

MANUEL EMCH

Creating new territories

South Africa Deluxe recently had the opportunity to sit down with the dynamic CEO of RJ-Romain Jerome, Manuel Emch, who was visiting South Africa for the launch of the Batman-DNA Gotham City watch.

Emch is no stranger to the watch industry, having made a name for himself during his years at the Swatch Group. He was responsible for building the first stand-alone company within the group – Jaquet Droz – which he grew from a staff complement of just three people, and a turn-over of \$300,000 in their first year to nearly 90 employees and a year-end turnover of \$35 million when he left the group in 2009. “What I appreciated about the Swatch Group was that when I relaunched Jaquet Droz, nobody cared about it,” he laughs, “The Group at the time did four or five billion turnover, so our \$300,000 didn’t matter. It gave us the freedom to do whatever we wanted to do. We had to do it our own way because it didn’t make sense for us at the time to integrate the Group’s distribution structure, from a financial and organisational perspective.” He admits he started in the watch industry, in a comfortable environment, in a big group which had access to supply, distribution, and contacts while still having the luxury of total independence. “The more we grew, the less independence we had. I had this strange experience of, ‘if you’re successful you lose independence’, which normally works the other way around especially in the big groups. I told myself after eight or nine years, that I had done what I had to do, and so it was time for me to move on.”

Emch was looking for a brand that gave him total creative freedom, and was drawn to RJ-Romain Jerome because of their approach of creating emotional concepts of art which tell a story. He explains that the appeal lay in the opportunity to be creative without any boundaries because the brand had no long-standing history. “When I relaunched Jaquet Droz – a company that was founded in the 17th Century – there were a lot of frames in terms of craftsmanship, aesthetics, history, and I found that challenging, interesting but also limiting in terms of creating, because once you’ve set that frame, you want to push it, and with a very traditional brand it is very difficult to push boundaries because everyone has a vision of it, an expectation.

What I liked about RJ-Romain Jerome was that it didn’t have any of that, it just had the provocative, but very, very strong concept.”

It might have seemed risky to some – leaving an established position at a time when the watchmaking industry was feeling the effects of the 2008 global recession – but not for Emch, who studied at the Art Center in La Tour de Peilz, prior to gaining a Master’s degree in business at Lausanne University’s Faculty of Business and Economics (HEC). With a passion for contemporary art, and numerous awards for watch design to his name, he was looking for a company which would provide a rich creative environment in which he would thrive. Emch, who joined RJ-Romain Jerome in late 2009, explains that the House did not feel the impact of the global recession that hit the watch industry in 2009. “The way we approached watchmaking was so different, and to a certain extent also so daring, a bit provocative, that immediately it had its followers, it touched a new type of customer that were maybe not so sensitive as others to the environment.”

In an industry filled with manufactures who boast centuries of history and development, the House is proud to be the relatively young upstart that is redefining the way we look at the business of creating luxury timepieces. “That’s part of what we are,” says Emch, “Since we are a young, to a certain extent, contemporary brand, we also want to be open, accessible, and transparent. We are very open about what we do, and how we do it and what we don’t do. I think that is what the customers really appreciate, that we have this sharing philosophy, that we don’t need to hide things or overdo things, we just stand for what we are.”

Taking risks

He’s wearing the 50mm Steampunk Tourbillon from the Titanic-DNA collection. It’s an amazing work of art, its bezel is crafted from stabilised, rusted steel from the Titanic, but it’s the attention to detail in the steampunk influences that is truly impressive, with each cog a mini-masterpiece of engineering and artistic design. The minutes and hours indicator is off-centered at 12 o’clock, and at 3 o’clock you

Photos: © Courtesy of RJ-Romain Jerome



RJ-Romain Jerome is known for taking risks when it comes to design and it was the first Titanic-DNA watch in this collection that brought the brand to the world's attention.



Steampunk
Tourbillon Titanic

find the “machine room”, an intricate mechanism highlighting two “tooth wheels” that turn to the rhythm of the movement. The power reserve indicator is designed to look like the lever that regulates the speed on a steam boat and it is here that the RJ-Romain Jerome logo is discreetly displayed. The mechanical flying tourbillon, which is designed in the shape of an anchor, is placed at 6 o'clock, while at 9 o'clock, a large titanium piston connected to the movement moves up and down at a pace of 30 seconds in each direction, reminding one of the Titanic's steam-powered engines.

RJ-Romain Jerome is known for taking risks when it comes to design and it was the first Titanic-DNA watch in this collection that brought the brand to the world's attention. Emch explains that a major challenge facing the smaller manufactures is how to create brand awareness with smaller budgets than their larger competitors. He says that at RJ-Romain Jerome they have realised that as people connect with their watches emotionally, the connection becomes something bigger than the product itself, “I believe that people nowadays look to watches as a pure object of art; valuable, and emotional. Emotionality is very important because people buy art because it evokes emotions, and I think that we, at the end of the day, do sell emotional objects of art that happen to be on the wrist and tell time, that are loaded with craftsmanship and artisanship, and mechanical know-how, but still the baseline is this emotionality.”

