Can't Buy the Watch You Want? It's Partly a Lack of Watchmakers.

With student enrollments down and retirements rising, Swiss brands worry that growth will stall.

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Jaslyn Jong Yan, a student at the Watchmakers of Switzerland Training and Educational Program, or WOSTEP, in Neuchâtel, Switzerland.Karla Hiraldo Voleau for The New York Times

The watchmaking world is facing an unprecedented problem: a severe lack of watchmakers who can build and repair timepieces as well as technicians, engineers and other skilled workers. That has contributed to such severe supply problems that they could stall growth, especially at top-end brands.

"There is a true shortage of manpower," Aurélie Streit, vice president of the Fondation de la Haute Horlogerie, said during a recent video interview from the organization's Geneva headquarters. "Not only watchmakers, but also specialists in the 15 other watchmaking jobs, from precision mechanics to engineers, finishers, polishers, research and development, and more."

She said that there were many reasons for this, but that they primarily were linked to the sales boom that began when people, flush with cash and a bit bored during early pandemic lockdowns, indulged themselves by buying watches. By 2022, Swiss exports were valued at 24.8 billion Swiss francs (\$26.3 billion), an 11.4 percent increase over the previous year, according to the Federation of the Swiss Watch Industry. And numbers for February, the most recent available, indicated that the pace rose "to a very high level."

As a result, prices are continuing to rise, brands that never had waiting lists before <u>now have them</u> and some retailers are showcasing "display only" watches that have long waits for delivery. The public's enthusiastic embrace of vintage and pre-owned watches also has driven those businesses to seek more skilled watchmakers. And while few young people show interest in the profession, large numbers of babyboomer watchmakers are retiring.

"There is definitely a shortage of watchmakers that is not going to get better anytime soon," Karl-Friedrich Scheufele, co-president of Chopard, said from its factory in Fleurier, Switzerland. "Mathematically speaking, if you look at the number of watchmakers retiring in the next few years, and the number of young people coming out of schools, there is a great gap."

There is no single tally of Swiss watchmaking graduates. But there are seven government-sponsored watchmaking schools that graduate a total of 400 to 500 watchmakers a year. , There are also industry-sponsored programs with a variety of curriculums and government-supported technical engineering schools that offer four-year programs on production, micromechanics, research and development, and similar topics.

Leshita Ho, a WOSTEP student, beveling in a class.Karla Hiraldo Voleau for The New York Times

Nick Clayton, another student, working on a satin finish for a bezel.Karla Hiraldo Voleau for The New York Times

Yet by 2026, an estimated 4,000 new watchmakers will be needed in Switzerland alone just to cover the increased demand for workers and the loss of retirees, according to the Employers' Convention of the Swiss Watch Industry, the umbrella organization for employers and issues related to professional watchmaking and microtechnology training. A total of 52,000 workers were employed by watch brands in 2020, according to the Swiss industry federation.

While some watchmakers trained in France do work in Switzerland — especially its brand-rich, French-speaking western region — the Fédération de l'Horlogerie, based in Paris, said that just 684 students graduated in 2022 from the two-year watchmaking programs in the country.

While the worker shortage is evident throughout all levels of the industry, some say it is affecting high-end luxury brands, which use more hand craftsmanship than medium-price brands, where automation plays a big role.

According to Jean-Claude Biver, the veteran watch executive and founder of a new namesake brand: "Nobody expected we would have such a recovery after Covid. It was not just a record demand compared to last year's demand, it is a record of all time, so you can expect there to be problems. And it takes time to adjust.

"While people are needed in all segments of watchmaking, it is at the high end, the \$50,000-and-up segment, where there is a real shortage because they need highly skilled people with years of training. The watchmaker shortage is a good problem to have. It is better to have no problem at all, but this is the best problem. But brands and schools have to take action or we will have bigger problems."

A WOSTEP class in progress, with a view of Lake Neuchâtel.Karla Hiraldo Voleau for The New York Times

In Switzerland

The types of jobs, the kind of training required for them and

some geographic circumstances all have to be considered when evaluating the watchmaker shortage, said Johann Kunz-Fernandez, director of Watchmakers of Switzerland Training and Educational Program, best known as WOSTEP.

