



STRIKING TO THE TOP

The new President of Zenith aims to establish this historic House in its rightful place in a few months: at the top of Swiss Manufacturers of Haute Horlogerie. An interview realized in March 2010.

By Constantin Stikas

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CONSTANTIN STIKAS: *Zenith has been for decades a classical House of Haute Horlogerie, one of the rare watchmaking manufactures, producing movements of great quality, exemplary performance, and rather conservative models. In recent years, however, we have seen some collections based on the same movements, but more geared to fashion and provocation (and, sometimes, even ahead of the current fashion. What was the impact of these years on the image of your brand and on your clients?*

JEAN-FRÉDÉRIC DUFOUR: What my predecessor, Mr. Thierry Nataf, did was to associate the world of fashion with the world of manufacture. His concept can be summed up in the phrase: "Fashion and Manufacturing". He wanted to get to the top of manufacturing know-how, while offering a fashion product at the same time. For some time, during the growth years that we experienced from 2005 to 2009, the concept was working, because we were all surfing at high tide. It was as simple as that. Supply automatically generated its own demand.

During that period, our collection became too big. The Zenith name had fallen behind a little, because there were around fifteen names of other collections, that came to the forefront: Defy, ChronoMaster, Class, Academy, Star Rock etc. All this dimmed our message and this is the reason why, when the crisis began, at the end of 2008 and the beginning of 2009, it was more difficult for Zenith to come through.

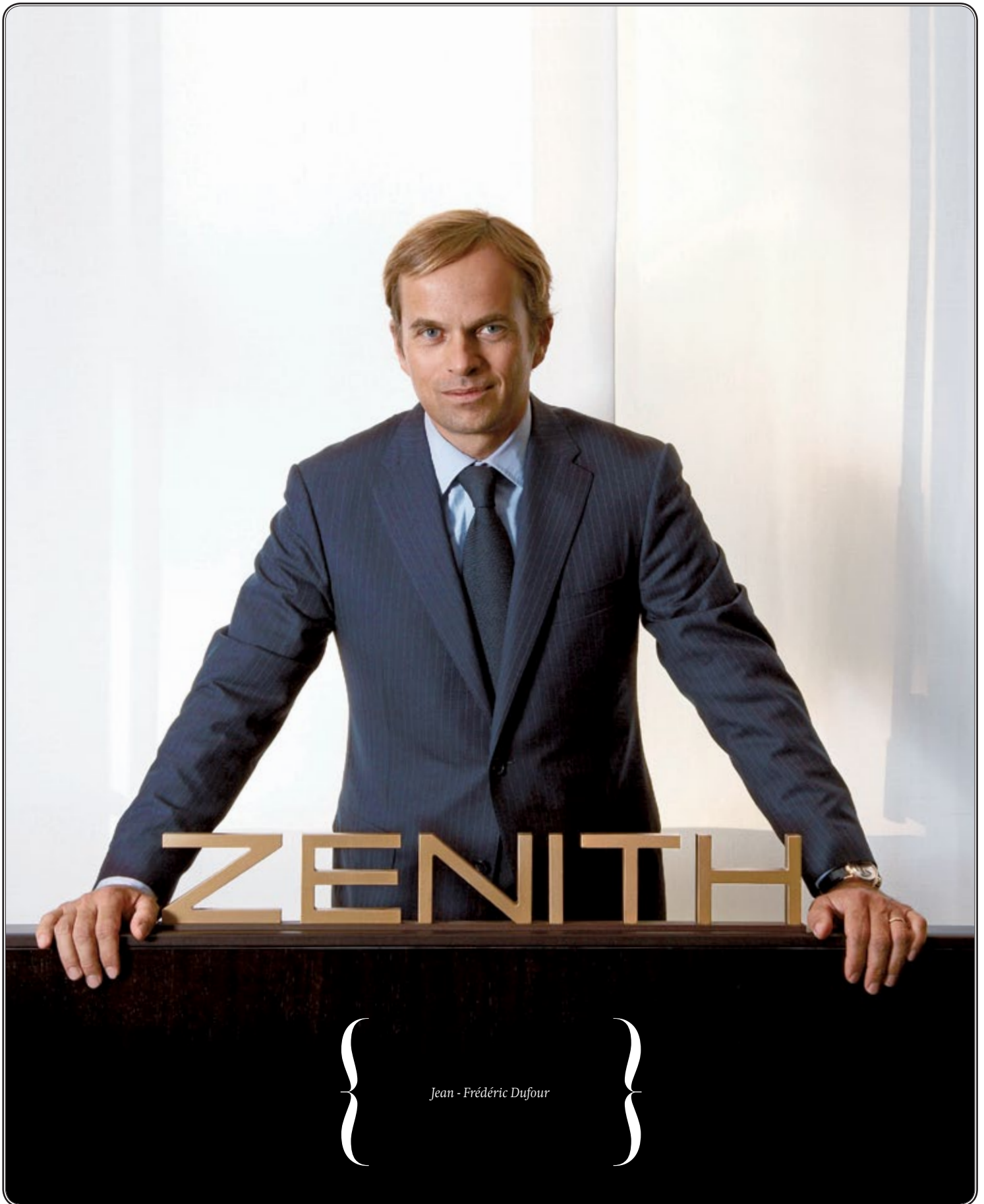
Fortunately, with regard to the image of the brand, it did not change in those countries where Zenith was selling relatively well – and that is strange enough –, whereas the countries where we didn't do so well are now very pleased with the return of Zenith's traditional image! Of course, you know, all