To create brand awareness, the team knew that they had to start with something provocative, “The more provocative you are at the beginning, the more you emerge, because then people talk about you. It's very interesting to see how this brand polarised people. There are people who love it and we have a lot of very, very loyal customers who buy several of our watches, who stopped buying anything else and then we have a few haters, those who say it doesn't make sense. The more traditional they are, the less they like it.” The idea behind the Titanic-DNA watch grew from a need to bring history into their brand. Emch says that although they wanted to be a contemporary and young brand, they noticed that stories and history are strong emotional drivers, and that people are very sensitive to historical references. As a team they asked the big question – how could they fill this gap of history? The obvious answer was for the House to take pieces of history and put it into their watches. They initially focused on legends and have since added icons to their line-up. To incorporate pieces of rusted steel from the Titanic was a bold and provocative tactic, one that could easily have backfired on the House, but instead it proved to polarise opinion about the brand very quickly. For those who saw the Titanic as an incredible technical achievement as opposed to a more emotionally charged catastrophe, the watches proved hugely appealing. There were the critics too, who failed to understand or appreciate the aesthetics behind the watch. The resulting controversy immediately raised the visibility of the brand. Emch says they didn't mind the obvious polarity, stating that when you try to please everybody, you end up pleasing nobody.

In their continued efforts to find inspiration from stories that people could connect to, they looked to the general age of their target audience and decided that the 1969 moon landing should be the focus for their second DNA collection. “It made sense that it was something everyone could connect to – because a lot of people saw

it, and a lot of people live with it because there are constantly films, constantly anniversaries, something being shared about it. It is part, I would say, of the overall culture of humankind.” Emch agrees that it was a bit brave taking on the old guard, bearing in mind some of the House's competitor's history and relationship with NASA and the moon landing, but says in business it is good to shake things up, “It's interesting to see how people have reacted to it, that's what I like. If at the end of the day, the watch doesn't create emotions, doesn't interact, or doesn't challenge, then it's boring. When you wear one of our watches and you go to a dinner, or you see some of your friends and they see that you have a watch that was made from elements from Apollo 11, they say they don't believe you and it creates that interactivity we're looking for.”

Great Expectations

A challenge for many disruptive businesses however is answering to the resulting anticipation and expectation created in their customer base and the public at large. With each new release came the immediate questions of what comes next. They'd covered the air, and the sea, so the next obvious source of inspiration was the earth, and everyone was trying to guess what it would be, throwing out ideas like the pyramids, the Eiffel Tower, or the Great Wall of China. Emch found himself stuck. He didn't want to give people what they were expecting, he preferred creating in an environment where the element of surprise was still in play. He also wanted the hype surrounding each creation to have some hard-earned longevity and continue to build the brand. In 2010, in what was probably one of the more daring stunt turned success stories that the industry has seen, Emch decided to answer the public's call for “what comes next” when a natural event occurred which few could have anticipated – the eruption of the Eyjafjallajökull volcano - which happened a week after Baselworld. Emch says that the idea was never to create a physical watch, it was more to say “Okay, you want something I'll give it to you,” and so they designed a watch on Photoshop in three hours, using images of lava and aircrafts. Though RJ-Romain Jerome had no intention of actually making the watch, Emch wanted to keep people talking about it. He surmised that the watch's aesthetics wouldn't be understood but that the buzz around the aesthetics wouldn't last long so the team decided that attaching an incredibly high price to the watch would keep people talking. They took the most expensive steel watch with two hands, available at the time and doubled the price. In case anyone wanted to buy it, they created a back-story that it was a unique piece created specifically for a collector. The release was picked up internationally by the media and then the orders started coming in one after the other, and within two days they had 60 pieces on order for a \$50,000 watch with lava on. They had decided to tell everyone the watch was sold out when they received a call from a woman who had seen the watch on their blog. Her husband worked for the Volcanic Institute of Iceland, and she asked if they could help them. They gave them material and RJ-Romain Jerome started to make the

Moon Orbiter
GMT



Batman-DNA
Gotham City



watches. The new challenge they faced was matching the watch with the original design. “To match the design the bezel had to be made of lava-stone, which meant that it destroyed your shirts as it’s like sandpaper, yet all our customers loved it,” says Emch. The first edition was 99 pieces and had a substantially decreased price than originally stated. It sold out faster than they could deliver. By 2014, they had produced their third edition of 99 pieces.

