

NEW IN NEUCHÂTEL

Renaud de Retz and Guillaume Tetu, CEO and COO, respectively, of young, high-end watchmaker Hautlence, are two of the nicest guys one will ever meet in the watch industry. And, that's a surprisingly important quality to have when starting up a new company. Niceness alone, however, only goes so far if a startup's watches are not interesting, unique and well made. Fortunately, the Hautlence watches are all of that and more.



Guillaume Tetu



Renaud de Retz

Both de Retz and Tetu have substantial experience in the watch industry, working with other companies, and together they decided to start up Hautlence. The goal? To make interesting watches that tell time in different ways. The company has its offices in Neuchâtel, Switzerland, and the name, Hautlence, is actually an anagram of the canton's name. Being based there is important for the partners because it is one of the hubs of Swiss watchmaking and they want to continue in the tradition of excellence the name implies.

Now, Hautlence is coming to America.

Business partners de Retz and Tetu started out as friends. Each was working for another watch brand when they started talking about creating something different, something new. One night, conversation turned into brainstorming about what

they would like to see in a new watch. "We were fed up with the lack of innovation in the watch industry," Tetu explains. "We came up with some ideas and started discussing movements and new ways of reading the time. We were not thinking of building a new brand. However, what we came up with was so different that we couldn't take it to another brand. We wanted to do it ourselves."

The decision to produce the watch they had brainstormed was rooted in idealism and in practicality. "We didn't want to make any compromises. Our ideas were so unusual that many people told us they wouldn't work, but we believed in the concept," Tetu continues. "Many people, including our suppliers, thought it was too complicated. People told us we were too crazy, too young, that we didn't know anything about watches—look-

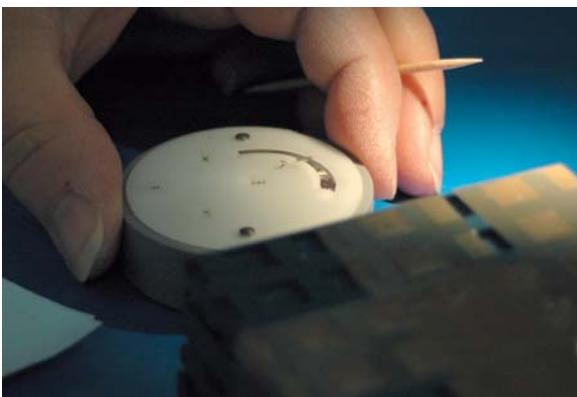
ing back, it's clear that they were not completely wrong."

Now, Hautlence is making watches the way companies did a hundred years ago. Although the initial design was computer drafted, the project was quickly taken over by a master watchmaker who translated the concept into a working movement. There were risks associated with the development process. And some details had to be reconsidered. Tetu offers an example: "At first, we wanted to have two connecting rods in the movement, as on the wheels of a train, but that was impossible to do, so we have one connecting rod instead, and it is a striking and beautiful movement."

With the design finalized, Hautlence contracted with a number of vendors and suppliers throughout Switzerland and issued specifications for the parts they needed. De Retz recalls,



*The Hautlence HL 05 in white gold
with Côtes de Genève rhodium-plated
dial and sapphire crystal.*