this is part of the life of a business. There comes a moment when a collection does not work any more, and you have to change your direction. The most important thing is to keep the quality, to respect the History of the brand, and to stay loyal to the spirit of manufacturer. That's exactly what I am trying to do. What you said is true: we are one of the rare manufacturers.

One of your first preoccupations in Zenith was to reduce the quantity of your product codes. Can you explain to us the reasons for that?

We had 800 product codes in our catalogue, and now we have 112, of which 60 are new. When you have 800 product codes, when you are distributed by retailers and you cover 80 cm in the shop window, it's very difficult to create a collection that would be representative of your brand. You only produce out of frustration. The client will never be satisfied, because he will never have the watch that he wants –he may have seen a black dial or a brown strap etc., and there is no such thing in the shop– and the retailer does not have the right dial, or the right strap etc. It's even worse at the industrial level, at the level of production planning, and at the level of stock. Eight hundred product codes, it's a riddle.

What we're doing today is trying to concentrate the force of our brand where it really is, that is to say, on the El Primero, our famous chronograph which ranges to the Tourbillon level, on the Elite collection, with three-hand watches at the entry-level, and on the Academy collection, with a magnificent watch that we are going to present in September 2010, not to mention the Tourbillons, Répétitions Minutes, always with El Primero.





In recent years we have seen the prices of all Swiss watches increase, including Zenith's. This year, however, everyone is talking about the very reasonable price of the Striking 10th. Now, this is very important and very nice for the future of the brand, as well as for its fans, but isn't this a form of harsh competition with regard to the older models of the House, which are still in production?

Not at all. None of our new models is similar to the old ones that still exist in our collection. If I couldn't ensure this, I wouldn't have been able to clear the collection of products that belong to our brand's past.

Was Zenith's change of strategy dictated by the crisis or was it dictated by a much deeper change in the watchmaking market, since the choices of watch fans have changed completely and standards are different from those that existed only a few years ago? We have seen that watch cases are becoming bigger, dials are gaining depth, the materials are multiplying, prices are falling, and at the same time clients are becoming more and more demanding...

That's something that hasn't happened only in Watchmaking. It is creativity itself which always takes this direction. We always want more powerful cars, bigger houses, faster airplanes, more extravagant clothes etc. And then, at some point, the crisis arrives and everyone loses money. When that happens, one thing is certain: you change your perception of the objects that you buy. This does not mean that you stop consuming, but that you reconsider the value of the objects that you buy.

