

# COUNTDOWN TO THE QUARTER- MILLENNIUM

With a huge anniversary right around the corner, Vacheron Constantin is bolstering its manufacturing bona fides.

By Joe Thompson

At Vacheron Constantin in Geneva, the clock is counting down. The firm is two-and-a-half years away from a milestone unique in watch history. In 2005, it will celebrate the 250th anniversary of its founding in Geneva. Or, as Vacheron Constantin CEO Claude-Daniel Proelochs prefers to put it, “the quarter-millennium.”



Vacheron Constantin CEO  
Claude-Daniel Proelochs

As milestones go, Proelochs says with a smile, “it’s not bad.” Indeed, one might go so far as to say it’s pretty damn good. Astonishing, even.

It all started in 1755. In that year 24-year-old Jean-Marc Vacheron submitted a watch to the Geneva Watchmakers Guild that earned him acceptance as a master watchmaker. He proceeded to set up shop in Geneva’s St. Gervais watchmaking district, a stone’s throw away from where Vacheron’s headquarters are now. Since then, the firm has been continuously making watches in Geneva, always under the Vacheron name. (Constantin was added to the corporate name in 1819, when the flamboyant François Constantin joined the firm as a partner and head of sales.)

You get some perspective on just how long this outfit has been in business when you consider that in the same year that Jean-Marc Vacheron hung up his shingle, Austrian Empress Maria Theresa gave birth to Marie Antoinette; Samuel Johnson published his dictio-



Vacheron Constantin headquarters on the Rhone in Geneva

nary in London; and 23-year-old George Washington barely escaped with his life fighting on the British side in the French and Indian War.

Needless to say, Proelochs and the Vacheron team are preparing for what promises to be the mother of all watch anniversaries. “For 2005, we will develop something special,” Proelochs promises. “We are already working very hard on it.” The pressure is on. For the bicentennial in 1955, Vacheron unveiled the thinnest watch movement ever made until then, just 1.64 mm thick. For the centennial in 1855, it brought out its first stem-wound watches, a dramatic technical breakthrough



Tourbillon pocket watch from 1930 with an 18k rose gold dial

## PROFILE: VACHERON CONSTANTIN

that eliminated the need for watch keys. While not developed in-house, the firm wisely jumped on the new technology.

The 2005 project is top secret, of course. However, one Richemont Luxury Group insider familiar with it (Vacheron is owned by Richemont) calls it “a truly exceptional achievement, a timepiece of unusual complexity, a fitting tribute to the 21st century.” For several years now, Vacheron has been sprucing up for its big bash. Work on the 250th anniversary watch began in 2000. For it and other new anniversary-related products, Proellochs has bolstered Vacheron’s staff of watchmakers and engineers. “We will take advantage of the 250th anniversary to bring new things and reaffirm our long-term attachment to the values of technical haute horlogerie,” he says.

Recently WatchTime visited Vacheron Constantin and its manufacturing facilities in Geneva and the Vallée de Joux. It’s clear that the company is working overtime to polish its pedigree. By 2005, it will have a brand new factory on the outskirts of Geneva, new home-made calibers for use in the majority of its collections, and a new museum at its historic building in the center of Geneva to showcase and promote the brand and its history.

### Caliber 1400

For watch lovers, the best news is that Vacheron is increasing dramatically the number of movements produced in-house. Until now, the strategy has been to use a combination of in-house movements and movements and/or parts supplied from outside the firm. It is now reducing its reliance on outside suppliers.

The process started in 1998 when Vacheron acquired HDG (for Haute de Gamme), a manufacturer of complicated mechanical watch movements located in Switzerland’s famed Vallée de Joux, nestled in the Jura Mountains, about an hour’s drive north of Geneva. The production prowess of HDG, now called VCVJ (Vacheron Constantin Vallée de Joux), enabled Vacheron to pursue a new production strategy, i.e., develop two new mechanical calibers, one manual and one automatic, to serve as the main engines for most of the collection.

The manual-wound caliber, Caliber 1400, was designed at VCVJ, and is already in production. It’s the movement inside the Grande

Classique Malte watch, for example. Caliber 1400 parts are made at VCVJ in the Vallée, then shipped to Vacheron’s workshops in Geneva’s Acacias district for assembly and casing. The movement must be assembled in Geneva to qualify for the prestigious Poinçon de Genève or Geneva hallmark, which goes on each 1400 movement.

