

Bringing It Back To The USA

Revitalized Conn-Selmer factories backed by new dealer-centric marketing efforts signal a rebound in the domestic horn industry



For the last 20 years, this publication has been filled with success stories about overseas manufacturers that have grown at the expense of operations that were once based in the United States. Everyone knows the story: The combination of spiraling U.S. wages, unwieldy government regulations, high taxes, and unbelievably tough foreign competition forced U.S. companies to migrate production to lower-cost regions like China, Indonesia, and Taiwan. While some may think this trend has no end in sight, a group of 100 Conn-Selmer dealer attendees that spent June 19-21 at the company's sprawling band instrument manufacturing facility in Eastlake, Ohio saw firsthand that the United States' global competitiveness is on the rebound. While waiting to take the first of several factory tours, standing next to a stack of brass instruments packed and ready for shipment to India, Singapore, and China, Tracy Leenman, a Conn-Selmer dealer from Greenville, South Carolina, said, "The rebound I have seen in this company is remarkable. From communications to dealer support and product quality, everything they do is first class. They are a great partner." Offering up another enthusiastic observation, Pat Averwater, president, Amro Music, stated, "It's great to see such an energized workforce turn out instruments at this quality level." These remarks go a long way toward explaining why Conn-Selmer just reported a 15% jump in first-quarter business and why this 165,000-square-foot plant is running two shifts a day to keep up with a combination of growing demand from customers both in the U.S. and overseas.

“The fact that they're building these horns in America makes them more special. I wish I could share this with every educator in my market.”

Dealers came to this suburb of Cleveland for the 2nd Annual Conn-Selmer Leadership Event, a three-day meeting that included sessions presented by the company's executive staff—John Stoner, Judy Minik, and Dr. Tim Lautzenheiser—along with a special seminar offered by the Disney Institute, performances by the Canadian Brass, and appearances by members of the Cleveland Orchestra. Dealers were also treated to dinners at Cleveland's iconic Rock and Roll Hall of Fame and Severance Hall, home of the city's world-famous orchestra. Both locations were closed to the public specifically for Conn-Selmer's special event. "It's hard to communicate to our dealers through email or print all our team has accomplished," noted John Stoner, president. "That's why we started this



Staffed by skilled craftsmen, Conn-Selmer's Eastlake, Ohio plant is a vertically integrated brasswind manufacturing operation, housing all operations from metal shaping to plating under a single roof. "We're proud of it and it defines our company," says John Stoner, president.

Leadership Event last year, so we could bring them directly to the factory and let them see this company's commitment to progress and excellence."

Increased efficiencies, service levels and overall quality at both the Eastlake, Ohio factory—which produces background brass and student trumpets—and the Elkhart, Indiana plants—which build Bach brass instruments and woodwinds—have been combined with a renewed emphasis on dealer support and grass-roots market-building activities. In March of this year, Stoner sent out two letters that would define the company's market strategy going forward. The first was to executives at Amazon.com notifying them that they had been "de-authorized" as a dealer; the second was to all existing Conn-Selmer dealers explaining a new non-negotiable MAP policy that clearly spelled out the termination process for dealers that violated the agreement. Since the release of the letters, Conn-Selmer's sales management has been rooting out infractions to the policy through measures including weekly web-tracking by a third party agency. "What started out as a rather large list of MAP violations a few months ago has been greatly reduced," reported Tim Caton, director communications, Conn-Selmer. "The list of violations is getting smaller and smaller with each passing week."

Underscoring the goal of these initiatives, Stoner said, "Our local network of dealers who interact with educators and students are central to the success of this company. And that's why so many of our new marketing programs are designed to support them at every level." During the first day of the dealer event, Stoner outlined how Selmer Paris clarinets would no longer be available for purchase online, and explained that dealers would be assigned geographically exclusive market territories. Generous co-op advertising programs will also allow dealers to provide instruments to key influencers and host in-store events. Acknowledging how low internet prices have eroded the profitability in reeds, Stoner reported that the company has suspended all online sales of its Gonzales reeds line. He continued, "This is one more example of how we are helping our dealers better service the marketplace with our family of brands."

Offering up an example of just how important the local dealer is to the selling process, Stoner gave a candid account of the company's "Build A Bach" website for customizing Bach instruments. The sleek website was built to let users build their dream Bach instrument, selecting everything from bore dimensions to finish. (In support of dealers, the company re-

quired that every customer-direct order reference a local dealer who would receive a commission on each sale—a figure that could be substantial, considering most instruments cost over \$3,000.) Despite its creative possibilities, Build A Bach yielded disappointing returns. “After 12 months, the results were minimal,” Stoner revealed. “This is just another example of just how integral the local dealer is to the selling process. They are the ones that make it happen.”

Management at the meeting outlined how Conn-Selmer will be harnessing the internet in a way that better supports its dealers and end-users.