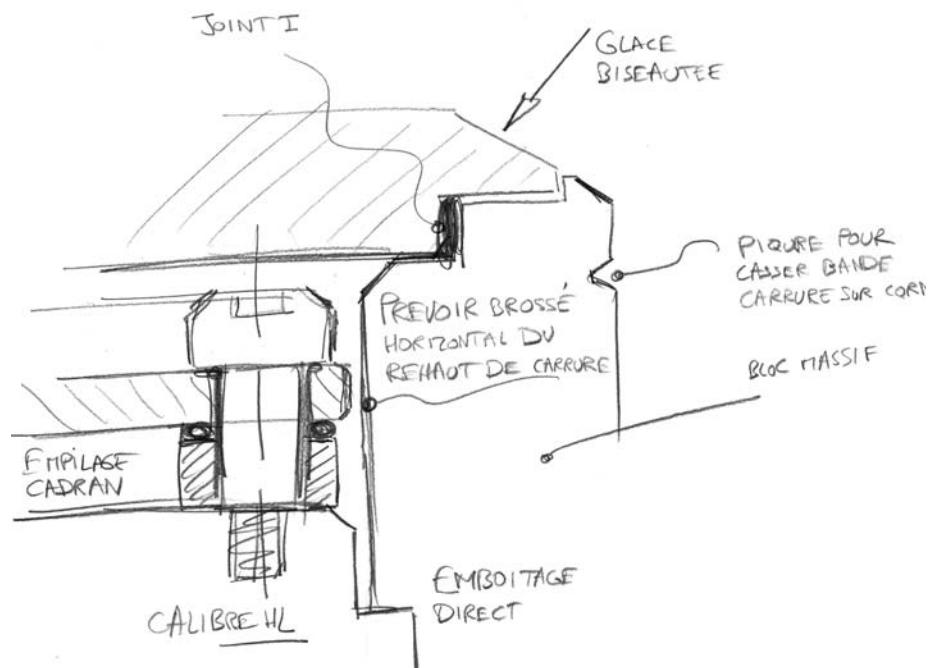
"Some of the suppliers told us that our ideas might not work, but the project was quite sexy for them, so they were willing to work with us." These vendors then sent the parts to an assembly atelier in La Chaux-de-Fonds, which put the Hautlence watches together.

Many watch brands keep this kind of outsourcing secret, claiming to manufacture and assemble everything themselves, but Hautlence prefers to be above board about the way its watches are made. "We are watch producers, not manufacturers," de Retz says. "We are doing it the way companies did years ago. Because we are not watchmakers, we want to give due credit to our partners who are working on every component of the watch. Nobody can produce a watch alone. We are working with a lot of small independents, from the watchmaker to the case manufacturer. They have provided strong support."

In total, Hautlence works with more than 40 small workshops, all of them independent. It is a network that

is sometimes referred to as the Hautlence College. "This is our team, and they all work for the best brands," Tetu says. "We want to master design, the supply chain, sales and service, so we use a team of experts to manufacture the watches." These days, Tetu is responsible for sourcing parts, so he spends most of his day in the car or on the phone, following up on production of watch components. He also handles quality control and performs the final visual inspection of each watch before it ships.

Receiving timely deliveries is a problem for many in the watch industry, and Hautlence is no different. "If one supplier has a problem, it can hold up overall production," Tetu explains. Of course, a watch that is complete, except for the dial, is not complete at all. Attempting to reduce the impact of such delays, Hautlence has broadened its supplier network. Tetu says, "We have at least three potential suppliers for every part, but every company is swamped with



Numerous suppliers contribute to the production of each Hautlence watch; a sketch of a detail of case assembly.

orders. In particular, the dials and cases are a challenge for us. The best companies are backed up with orders, so delivery can be delayed."

The HL Collection, the first collection from Hautlence, showcases a new approach to telling time and displays components of the movement. "It's a watch with a strong look and a strong design, showing the beautiful mechanics," de Retz explains. Each model—and there are currently six—is produced in a limited series of 88 pieces. The models use precious metals and various dial materials and finishes in different combinations.

Why 88 pieces? "When we began to discuss the project, Guillaume's street address in Neuchâtel was No. 58, so we decided to limit the number in each model to 58 pieces," explains de Retz. "In Basel two years ago, we saw our first customer who told us that the number 58 is considered bad luck by the Chinese, so we changed the number to 88." Along similar lines, the Hautlence logo is a synthesis of three symbols: the numeral eight, the symbol for infinity and the Möbius strip, a one-sided geometric figure with no end.

