to look at the goods. It was clearly a situation of a successful business gone sour by bad inventory management. The merchandise available was all new, so we planned to bid to \$5,000—Ted paying one third and I paying two thirds. He would walk away with three cartons of new cameras, all of which would fit in the trunk of his Volkswagen Rabbit. I would spend three days moving three truckloads of good stuff.

There was one hobbyist bidder at the auction and the hammer went down at \$3,000. The bank, of course, was extremely disappointed. Ted and I escaped to the bar across the street to celebrate. This purchase put \$10,000 into my account within a week. Then I made a sale to my hometown drug store—printing paper, film, and prepaid film mailers. Within the month I had cleared over \$30,000. It was another bonanza.

The owner of the store insisted on immediate removal but then said that if we would give him a good Polaroid camera, he would give me two days. It was something that we needed to do. With the sale came everything not nailed down in the shop—tools, fixtures, showcases, everything. Having filled the third truckload, I was getting ready to wrap it up and pay three workers that I had hired for the move, when he said, "I want those three-ring binders in the basement out of here." I then realized that I hadn't even been in the basement yet! There were about 5,000 three-ring binders, imprinted with the company name, that were used to bind the catalog that this company sold. It was a buying club, by subscription. So we loaded them in the truck and off I went. On the way back to my home, I passed by State College, Pennsylvania, and thought that maybe I could sell some of the binders to the Penn State University bookstore. They were good quality and when I offered to sell 200 cases of 20 binders at \$0.25 each binder, the buyer jumped on it, had some of his workers off-load them. In 30 days I received a check for \$1,000, and I continued to sell the rest locally. They were all sold within the year. This was another turning point that put thousands of dollars in my account.

NEJE: What were some of the unique factors that made your business different from others in the field?

Shuart: My business was unique from others in that I was on the ground floor, that I moved to dealing in Europe in the late 1970s, and that I was able to find interesting items that people seem to find of interest—items that no one else had, like European-published books on photography, and photographic tools. It seemed as though I was a person that people looked to see what certain items were worth. I was being asked to do a lot of professional appraising.

My philosophy has always been simple: I zero in on a product that has little or no competition, and then when I am "found out" or others start selling the item, I move swiftly into something new. Profit is everything.

NEJE: You've mentioned a couple of times that you were "on the ground floor." What does this mean?

Shuart: I was basically dealing directly with camera collectors. Camera collecting came into its own around 1969. I got started in the business in 1971, right at the beginning.

NEJE: Would you consider yourself a niche marketer?

Shuart: Absolutely. Many people have said they scan my ads because there they find something interesting or unusual that no one else has.

I have always dealt in niche areas. I would pick up on an item, set the price, others would see that I was obviously making a buck, then begin to imitate. Usually, they had no imagination. There would then be several, the supply would grow, the price would decline, and then I would

transition into something new and let them beat each other over the head. Transition is the key to surviving niche marketing. Transition is the key to staying alive in any business.

NEJE: *You say that “transition” is the key. Were there specific things that you did yourself to ease the transitions?*

Shuart: Things change. Buyers change their wants. Other competitors come along selling in the same niche. All of a sudden there are two to three selling the same item. This is the time to bail out and move into something else. It is important to know when to make the move...and you better have some new item to market.

NEJE: *You have an interesting educational background. Can you tell us about that, and how it might have influenced your business development?*

Shuart: I graduated from a New Jersey school and attended a small, liberal arts Lutheran college in Pennsylvania. That was in the early 1960s, just about the time that no one was studying Latin and it was dropped from most high school curricula. Frankly, the demand for Latin teachers was nil. I also studied Greek—New Testament Greek—having some interest in the Church. I was still in the study mode and decided to enroll in a seminary, the Berkeley Divinity School (at Yale). After I spent three years in “theological study,” having married and having our first child, I needed a job. So I took the ordination route and landed two small churches in Pennsylvania, a place that I had come to like from my college experience.

Seminary is an interesting experience: a place where you learn to live in a community of people. You are intellectually challenged and you learn a lot of basic life skills. You also learn some basic business practices, how to relate to people, institution work and life, and many other things. Some say it is the cheap M.B.A. What I learned in seminary enhanced my developing business.

Education never hinders anything. The skills I acquired while a student there, and while traveling in Europe from 1964–1966, cannot be understated. I attribute my success to the good education that I received, plus hard work.

NEJE: *You sound very busy! How do you balance your business with your other jobs?*

Shuart: Time management, which I am not real good at, I admit. But I have found that the busier I am, the more productive I am.