That's why it is very important today to be able to offer the best value-for-money.

Exactly nine months after you took over as CEO, you presented a new Zenith in Basel, new models and, most importantly, a new philosophy that many people consider one of the most interesting and adapted to the demands of this critical year. Can you explain how you managed, in just nine months, to become deeply familiar with a House with such a history, and also how you managed to conceive, plan, produce, and present its offspring in time?

It took a lot of work. The key is work and humility. I plunged into the brand and its history, and I studied like never before in my life. I dug into the archives, I took all the historical watches out of their chests, I spoke with all the senior people of the brand, I travelled like never before in my life, and I met with more than half of our retailers around the world. I have a family with a wife and three kids, and it was a difficult year because, I was rarely at home.

I did learn a lot, especially from our retailers. Some of them have been representing Zenith for decades, or even 80 years in certain cases, and their opinion of the collection, as well as the good and the bad moments that they had experienced, was important for me. What is quite amusing is that when I asked them what Zenith is for them today, they all had a different answer to give, but when I asked them what Zenith

should become for them, 98% of them agreed in their answer! It's only by total immersion that I managed to do this.

ON THE VERY FIRST DAY, THE QUESTION THAT I POSED TO THE MEMBERS OF THE BOARD THAT WERE INTRODUCED TO ME WAS: "BEFORE WE START TALKING ABOUT NUMBERS AND ALL THAT, I WOULD LIKE TO KNOW ONE THING: TELL ME HOW I CAN READ THE TENTHS OF THE SECOND ON THE ZENITH". AND THEY ALL ANSWERED: "YOU CAN'T". AFTER THAT I BECAME OBSESSED WITH THIS IDEA, AND I THOUGHT TO MYSELF THAT WE HAVE TO FIND A WAY TO DISPLAY THE TENTHS OF THE SECOND ON THIS WATCH.



Now that you know all the secrets of the brand, has your way of thinking about Zenith changed compared to how you thought about it before working for the House?

The only thing certain is that reality very often does not match our imagination. I've been in the watchmaking business for many years, but Zenith is a great brand with a long history, an immense manufacture, many people who work there, dozens of professions... It's a real manufacture. Therefore, I felt very excited, but also I was in awe. Imagine that you want to climb an 8,000-meter mountain. You have climbed many mountains before at 4,000 meters, but never at 8,000 meters. So you think that you have to concentrate, that you have to be very careful. Then, as you start climbing, you realize that there is no crack where you thought there was one, and that what you thought was going to be easy is after all very difficult. That's exactly the feeling. It never turns out the way you imagined it, in the end...

You are thought to be one of the old friends and gifted associates of Jean-Claude Biver, who expressed his confidence in your abilities. Today LVMH with your Striking 10th, the Hublot collection with its new movements, and the TAG Heuer with the V4 and the Pendulum, have a more important presence in the world of watchmaking...

We are doing our best... And we have to, since that is our goal. Jean-Claude Biver is an extraordinary man. For me, he is one of the most important people in my life. I've always had the chance to work with businesspeople like the Scheufele family (Chopard), Rolf Schnyder (Ulysse Nardin), and Nicolas Hayek (Swatch Group). The most important thing is that I became friends with them. And when you are friends, you share your trust and your feelings with another person. It's something that goes beyond professional goals. With regard to your question on LVMH, it is completely different from the Richemont Group or the Swatch Group.



Zenith El Primero
Striking 10th





The Swatch Group is very integrated, there is a lot of interaction between the brands, because there are so many suppliers etc. Richemont is less integrated at the level of industrial structure, but more integrated at the level of brand marketing, which means that in Richemont there is always a management level which stands above the CEOs of each brand. In LVMH, on the other hand, it's not at all like that. There is certainly a shareholder, LVMH, but in the Management Board we present our projects and it doesn't go beyond that level. They are happy with that.