The independent institution, based in Neuchâtel, Switzerland, is supported by the Swiss watchmaking industry and operates 10 schools around the world in brand partnerships, including the Richemont Group's program in the Dallas-Fort Worth area and the Swatch Group's programs in Miami and Shanghai.

"There is definitely an increasing lack of watchmakers today, and the industry is already adjusting the way they are training students and trying to increase the number of students we train annually, but there are limits" to how quickly programs can be expanded, Mr. Kunz-Fernandez said, noting that the Neuchâtel location produces about 16 watchmakers and six polishers a year and the global programs an annual total of 120 to 130 graduates.

WOSTEP has two curriculums: a one-year program for what the industry calls a service watchmaker (someone who can maintain and repair most watches, up to and including a complex chronograph) and a two-year program that adds micromechanics training, building what the industry calls a school watch and other skills (so the graduate should be able to manufacture parts and work on more complex complications).

"It is hard to understand how many jobs go into building a watch, and there are people shortages in all of these jobs," said Ms. Streit of the haute horlogerie foundation. "The needs are increasing by more than 10 percent each year, and watches are a valuable product. You have to have the most experienced people at the top and that takes years of development beyond graduating school."

A so-called crossbow saw in use at the Maison des Métiers d'Art in La Chaux-de-Fonds, Switzerland.Pascal Mora for The New York Times

Multiple Obstacles

Just as high-end watches have become increasingly complex over the years, so, too, have brands' requirements for watchmakers.

"It is becoming more and more complex to recruit and find specific watchmaking skills, such as microtechnology knowhow," Karim Drici, industrial director of Cartier International in Geneva, wrote in an email. "When it comes to watchmakers, it is challenging to find highly qualified ones, especially for restoration activities, that requires a very high level of knowledge, experience and expertise."

Mr. Drici explained that the brand's needs for watchmaking knowledge had evolved in recent years. "For example, we

need qualified watchmaking operators on our assembly lines that we train through a two-year watchmaking training," he wrote. "For our customer service department, we require experienced watchmakers who can perform acts of restoration, while we will look for highly qualified watchmakers for our Maison des Métiers d'Art, a pioneering facility in the world of watchmaking <u>opened in 2015</u> to preserve and develop artisanal crafts."

The demand for vintage and pre-owned watches also has fueled the shortage of qualified watchmakers to inspect, repair and certify watches. "For this work, you cannot use operator technicians; you need people with a higher level of expertise," Mr. Kunz-Fernandez of WOSTEP said. "The smart brands and companies are grabbing watchmakers with more knowledge so they can attain and grow in this sort of business."

Geographic location also may play a role in the work-force shortage. Some observers, for example, say that anyone with training in Geneva already has been hired by one of the many brands headquartered there.

Édouard Meylan, chief executive of H. Moser & Cie, said it could take his small independent company two years to find a qualified watchmaker to join its staff of 30 watchmakers and support personnel. But because there are so few brands in and around its base of Schaffhausen, on Switzerland's border with Germany, it has an advantage over watch brands in the country's western, French-speaking regions, he said.

"Because there is a shortage, watchmakers expect salaries that are out of this world, so it was very complicated for us as an independent brand," Mr. Meylan said in a video interview from town, also known as the home of IWC. "But we worked with the school in Grenchen, and the last six or seven people we hired came from there," he said, referring to ZeitZentrum, one of the seven schools in the country. "They are young and dynamic, and they all speak German."

As Mr. Meylan noted, the shortage of workers has led to higher pay rates in many locations. In Switzerland, for example, the average annual salary seems to be the equivalent of about \$65,000, according to Mr. Kunz-Fernandez of WOSTEP.

Even in the Jura Mountains, a traditional hub of watchmaking where at least a dozen major brands and many smaller ones are situated, the location is better for hiring than in watchbrand-dense Geneva.