Hautlence watches, each individually numbered, range in price from \$39,000–42,900. "We will be making 400 pieces per year, more or less," details Tetu. "If demand is greater, we could produce more, but we have to be careful not to grow too fast. In 2006, we will make about 250 pieces." Regardless of the number, Tetu and de Retz remain committed to making quality watches. "We will make sure that the product will be the best it can be," Tetu says. "Our way of displaying

"We feel close to the watchmakers, even though we are not watchmakers."

—Renaud de Retz



Exploded view of the HL's complex dial assembly, including numerals applied directly to the crystal; the completed HL 05.



the time is complicated, but the movement is not so complicated, so we are confident in the quality."

"We don't want to use the term Swiss-made because, under this designation, a maker can use many parts that come from outside Switzerland," Tetu continues. "Instead, we use the term Horlogerie Swiss, because everything in this watch is made in Switzerland. We are so proud of the look of our watches; every case comes with a loupe so that customers can look closely at the watch."

Hautlence backs up its quality with an impressive three-year warranty, which

includes free cleaning and service at three years. This way, Hautlence can see each watch, add oil and check that everything is running correctly. In the future, Hautlence plans to have service centers in the US and in Singapore, the brand's two most important markets.

Hautlence has just begun to sell watches in the US, and its distribution here is very exclusive, tightly focused on a select group of retailers. "Our goal for sales in the US is about 100–150 pieces a year," de Retz explains. "We have three or four retailers in the US right now. We cannot deliver many pieces right now, but the few pieces we



Parts of the case are cast in precious metal; quality control is a priority that extends to the exact dimensions of each strap; two views of the Hautlence HL 01 in yellow gold with opaline silver dial and sapphire crystal.

have delivered have been sold."

"Right now, the customers for Hautlence are people that have a very good knowledge of watches, real connoisseurs," de Retz states. Tetu agrees, saying, "There won't be millions of people wearing Hautlence, so we need our customers to be our ambassadors. We have to have customers who will say nice things about the watch. We have to have great customer service."

The first collection currently comprises six models, serially named HL 01 through HL 06. Eventually, Hautlence will expand the number of models in this collection to eight. The next ambition for Hautlence is to branch out beyond its first collection. "We are not yet seen as a brand; we are seen as one concept and one product," Tetu admits. "It is important to build the brand, so we are

working on the next movement right now." Explaining that the brand's second movement will be an evolution of its first movement, the HL, Tetu says, "There will be added features with a second barrel and greater power reserve." At the same time, de Retz and Tetu are also hard at work on another, completely new movement. "We will present in Basel next year a collection that is our first idea, completely new and non-traditional," explains de Retz.

It's refreshing to meet with the principals of a watch company without having to sift through mounds of hype and fluff. De Retz and Tetu are straight shooters, laying their cards on the table and saying, "Here's our watch, hope you like it." ♦

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The author as player and coach. Photos by Ron Jackson.

TACKLING SWITZERLAND

Not only is Hautlence's Guillaume Tetu a watch company principal, he is also a football player—American football, that is. Having played in France and throughout Switzerland for a number of teams, Tetu is an accomplished tight end. There aren't many American football teams in Switzerland, but the teams that do exist are apparently desperate for players: as soon as Tetu heard that I played quarterback for a local flag football team in Pennsylvania, he immediately recruited me to play for the Neuchâtel Knights, a new team in the National Swiss Football League (NSFL). I had been missing the game, so I began showing up for practice.

The downside? I'm 49 and not looking to get killed or break anything anytime soon.

The upside? The league is made up mostly of players without a lot of football experience, so it is more like high school football than it is like the NFL. And Tetu promises that the Knights' offensive line will protect me. I really hope so.

The team has a long way to go before it is a competitive force—learning to catch the ball would be a good start. In the meantime, I'm enjoying the camaraderie of the team. Maybe I'll take on the role of a player/coach, playing a few series to get things started, then turning the quarterback duties over to another player. I'll keep you posted. ♦

—Keith W. Strandberg