In an interview with Philippe Dufour, last November, I asked him to rank the watchmaking brands with respect to the finish of their movements. He placed Lange first, Chopard L.U.C second, and Patek Philippe fifth! What is your own view, given that you were product manager in Chopard for a very long time?

And who was in the third and the fourth position?

In the third position it was Audemars and in the fourth Cr dor of Seiko...

Good old Philippe!... Chopard is the brand with the most honesty. Karl Friedrich Scheufele is someone who is very ethical, and when he produces watches that bear the Seal of Geneva, he pushes quality to the extreme. That's the kind of person he is. He only feels satisfied when everything is really perfect. This does not mean that everybody recognizes this, but here you have somebody with the expertise of Philippe Dufour who speaks this way about Chopard, and that's very important. It's a pity that this information remains limited to the true connoisseurs, because 98% of people believe that Patek Philippe is superior to all the other brands. On the other hand, it is true that this statement concerns only part of Chopard's production, while Patek Philippe has a history and some very impressive models.

What is certain –since, as you said, I was at Chopard for many years– is that the goal in the family of L.U.C movements was to catch up with the most demanding watchmaking tradition as far as possible, and especially the tradition of the region, which is also very important, in a spirit of total respect.

You received a lot of positive comments for the design of your 2010 collection, which emanates a real Zenith aura. How do you keep a balance in your watches between what's old and what's new?

Well, this is the secret difference between one watch and another watch!... It's difficult to express it. It's a love of detail, a desire to get to the heart of the matter. We want to be able to interpret what exists, but without copying it. The best example to demonstrate this difference is the Mini. If you take the classical Mini and the new Mini, they are two completely different cars, but when you drive the new Mini, you always have the feeling of being in a 1960s car. You have of course 200 HP, electronics, ABS, it's a modern car, but you also have the feel-

ing and the spirit that correspond to a 1960s car. I call this neo-retro. What I tried to achieve in the new Zenith collection, and what really pleased people, was the following idea: It's not your Dad's watch. It's a modern watch, but it expresses an older spirit and emotion. And this is fantastic!...

In 2009 the Chronometry Competition came back after a hiatus of 37 years. Zenith was the big protagonist of the competition at the time. Are you going to try to continue succeeding in the competitions?

IT IS VERY IMPORTANT TO CONSIDER WHICH WATCHES WE SUBMIT FOR THE COMPETITION. WHEN BRANDS ARE INVITED TO SUBMIT A SINGLE WATCH FOR THE COMPETITION, IT IS CLEAR THAT THE MORE RESOURCES A BRAND HAS, THE MORE IT CAN MAKE WATCHMAKERS ADJUST THE WATCH DURING A LONG PERIOD, AND TO ACHIEVE EXTRAORDINARY RESULTS, WHICH DO NOT REFLECT REALITY ALL THE SAME.

Zenith is the brand which has won most Chronometry Competitions historically, even at a time when the competing watches were mass produced. The experts of the competition committee at the time came to search the watches at the industrial chain in the manufacture.

Today, it is more a challenge for the internal factory teams and, what's more, it's being held in Le Locle, which is important for us. However, if the watches were taken from the production chain, then there would be a real interest for the consumers.

With the Chronometry Competition does the profession of the adjuster ("r gleur" in French) become relevant again?

Did you know that it was Zenith that first spoke of modern Chronometry? It was Charles Fleck and Ren  Gygax who invented the method of adjusting the watches in the chain of industrial production. Without doing it "piece by piece". That's why we have received so many prizes in the Chronometry Competition. At the time we had developed more than 70 timing regulators in order to reach the... zenith of watch precision!

Do you think that Chronometry Competitions have to open their doors to Japanese or American etc. brands?

Why not? When you hold the Olympic Games, you have to invite everyone. The spirit of the competition must always remain open to all.

Ten years ago, there were less than 10 watchmaking manufacturers. Today, all brands try to present themselves as such. Is it so important?