The cost of doing business

Perhaps the toughest challenge in his role as CEO has been to convince brand custodians to partner with the House through royalty agreements. His desire to use Space Invaders for a new Icons collection lead to the House’s first royalty agreement negotiation, an experience which proved a good lesson for Emch. It took many discussions to convince them that a limited release watch, with a roughly \$20,000 price tag, warranted a possible rights agreement. They were expecting it to be sold for a lower price and at a higher volume. He had to convince them of the craftsmanship and artistry behind the luxury timepiece, which he was convinced would sell. The first two Video Games prototypes were completed in 2011 but received muted attention at Baselworld. It was when Emch began wearing one of the prototypes and people started to notice it, excitedly asking where he’d purchased it, that he realised that there must be a markets.

The Maison took a risk officially launching the collection and today it is RJ-Romain Jerome’s best seller, particularly in very mature markets like Singapore. Emch believes the success of this line lies in the emotional connection which is passed through the generations. He feels the younger generation is looking to find commonality, a shared connection with their parents’ generation – those who lived through the video game era – and are experiencing an emotional bond to the Video Games watches as it creates a shared experience. It’s something that has seen the average age group of their customers drop into the mid-20s from the early 30s, and it is something they did not expect, “In the high-end watch market, the average age of our customers is probably the youngest by far.”

He admits that while the 1, 500 watches they sell over a year might not have a big impact on the watch market as a whole, what the House is doing is opening doors in an industry that today, is challenged by changes such as the smart watch, or changes in the philosophy of what is classified as a status symbol or luxury item, or simply because fewer people are wearing watches. “We have brought in people who have never bought a watch in their lives, and suddenly the entry doors to watchmaking are different. It can be someone who is passionate about Batman or about Super Mario, and since he’s so passionate, he’s attracted to the watch and he gets interested in the watch industry as well. There is a reality that is challenging our industry, and - even if it’s on a small scale - the possibility of adding something, of doing things differently, of bringing in a few new customers, is interesting. We need to change perceptions that watches are only for older people, for the traditional customers, and really convince young people about high-end watches.”

Changing the playing field

Emch believes it’s possible to change the playing field by taking risks. “The problem with pioneering and innovating is that it doesn’t mean you will succeed, but at least it will open new directions.” He says what really interests him, is not selling two or three times more watches. “For me what I see is that we’re building something different, we’re creating something and it has to remain artistic as much as possible because that is for me the only element that will overcome time and will make it sustainable.” Their approach really is their differentiating factor in a market filled with high-end timepieces. Emch speaks about the importance of securing the royalty agreements for the brand, which is difficult to put a price on, “It takes a lot of time, and costs a lot of money. I can’t explain to someone that I went knocking on doors 200 times to arrange certification because nobody cares. These are the challenges we face in order to bring a product onto the market that is also competitive. We’ve had to abandon projects because in putting the figures together it just doesn’t make sense. We still have within our collection watches that we will never make money on, but I don’t care too much – my investors do a bit more – because I feel they are also learning curves, and they add to the overall perceived value of what we do. Some products are much more profitable than others, some aren’t, some are easy and some are very complicated but at the end, that’s not what it’s about.” “What hurts today, but also we provoke it to some extent, is that the industry is a bit of a creatively inactive, they’re a bit lost, because the economy is struggling worldwide and there is a lot of instability in the world and when there is instability, it creates an environment of holding back on investing in emotional objects. People can delay, saying ‘I don’t need a watch immediately,’ as it’s something they don’t need right now. On the other side, the watch industry has proven that it is effective at re-inventing itself, but on the same stories over and over again, and I think it bores a lot of people. I think what is frustrating is not when there was something we couldn’t get, but rather that when we do get something we can’t keep under our roof, because you can’t protect creative ideas. We’ve seen a lot of other brands now using Eiffel Towers, or football stadiums in their watches, so basically starting to do the same concept. Then we started doing a lot of artistic collaborations and we’re starting to see more of that in the marketplace too. Then we moved out of the contemporary art and started to create with tattooing and now we’re seeing that in other brands too. At the end of the day, the only thing that nobody can take away are the collaborative agreements which protect the brand. So that can be very frustrating because it’s more the fact that there were things we wanted to do but couldn’t do at the time, and with others coming into the space it has felt like cannibalization. But that forces us to keep on reinventing ourselves and pushing our own boundaries.” On the future of the House, Emch says that when you really analyse what they do you can likely predict what they will do in the future, “That’s really interesting, that for me is the takeaway - we’re trying to do watchmaking in a different way. Are we right? Are we wrong? I don’t know. It’s just different and we want to keep that difference because the market is saturated with brands. I always believe that if somebody does something really well for years, it’s very hard to challenge people on their own territory, you have to create a new territory, that’s what we’re trying to do, create our own territory.” ■ Lindsay Grubb



Photos: © Courtesy of RJ-Romain Jerome

Space Invaders®
40 Colours