The automatic caliber is still in development and is as yet unnamed-or more precisely, unnumbered. Production will begin next year, Proellochs says. “It will be the second leg of this development. With the manual and the automatic, we can build both ladies’ and gent’s watches, both regular models and small complications like a power reserve, moon phases, double calendar, whatever we want. We will build the entire range on these two key movements, including medium complications.” For high complications—tourbillons, perpetual cal-

#### Designing a complicated movement using computer-aided-design (CAD) software



#### Fitting the tourbillon escapement on Vacheron’s caliber 1790 movement



#### Assembling a movement at the Acacias workshop



endars, minute repeaters-Vacheron has its own special movements, produced either in the Vallée or Geneva.

The division of labor between the two production centers is clear. VCVJ is responsible for developing, machining, and finishing the brand's movement parts. It also assembles certain complicated models like the perpetual calendar chronograph, retrograde date models, tourbillons and minute repeaters. The Geneva workshops serve as the nerve center of the firm's production. It assembles by hand more than 500,000 movement parts each year and handles various testing and inspection of the movements. It also does the casing up and final inspection of the finished pieces.

The next step Vacheron will take to polish its production capacity is to move to a new factory. The facility is currently under construction in Plan-les-Ouates, an industrial center on the outskirts of Geneva that has become a luxury watch hot spot. Patek Philippe and Piaget have already relocated their headquarters and workshops into new facilities there. Vacheron will do the same; the move is planned for the end of 2003. (Not to be outdone, Rolex, too, plans to expand there.) At the moment Vacheron is bursting at the seams at its rented production quarters in Acacias. "We doubled the capacity at VCVJ in less than three years," Proellochs says. "We badly need a new factory so that we can have a better organized production flow. We'll obviously stay in Geneva as we put a great emphasis on the Poinçon de Genève. Vacheron belongs to Geneva as Geneva belongs to Vacheron. The links are very strong."

## Watches for Breguet

The move to Plan-les-Ouates will enable Vacheron to turn its current headquarters building on L'Île (The Island) in the middle of the Rhone River in Geneva into a major watch museum. Vacheron has a collection of 500 of its own watches, including one believed to have earned the founder his "master watchmaker" title in 1755. Among the museum's other high-

**Grande Classique Malte watches in gold and platinum**



## Vacheron's new caliber 1400 hand-wound movement

lights are a collection of 750 watchmaking keys used in the firm's first century to wind watches; company archives and journals; a reconstruction of a

workshop as it was in Jean-Marc Vacheron's day, with an automaton watchmaker at work. The plan, Proellochs says, is to make the museum an interactive experience for visitors, as interesting and educational as possible.

Here visitors will encounter a history unrivaled in the annals of watchmaking. The firm's fascinating story reflects 250 years of European history as well as watch history. Founder Jean-Marc Vacheron started in a small workshop with one apprentice and struggled for much of his career. Geneva records show that in 1773 he had to borrow a thousand silver livres from the city. Business improved under his successor, his son Abraham, who began supplying watches to the French aristocracy. The firm suffered a major setback during the French Revolution, recovered a bit during the Napoleonic era, when it began to supply complete watches to Abraham-Louis Breguet in Paris, no less. The Austrian army's invasion of Geneva in 1814 forced the company to close its doors for a while.

The arrival of François Constantin in 1819 marked a major turning point. Constantin was a brilliant salesman, who pushed for higher



## PROFILE: VACHERON CONSTANTIN

and higher quality and spread the brand's renown throughout Europe. Twenty years later: another turning point, when George-Auguste Leschot, a superb engineer, joined the firm and began constructing machines that ushered the firm and the entire Swiss watch industry into the industrial age.

Vacheron began shipping watches monthly to the United States in 1833. By the mid-19th century, it enjoyed a splendid reputation and was making watches for European royalty and the Emperor of China (1865). Young Charles Vacheron, just in his 20s, in 1869 became the fifth generation of Vacherons to head the firm. His premature death the next year, however, ended the Vacheron family dynasty.

The firm, and the name, of course, continued, compiling an enviable record of horological achievement, including the creation of an 18k gold and diamond ladies' wristwatch with a gold bangle made for the Universal Exposition of Paris in 1889. It is one of the earliest wristwatches ever made.

### A delicate balance

Vacheron Constantin's long history is a unique asset. But it's a two-edged sword. The distinction of a quarter-millennium of glory gives the brand its identity. But it also runs the risk of dominating and distracting from its present.

"It's a question of patrimony," Proellochs says. "The patrimony is very rich. The museum is very rich. There are beautiful ideas sleeping in the past. You can dig into the past and use it as a vector for the future. But we must be careful not to admire the past too much. We cannot be too conservative. We have to dig into the past but we cannot stay there."