*Alexandra:
watchmaker in
the complications
department*



When we speak of manufacturer chronographs, we can say that there are the new arrivals, such as Hublot, TAG Heuer, Breitling, Chopard, or even Patek Philippe (since it worked under the Lemania base for the chronographs) etc., then there are those that have been producing chronographs for 10 years, and there is Zenith which produces El Primero since 1969, and Jaeger-LeCoultre which has produced chronographs in its manufacture since the 1970s. It is important to realize that, for every movement that includes more than 300 pieces (depending on the model), we manufacture almost 200. Then you will also find some brands that call themselves manufacturers, but if you ask them how many components they manufacture themselves, the answer is 9 pieces out of 250. They only manufacture the brass components. The fact that brands are independent and that there

are many different movements is good for the profession. This is what makes the difference in quality between the brands, as was the case in the past. A few decades ago people were saying that brand X works well, while Y not. Today it makes no difference whether you buy a watch that costs 800 euros or 15,000 euros, if it contains a Valjoux 7750. It always works in the same way, since it is the same movement after all! Obviously, all this is normal. If you establish a new automotive brand today, you won't be able to acquire the know-how of Mercedes within one year. It's very difficult for a brand which has just started to produce movements to have the necessary infrastructure to manufacture all sorts of components. It's an enormous investment that nobody can afford. You can't catch up with 145 years of experience and history in just 3 years!...



Gérard Dubois said to me in an interview in 2009 that Valjoux 7750 is more stable, more efficient and more effective than the best handmade movement. What is your own view?

First of all, Valjoux 7750 is the basis for most of the movements manufactured by Dubois-Dépraz... So it's only natural that he defends his own work. But I can tell you that if you take a Mussey Ferguson diesel tractor which has been on a farm for 30 years, it will always make a "vroom vroom" noise. Now, put it next to a Porsche. It will always need care, a little more oil etc. But the mechanism is not the same! Valjoux 7750 is constructed like a diesel tractor. If you want to have a diesel tractor on your wrist, it's perfect. Still, it doesn't have the same spirit as a manufactured movement.

You know, in 41 years we have manufactured 600,000 El Primero, and we repair barely 4,000 every year. This means that our return rate is less than 1%. There are reasons why we have this result, and there are reasons why a second-hand Daytona with the El Primero movement is more expensive than a new Daytona with the Rolex movement.

El Primero is considered as one of the most solid and most stable movements in the market. We have been around since 1969. Even before Valjoux 7750. It is no accident that there are copies of 7750, while nobody has succeeded in copying El Primero.

All the watchmaking brands try to present themselves as manufacturers, yet the tradition of Swiss watchmaking dictates that we buy every part of the watch from the most specialized house. Many people say that Daytona was better with the El Primero movement (calibre 4030) than with the calibre 4130 manufactured by Rolex. What is your own view?

Exactly! I agree with you completely! But this involves only you and me!... (Laughter) However, the proof is that a Daytona with El Primero costs 50% more than a Daytona with the movement manufactured by Rolex!

And can you buy your components, even from Asia?

When you produce huge quantities of watches, you are forced to buy components from Asia!... It's quantity that makes the difference in price. When you produce millions of movements, like for example ETA, Valjoux etc. do, it becomes mandatory. But when you produce, like we do at Zenith, only a few tens of thousands every year, then there's no point looking for components at the other side of the world. It's just not cost-effective.

I've read that you've said in an interview that only those Houses that have a tradition, and not any random ones, should be allowed to produce tourbillons. In veryimportantwatches.com, Paul Buclin and Jean-Pierre Musy of Patek Philippe, Philippe Dufour, Giulio Papi, George Daniels, Pierre-Michel Golay of Franck Muller,

Christian Selmoni of Vacheron Constantin, Christian Laurent of Jaeger-LeCoultre, Osvaldo Patrizzi, Karl-Friedrich Scheufele, but also Franck Muller himself, answered that it is more difficult to produce a good chronograph than a tourbillon! Why then should we protect the tourbillon, when everyone agrees that it's a sophistication (and not a complication) that is eye-pleasing more, than it is useful for a wristwatch?

