

# Moneymakers

more realistic now in terms of the way they're spending.

**Q:** What's the most expensive piece you've placed?

**A:** It was a John Singer Sargent for a private client. We paid in excess of \$1 million for it and negotiated \$1 million off the purchase price for the client.

That's one of the reasons they come to us. We work strictly on an hourly basis. So we work strictly for the client. Any discounts we get or trade discounts get passed on to the client.

The client pays for

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our expertise and our access to the marketplace, and what they get in return is any negotiated discount and the knowledge that we don't have any conflict of interest and are working strictly on their behalf.

**Q:** What's the toughest thing about the art business?

**A:** The toughest thing about the art business is there's no regulation. We work really hard to have integrity and to be honest in the marketplace and be straightforward and be transparent. And often times in the art business it's pretty opaque — where people are making money is opaque.

So the toughest thing is keeping your nose to the grindstone, working hard for your clients and hoping at the end that will be recognized. Because there's a lot of temptation out there, we work really hard to build a reputation for ourselves so a client comes to us and knows what they're getting.

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## FIVE QUESTIONS WITH MELISSA GROBMYER

# She sees the big picture on companies and art

The art business is cyclical — people buy when times are good.

So for those who make a living in the art business, coping with uncertainty is a part of life.

To buffer itself from economic swings, Houston's MKG Art Management has diversified. The company not only helps corporations and private clients pick art, but it also helps them lease, appraise and manage art collections.

Chronicle reporter Purva Patel spoke recently with Melissa Grobmyer, 36, co-owner of MKG Art Management, about the art business.

**Q:** Do more companies buy or lease art?

**A:** Companies we're targeting with the leasing service are ones that don't want to tie up a bunch of capital in an art collection. We have a clientele interested in that, but what seems to happen is they get the art in their place and they end up buying it anyway.

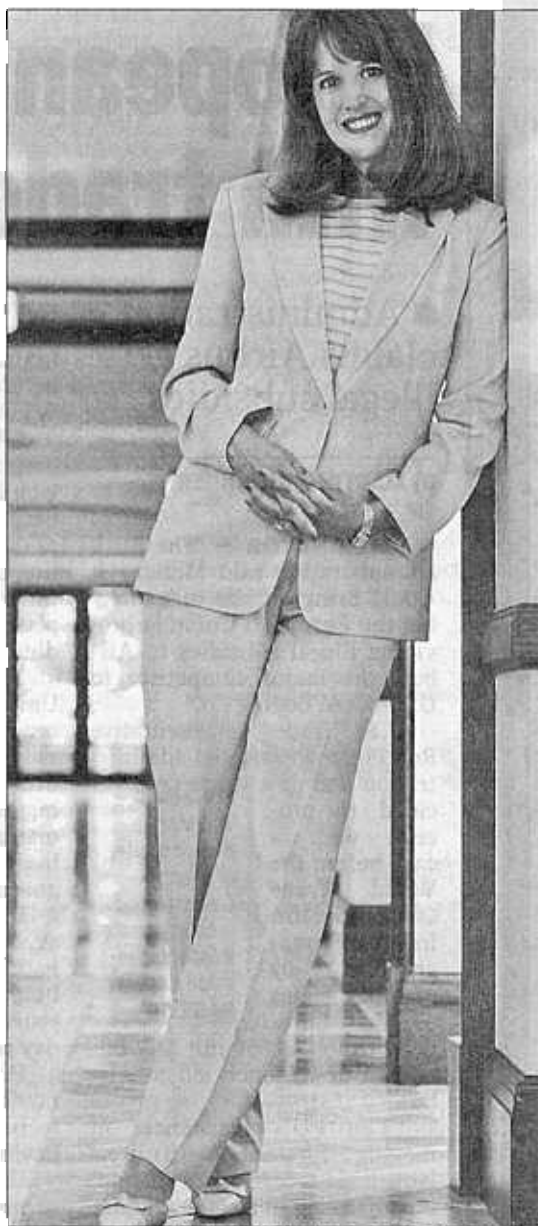
They sort of cycle through some things and pick and choose, and they end up buying things at the end of the leasing periods.

Most companies tend to buy art in the long run even though a lot of them like the idea that they can lease. You can spend \$1,000 a month and have 30 pieces rotating through your space or spend \$12,000 and buy whatever art you want to.

**Q:** How much do companies spend on art?

**A:** We work with people all over the map. Usually if they don't have say, \$12,000, to spend, we'll suggest that they lease because then they can get 30 pieces of art and afford having art on their walls.

The average total budget is \$150,000.



AARON M. SPRECHER: FOR THE CHRONICLE

**MELISSA GROBMYER:** "People aren't building Paine Webber-type collections. I wish they were. I'm talking 5,000 pieces of blue chip art. That doesn't happen, unfortunately, very often. If it does, it's driven by the man up top. People are more realistic now in terms of the way they're spending."

That's for people who have designed their space, know how they want it to look finished, and they have set aside the budget. That's a budget that we can do a lot with. We have other clients who say, "I have \$20,000 to spend" and others who say, "We have \$1 million to spend." We can help both.

**Q:** Are companies spending more or less money on art these days?

**A:** I think companies don't spend the huge amounts they did in the late '80s and '90s.

Once that whole bubble burst, people, at least in my experience, got realistic. Putting together an art collection can be viewed in a lot of different ways. In the '80s, some used it as a corporate asset and marketing tool.

Those days are sort of behind us. People take a different approach to it now. People aren't building Paine Webber-type collections. I wish they were. I'm talking 5,000 pieces of blue chip art. That doesn't happen, unfortunately, very often. If it does, it's driven by the man up top. People are