It's a delicate balance. Nobody knows that better than Proellochs. He joined the company in 1988 at a period when Vacheron's past was, in fact, more impressive than its present.

The previous year Jacques Ketterer, whose

family had controlled the brand since the 1930s, died of cancer at the age of 56. While Ketterer was sick, the brand languished. Upon his death, the company was sold to Sheik Ahmed Zaki Yamani. Yamani, the former oil minister of Saudi Arabia, was something of a celebrity as a result of his high profile during various oil crises of the 1970s and 80s. He was also a watch lover, owner of a valuable collection of Vacheron Constantins inherited from his father.

To run Vacheron, Yamani hired Proellochs, a watch industry veteran. Proellochs began his career at Omega in 1970. Five years later he moved to Eterna, eventually becoming CEO. "I joined Vacheron Constantin with a lot of pleasure because it was a magical brand," he says. At that time, though, he acknowledges, "the brand was a little dusty. We had a very vast collection of conservative products in very small quantities." Annual production was 3,400 units.

Proellochs' mission, he says, was "to improve the brand without hurting the past, not to make a revolution but a real overhaul." He and his team refocused the line around Vacheron's existing movements and added new movements from top-grade outside suppliers. They organized the models into five core collections that emphasized classic designs inspired by the company's heritage. Vacheron introduced new openworked complicated watches (tourbillons and perpetual calendars) and reintroduced enameled watches to the line.

In 1996, Vacheron made a surprising departure from its classical ways with Overseas, a sports watch made of steel, the first non-precious metal Vacheron watch in eons. Says Proellochs, "It was the first appearance of modernity within a very traditional company." At the end of that year, Sheik Yamani sold the firm to the Vendome Luxury Group (now called Richemont), parent firm of Cartier, Piaget and Baume & Mercier, for an estimated SF70 million (around \$53 million then). The Vacheron takeover was the spark that set off an explosion of acquisitions of Swiss luxury watch brands. Over the next four years, more than a dozen top watch marks would be gobbled up by giant luxury conglomerates. The

**Jean-Marc Vacheron's silver pocket watch, 1755**





**The new Royal Eagle in steel with a tonneau case**

takeover was a boon for his brand, Proellocks says. Richemont's financial clout enabled Vacheron to buy the HDG factory, develop its new movements and build the new factory in Plan-les-Ouates.

Since then, Vacheron has continued to unveil new collections with a decidedly more contemporary feel. The Malte collection introduced in 2000 features large round or tonneau cases, fan-shaped lugs, and faceted sword-shaped hands. On the crown is a stylized version of the Maltese cross that Vacheron long ago adopted as a symbol of the brand and that gives the collection its name.

More contemporary still is Vacheron's latest collection, the Royal Eagle, launched last year. Royal Eagle features large tonneau-shaped cases. An automatic COSC chronometer version comes in either yellow or white 18k gold. An automatic chronograph version comes in a solid stainless steel case (Vacheron's second steel model) with either a steel bracelet or leather strap. With Royal Eagle, "the idea was to bring a little more modern shape and more contemporary style," says Proellocks. "It represents the expectations of a new generation."

Proellocks figures the balance between classic and contemporary in the Vacheron range is about right. What remains in the run up to the quarter-millennium is to boost Vacheron's bona fides in high-mechanical horology. On his watch, Vacheron has enjoyed solid growth. Annual production has jumped from 3,400 in 1988 to more than 15,000 units in 2001. Sales have increased by a factor of nine, he says. (Richemont does not disclose revenues by brand.) The number of employees has grown from 57 to 250 worldwide.

The goal now is for the brand "to be more closely linked with the values of technical haute horlogerie," Proellocks says. "Vacheron is made by people, not by machines. Yes, we use computers, simulators, and CAD CAM systems. But when the components come out of the machine, whether movement components, cases, hands, dials, we hand-finish all of them, one by one. We never say completely hand-made. It would be a lie. We use the computer as much as we can. We have the most up-to-date technology. It's marvelous. But all these components are hand-polished, even the most hidden components of the movement are hand-finished."

That's the point of Vacheron's new ad campaign, which portrays a watch that is a part photograph, part painting. The theme is *métier d'art*, which Vacheron translates loosely as "Masterpieces from time's finest artists." Proellocks explains, "It conveys that every Vacheron is individually finished—manual work. These are the intrinsic values of Vacheron Constantin."

That message has more meaning, of course, now that Vacheron is making more of its own movements. As strategies go, it seems pretty sensible. After all, it's worked for two-and-a-half centuries.