"I think where you are located makes it a little bit easier to hire people," said Patrick Pruniaux, chief executive of Sowind Group, which owns Ulysse Nardin and Girard-Perregaux and is based in Le Locle. "And as long as your keep training them and developing their talents, they will stay for a while." He said his companies, which employ 230 to 240 watchmakers and production-related employees at its three locations, were increasing their work forces "by 10 to 15 percent annually."

An ad for Chopard at Watches and Wonders Geneva last year.Getty

Training Their Own

So, what is the solution to the shortage?

"There is no one solution," Mr. Kunz-Fernandez of WOSTEP said, adding that watchmaking, technical and schools operated by watch groups like Richemont, Swatch, Rolex and LVMH Moët Hennessy Louis Vuitton needed to increase their admissions significantly and to take new, more creative approaches to get students into the workplace more quickly and with more hands-on experience. (Rolex opened its training center in Geneva in 2018 and now has 170 students in its apprenticeship program.)

Mr. Scheufele of Chopard said more brands should start their own in-house training programs, despite the costs.

Similarly, Mr. Biver said, "When brands couldn't deliver movements because they were reliant on smaller companies, they made their own movements. When they couldn't get cases, they made their own. This is the natural way to handle such difficulties. Now, brands need to invest to build the knowledge, to school people, in order to be on top."

According to Mr. Scheufele, for the past 25 years Chopard has operated a four-year watchmaking training program at both its facilities in Geneva and in Fleurier. Each site now has 15 students — eight in watchmaking and seven in micromechanics, gem setting and related fields — and intends to add at least two more this year. "Without your own training facilities," he said, "you are relying on the capacity of the schools and of other companies who are training people, like us."

Many watch brands, though, are scrambling to create training. In a recent interview with <u>Antoine Pin, head of</u> <u>Bulgari's watch division</u>, he noted that his biggest challenge this year had been staffing, and that the division was creating its own in-house training facility.

"We have a lot of jobs that need to be filled with a lot of different types of workers," said Delphine d'Herouel, human resources director for Bulgari's watch division, headquartered in Neuchâtel. "We are creating our own school here, which is a long-term big investment. We are setting up the space, paying students for their apprenticeships, engaging watchmaking teachers and more.

"We have three apprentices so far,, but the plan is to have 10

by the end of the year and 14 by 2024, with specialties like stone setting, métiers d'arts and more."

According to Ms. d'Herouel, Bulgari's watch division already employs about 500 people, with 70 watchmaker specialists and 10 more who are trained to build and to repair high horology timepieces like the Octo Finissimo Minute Repeater or models with tourbillons. "We need to also keep our existing watchmakers engaged," she said, "so we are offering ongoing training and trying to develop other benefits for our people."

The HOMMAGE Minute Repeater by Tutima Glashütte.Gordon Welters for The New York Times

Beyond the Borders

Watchmaking does not stop at the Swiss border, and brands in other European countries and the United States are having similar staffing problems, report small student enrollments and the need for more recruitment and in-house training programs.

The shortage of watchmakers appears to be dire in Germany, particularly in the Glashütte area near the border with the Czech Republic, a region known as <u>the cradle of</u> <u>German watchmaking</u>.

"A chart of the number of qualified watchmakers in Germany

shows we had 3,233 in 2019, then 3,188 in 2020 and then in 2021 just 2,659, so it was a big drop," said Andrea Mehde, chief human resources officer and a board member at Wempe, a watch and jewelry brand headquartered in Hamburg, Germany. "And that isn't even in students. As to schools, we have eight, but these eight in Germany produce just 80 to 100 watchmakers per year."

Ms. Mehde said that the company, which employs 152 watchmakers worldwide, was spending \$1 million to add more training space to its Hamburg workshops.

"These low numbers of watchmakers is a concern," she said. "To compensate, we have made a strategic and important decision to train our own people. We hire our own apprentices and train them in our facility so we can fill our vacancies with our own people."

Its three-year program started in 2006 with four watchmakers. "We increased to six people per year of school and are going this year to eight people per each year of training, so we have 24 apprentices in total," she said, "and we have jobs for all of them."