They are right. That's why in Zenith we manufacture chronographs with a Tourbillon! It is true that there is a big difference. With current methods of production, you can manage to produce 50-60 pieces of a Tourbillon cage correctly. After that, it is enough to assemble the components and the tourbillon will work. On the other hand, in a chronograph, say in El Primero, there are 300 components and, what is more, they must interact with each other to run the functions of a chronograph. If there is the slightest problem in the production of a single component, then nothing functions.

Furthermore, once the Tourbillon starts turning, we leave it alone. The chronograph always suffers pressures when it starts, stops, resets to zero etc., and each time the forces exerted upon the small components are enormous.

On the other hand, it is true that, when it comes to the aesthetic of mechanism and watchmaking, nothing is more magical than to see a Tourbillon turn. It's pure watchmaking magic!

What do you think of the Chinese Tourbillons?

IF THE CHINESE MANAGE TO PRODUCE A TOURBILLON, I DON'T HAVE A PROBLEM WITH THAT. IN ANY CASE, IT IS NOT THE CHINESE WHO BUY A TOURBILLON BY CHRISTOPHE CLARET AND PUT IT ON A CASE WITH THEIR NAME ON THE DIAL. THE CHINESE MADE THE EFFORT TO REALLY MANUFACTURE A TOURBILLON.

There is work behind this. And when there is work, I always respect the effort. That's not the case with somebody who has found an investor who had a few millions to spare just to amuse himself, and who presents a Tourbillon under an X name, while he is incapable of manufacturing anything. Today there are brands with only a computer and a telephone.

Some people have already said that Striking 10th will be a strong competitor to Daytona, thanks to its quality and reasonable price. What is your opinion?

In that case, you made my day!... I hope so. It's the best thing that could happen to me. You know that Daytona has a very established reputation, and I'd even say that it is considered an icon in watchmaking. If we manage to create an alternative to the 60,000 Daytona sold every year, it would be ideal.



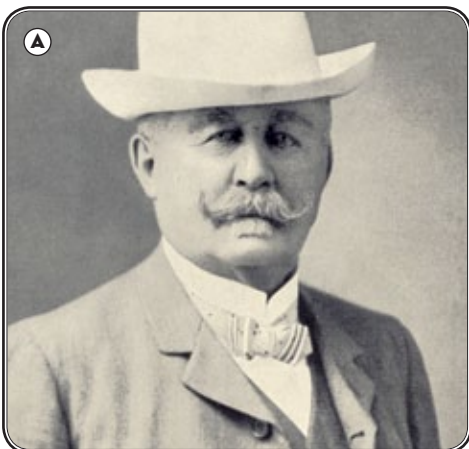
CLICK TO LISTEN



CLICK TO LISTEN



CLICK TO LISTEN



— ABOVE —
*Zenith has not changed its address
for 145 years. In the photos,
you can see the façade of the
manufacture as it looked at the time
on the left, and the way
it looks today on the right.*

— A —
Georges-Favre Jacot

— B —
Jean-Frédéric Dufour



We also have to consider that a large number of people who buy a Daytona today are not interested in watchmaking mechanism. In that sense, Striking 10th could present an alternative for those people who need a watch that would be easy to wear all the time, but which would be a real manufacturer product at the same time.

Is quality enough to achieve such an important success?

We need to have many things: Number one is to have a beautiful product. Number two is to launch a simple and effective advertising campaign, in order to convey our message to people. And number three is to create a network of retailers who really believe in it, because they are the people who are going to defend our product to potential buyers. At the same time, of course, we need to convince the written and the electronic press, which plays a major role in passing the message, about the quality of our product. If you add up all these parameters, you can be certain of success. Daytona does have a strong image in watchmaking, but it is not the only one. There is also Reverso, the Royal Oak, or today Big Bang. And one of the good things that remain true about the watchmaking business is that there are always changes and surprises...