As my business grew, balancing my profession as a priest of the Episcopal Church and my hobby-turned-business was a real task. I was consumed by the demands of the church on one hand and a rapid growing business on the other. At the same time my family grew to five and my church income was not what I deemed necessary to raise them the way I wanted. I decided to go the business route.

It was an easy decision, because at this point, I was able to exceed my entire yearly church salary with a single business transaction, completed over a two- to three-day period. So I went full steam ahead with the business. Nonetheless, I was to return to my church job at a later date, being able to balance both professions. More on that later.

NEJE: *To me, it is very interesting that you used your seminary background to enhance your own business.*

Shuart: Seminary education was paramount. Besides the theological education, time is spent in practical matters. When you are graduated, you have the skills to run a business. There are a lot of practical courses, other than just New and Old Testament. Much emphasis is spent on interpersonal relationships. You need to know how to talk to people, and deal with them. People have a lot of problems, and you become a skilled problem solver. It is very helpful in the business.

I spent two weeks in Washington, D.C. in 1976, testing to see what my church interest was and whether to move into the business world full-time. It was there I learned that much of what I had learned was transferable into another profession.

When I was hired by Amphoto to sell books, I asked the president why he was hiring me? He said, “If you can sell something as abstract as the church, you can sell books!”

NEJE: *How do you advertise, and has that changed with new technology?*

Shuart: Rapidly changing and new technology and the advent of the Internet have drastically changed the manner in which I now do business. As I mentioned earlier “transitioning” is the key to survival and/or growth in any business. I spent about 15 to 20 percent of my gross sales in advertising during the good years, then at the advent of the Internet, I was beginning to spend upwards of 50 percent of my gross. Something was wrong. The Internet had taken the lack of supply to an abundance of supply, prices dropped, demand dropped, and the world economy changed. The foreign buyer was no longer there. *It was a new game*, it was time for a transition.

I advertised aggressively in several trade journals (mostly *Shutterbug*). When newspaper advertising became ineffective about 3 to 4 years ago, I switched to Internet site and auctions.

NEJE: *Why are you located in Kane, Pennsylvania?*

Shuart: A mail-order business can be run from anywhere. I was already living here. My kids were in school, and the schools were good. It was a safe place. I like rural. I could hunt and fish. It was the ideal for me. Housing was cheap. In terms of location, I can reach the following places in my car: New York, 5.5 hours; Toronto, 3.5 hours; Buffalo, 2 hours; Cleveland, 3 hours; Pittsburgh, 2.5 hours;

Chicago, 9 hours; D.C., 5 hours; and Boston, 9 hours. The quality of life was the best, isn't that a good reason?

NEJE: Sure. What you would consider to be the most interesting thing you have experienced during your business career?

Shuart: When I took my business to Europe in late 1978, I was clearly on the ground floor. There was no other American doing what I was doing. Inflation was at a record high. People wanted to get rid of cash, and they wanted hard goods. The American dollar was at its weakest against the German mark and all European currencies. The trick is simple: get paid high prices in foreign currencies, convert to bagloads of U.S. dollars. I carried all the goods as baggage. I took a friend or relative with me. There were always four bags of goods, and two carry-on bags of clothes. Each trip was five to six days, and all goods were sold. And while I was there, I picked up interesting European equipment, which I brought back and resold stateside. I also bought European collector books, which were duty-free. Most stuff passed duty-free in Europe and in the United States.

NEJE: You've mentioned you have an international reputation.

Shuart: I spent five years in Europe selling until other dealers got the idea. By that time, the monetary situation changed. It really wasn't that profitable anymore. Maybe just enough to support a European vacation. The niche was disappearing and it was time to make a transition.

I was back to the mail-order business full-time, with all my European contacts. Now I was able to deal with my new contacts at a distance. No more travel, more UPS and FedEx. It worked.

NEJE: Earlier, you said that you were able to "return" to the church. What is the current status of all of your career ventures?

Shuart: In 1989, we experienced a bit of a "camera recession." I was still being carried by the diocesan medical plan, but there was a substantial spike in the cost and I was paying for it out of pocket. About this time the local cure was vacant and they were looking for an interim. I approached the congregation with the idea that I would work for a year while they did a search. I was paid in tax-free housing allowance and medical. The medical stretched over a two-year period, as they would keep me on as an assistant the second year. That seemed to solve my current slowdown in business.

In a year they called a new rector, who stayed for three years. Then I seized the opportunity for a full-time (really only part-time at 15 hours per week) position. That was in 1993. This solved my medical insurance problems, and

gave me tax-free housing. It is all quite legal, and, oh yes, the pension!

—J.S.

(Editor's Note: Since this interview, Father Shuart began serving an additional parish, 30 miles down the road...part-time, of course!)