Ms. Mehde noted that, in addition to the money spent on expansion, the company invested about 23,000 euros (\$24,247) per year per person to train the students, not including the costs of tools and teachers. It also helps with relocation and living expenses if its watchmakers want to work in one of Wempe's stores abroad.

She said the investment in graduates had paid off: "After 10 years, between 60 and 70 percent of our students are still with us."

In England, brands like Bremont say they are forced to train their own students because there are few programs like the British School of Watchmaking, an independent school established in 2004 that offers the two WOSTEP training programs — and, according to its online history timeline, graduated its 100th student in 2021.

The student Thomas Botbol polishing a bezel during class at the WOSTEP program in Neuchâtel.Karla Hiraldo Voleau for The New York Times

"From Day 1 when we opened our workshops, we had a hard time finding watchmakers here," said Giles English, cofounder of Bremont, in a video interview from its factory in <u>Henley-on-Thames, England</u>. "There are not enough watchmakers building new watches or able to service watches, so we train our own people."

The brand started its in-house training in 2010, he said, teaching skills like polishing, machining, engineering and assembling movements. "We have about 60 people working here and we have increased that head count by 30 percent in the past couple of years in order to keep up with demand," Mr. English said.

He noted that the company also wanted to improve the speed of its after-sales service to six weeks from the current eight. "We are recruiting another five to 10 watchmakers to help in this area," he said. "We don't have the infrastructure yet to train watchmakers around the world for after-sales service, so we do it all here. It also helps guaranteed the quality."

In Asia, Mr. Kunz-Fernandez of WOSTEP said, watch brands primarily train their own workers, although there are twoand three-year watchmaker programs at the Hiko Mizuno College of Jewelry, a technical college in Tokyo.

In the United States, "the idea of a watchmaking as a profession is virtually nonexistent," said Ron Stoll, founder of Stoll & Company, a watch service center in Dayton, Ohio. "Nobody here even thinks of it as a career path these days it is totally off the radar."

The company has a full-time recruiter who scours the handful of schools around the country for watchmakers. But, Mr. Stoll said, he was so desperate last year that he recruited four people and enrolled them in Richemont's training program in Texas, which follows the WOSTEP one-year curriculum. He said he worked with Richemont to cover their tuition, and he offers financial assistance with their living

costs and other expenses in exchange for commitments to work at Stoll for three years upon graduation.

Ting-Wei Wang, a WOSTEP student from of Taiwan. "In general, young people don't really know that much about watchmaking, even if they're interested in mechanics," he wrote in an email.Karla Hiraldo Voleau for The New York Times

Recruiting Challenges

Some observers say that young people everywhere generally lack interest in watchmaking as a profession (with the exception of Switzerland, where it is a big part of the culture and a tradition deeply ingrained in many families). And they note that the industry, which generally has struggled to leave behind its traditional outlook on, well, most everything, needs to modernize its outreach, using digital platforms and offering more exciting glimpses into the field.

"All of the hand-craft professions are sort of in a reset mode," Ms. Mehde of Wempe said. "There aren't that many people interested in the hand crafts anymore and that leads to a decrease in interest in joining the watchmaking profession.

"Young people prefer to go to university, where they think they will come out and earn a higher salary," she added. "So, we need to be creative in recruiting." For example, Wempe's apprentices were asked to make a short video for Instagram. Mr. Drici of Cartier echoed her comments. "We have a responsibility to work hand in hand with schools to increase the awareness around the watchmaking professions and the apprenticeship opportunities for the younger generations," he wrote.

Even Ting-Wei Wang, a 29-year-old watchmaking student from Taiwan who is in the two-year program at the WOSTEP school in Neuchâtel, acknowledged a lack of interest among young people. "In general, young people don't really know that much about watchmaking, even if they're interested in mechanics," he wrote in an email. "Maybe watchmaking is not really the minority, but the reality is that people are more interested in vehicles, engines, etc., than watches. Timepieces, especially mechanical watches, are considered more luxury than a necessity."