Who are your competitors?

If we speak about the Houses that manufacture 100% the components of the movements they use, then there are just four of us: Patek Philippe, Jaeger-LeCoultre, Rolex, Zenith. We are speaking here in industrial terms. But there are other manufacturers too that produce important watches.

If we look at market positioning and we add the parameter of price, then I would say that the brands which are closest to our own position are Jaeger-LeCoultre and IWC.

We have all admired Jean-Louis Etienne's adventure at the North Pole. What would it mean for you to arrive at the summit of watchmaking?

For me the summit would be to accomplish my mission, which is to make people one day think of Zenith immediately when they think of manufacturer chronograph. That's why, even in our partnerships, we don't only search for performance, but we also always include a research and scientific objective, along with technical feats. And Jean-Louis Etienne did a lot of scientific work for the planet, when he accomplished his feat.

El Primero has existed for 41 years, you have produced 600,000 movements, and you still remain THE reference point for automatic chronographs. Everyone believes that it's the 36,000 vibrations per hour that make the difference. However, we have seen some chronographs that work with 360,000 vibrations per hour in TAG Heuer and, this year, 72,000 in Breguet 3880. These watches and their performance are comparable to El Primero, or is there another way to measure things? Can you explain to us the advantages of El Primero and talk to us a little about your plans for its evolution in the coming years?

You can easily have high frequency, but what matters is amplitude. The most important thing in a balance wheel is amplitude. You can make your balance wheel beat with many Hertz, but if you don't manage to obtain a good equilibrium between power reserve, amplitude and high frequency, then you will never have precision. Everyone can put power into the escapement. But what is important is to have amplitude in the balance wheel. If you can't achieve that, then you don't have a watch that can be regulated and hence you don't have precision. People always assume that the most important thing is frequency, and they ignore the value of amplitude. What is fantastic about El Primero is that we have 36,000 vibrations, but with an amplitude close to 270 or 290 or even, in some exceptional cases, 300 degrees, that is to say, an amplitude which is almost the same as that of a watch that beats at 4Hz (28,800 vibrations per hour)! In any case, a watch cannot be regulated below 100 degrees of amplitude. Additionally, power reserve plays a major role. There is a small space for putting the spring in the movement of a watch. If you put a spring that gives a lot of power but runs down after 2 hours, then you won't have a great watch. In El Primero, you have 50 hours of power reserve when the chronograph is stopped, and even 45 to 47 hours when the chronograph is functioning! I like very much what they've done at Breguet, but they are going to produce it only for a year in very limited quantity. It's not the same thing as to mass-produce watches with these features in hundreds of thousands of copies for 41 years. One proof of all this is what happened in the Chronometry Competition of 2009. Initially, Thierry Natal did not want to take part in the Competition. Later, he changed his mind and he submitted the best piece of those that had already passed the COSC. Thanks to this piece, we managed to win the 5th place, whereas some other brands had been regulating their watches for months!

What is the future of El Primero?

I'd like it to remain the leader in the high frequency category. We were the first at 5Hz in 1969, and let me tell you also that in the 1960s Zenith was a pioneer in 4Hz with René Gygax. I believe there is no reason to raise the frequency. Think about cars. If you have 200 HP, it's enough. There is not much interest to go for 800 HP! You can do anything with 200 HP.

In all your answers, it's obvious that you are very proud of working for Zenith. Why are you so proud to belong to this historic manufacture?

First of all, Zenith is the only manufacture, which has had the same address for 145 years! In our History we have received 1500 awards, and we managed to obtain them due to the fact that we have deposited 176 patents (Patek Philippe has deposited around 93). But what is most important for me, is that we have obtained these patents by manufacturing the most precise and the most reliable movements, not the most complicated. Zenith's task was and still is to make the hours, the minutes and the seconds as reliable and precise as possible.



*The Calibre 4052B
movement*