On July 1 Conn-Selmer launched a new content-rich website with areas focusing on parents, the instrument selection process, and product information that emphasizes features and benefits as opposed to specifications. “Web analytics clearly show that we get the bulk of our views in August and September, a good indicator that prospective students and parents are coming to our site for information,” said Caton. Content targeted to parents at conn-selmer.com is designed to help them better understand what instrument is best suited for their child, why it’s important to work with a local dealer, what to expect when a child is starting a program, and how to encourage a child to succeed in band and orchestra.

Conn-Selmer is not only retooling its factories to better produce its existing line of products, but is looking for new market niches and turning to its design and engineering team to upgrade and create new products. The emphasis on product development is generating strong returns, according to Stoner, who shared that sales of the pBone plastic colored trombone had eclipsed 37,000 units in its first year, generating about \$2 million in retail gross profits alone. A new Vintage Bach mouthpiece under the Artisan brand has topped 4,200 units since its introduction earlier this year, and the recently acquired Parduba mouthpiece line has sold more than 3,200 units as well. During his presentation, Stoner also gave dealers a sneak peek at several new and innovative products set to release including a new line of Bach trombones.

Dealers are not the only ones getting an inside look at Conn-Selmer’s manufacturing operations in Elkhart, Indiana and Eastlake, Ohio. “We are trying to bring as many educators and students through our facilities as possible,” said Stoner. “We want them to have an appreciation for what we are doing here in America, with the hope that they will return home and to their schools and share their experience with friends and peers.” On the educator side, the company sponsors an annual Conn-Selmer Institute for teachers and supervisors at Bethel College in Indiana. Now in its 15th year, the Institute consistently attracts 400 guests for the four-day event, which also includes factory tours at the two Conn-Selmer plants in Elkhart.

According to Stoner, the success of the last two dealer events ensures that the gathering will be held annually. “No one else in our industry has manufacturing like this in America,” he said. “We’re proud of it; it defines our company and we want to make sure our dealers are a part of it.” Comments from Jim Mareda of Senseney Music show that dealers agree: “Coming to this Conn-Selmer event and seeing this incredible group of craftspeople, I have a new appreciation for what this company does. The fact that they are doing it right here in America makes it that much more special. It’s an experience I wish I could share with every music educator and student in our area.”



The Conn-Selmer Team: Bob Anderson, v.p. operations; John Poeppelman, v.p. of IT; Judy Minik, chief financial officer; John Stoner, pres.; Tim Caton, dir. communications; Carlos Romero, dist. sales manager.

RETAILERS AT THE CONN-SELMER LEADERSHIP INSTITUTE



Scott Mandeville, Tim's Band Instrument Service; Dale and Cara Dawalt, San Diego County Music Exchange.



Bobby Powell, Musical Innovations; Derek Bowen, Conn-Selmer; Tracy Leenman, Musical Innovations.



Fred Schiff, All County Music; Pat Averwater, Amro Music; Betsy Taylor, Universal Melody Music Services.



Derrick Killiam, N-Tune Music; Ray Gore, Tarpley Music.



Bobby Powell, Musical Innovations; Julie Edwards, Draisen-Edwards; Adam Renfro, Tarpley Music; Becky Gore, Tarpley Music.



Bob Lichty, Conn-Selmer; Rudi Brouwers, Cosmo Music, Canada.



David George, Atlas Music; Vince Chiappone, Music & Arts; Angel Burns, Music & Arts; Anthony Gibson, Allen Schools, Texas; Sally Jones, Mynett Music Co.

Conn Selmer Dealers Learn From The Disney Institute

TRAINERS FROM THE DISNEY Institute came to the Conn-Selmer Leadership Event to present a program titled "Strengthening and Sustaining an Exceptional Work Force." Outwardly, music stores have little in common with the 47-square-mile expanse and 60,000 employees of Orlando, Florida's Walt Disney World. "At first blush that's what everyone thinks, including the group of hospital executives that I just did this same session with," said The Disney Institute's Bill Shannon. "They started paying attention when I said Disney and hospitals have a lot in common: both are very expensive, and both have long waits." During the half-day session, Shannon walked dealers through the Disney culture of hiring and nurturing employees and showed how Disney's highly specialized process was a model for recruitment, selection, and staffing of talent at any business. Dealers were not only given broad, thought-provoking strategies for how to select, nurture and motivate staff, but were presented with highly specific strategies that they could take home and implement immediately. "We're going to include a list of what we expect—the non-negotiables—on our employment applications just like they do at Disney," stated Derrick Killiam, N-Tune Music. Randy Hurst, Midwest Music, weighed in, "I am going to reinforce with my staff using Disney's HEART approach toward dealing with customer complaints: H-Hear, E-Empathize, A-Apologize, R-Respond, T-Thanks." Shannon shared a wealth of Disney initiatives, honed over 60 years of experience at Disney's world-famous theme parks, on how to create a culture of success, how the training process is an ongoing strategy that can preserve and maintain a company's competitive edge, and how a culture of caring can lead to loyal and repeat customers.