

Whitney Grisaffi

OVERALL EXCELLENCE TED BROWN MUSIC

# SMART COST-CUTTING

It's hard to tell there's a troubled economy by looking at Ted Brown Music. The Tacoma, Wash.-based school music and combo dealer has a full fleet of school music reps on the road, reported a record year for instrument rentals and opened a fifth

location in November.

The company's success could be linked to its preparation. As gas prices have skyrocketed, Ted Brown has focused more attention on its Web site and invested in more fuel-efficient vehicles for road reps.

## ONLINE RENTALS PAY OFF

Ted Brown Music's Web site used to be mostly a place to look at products it carried without much else to offer, according to Kent Isenberg, general manager of the flagship Tacoma location.

"When we first started our site, we weren't sure why we were getting onto the Web," Isenberg said. "Now we are at the position where we feel there's no question that the Web is a necessary way for people to do business with you."



OVERALL EXCELLENCE DADDY'S JUNKY MUSIC

# Thriving in Junky Times

Building a noticeable online presence can be a slow process, but Ted Brown Music President Whitney Grisaffi said she's already seeing results from the online instrument rental feature. According to Grisaffi, a highly functional Web site gives convenience to customers who might otherwise not make it into the store. And this is especially critical in a tough economy.

"We do a number of online rentals during back-to-school time," she said. "Sometimes parents can't make it to a [rental] meeting, or it might not be worth the time and gas to send [a rep] out to a site in a remote location. But customers can go online and rent an instrument from us, and we can service them via UPS."

## REDUCING REP EXPENSES

To reduce the cost of gas, Ted Brown Music has replaced a portion of its road rep vehicles with more fuel-efficient models. Minivans previously dominated the fleet, but Grisaffi has added two Scions and a Pontiac Vibe over the past two years. These average more than 30 miles per gallon on the highway. Grisaffi has also invested in a Dodge Sprinter cargo van for employees making regular trips and shuttling equipment to locations in the eastern part of the state. It averages three more mpg than its Chevy and Ford counterparts.

"We're not going to replace everything because you still have an issue of needing the size [of a minivan]," Grisaffi said. "But these can do a small rental meeting. We can pack it efficiently where we can do a meeting with 20-25 horns and two employees out of the Vibe.

"Some days, we're looking around and trying to figure out where the biggest vehicles need to be and doing some vehicle swapping, which takes some coordination. But overall, it's saving us money."

Grisaffi said she and her employees sometimes feel like they're short-changing customers on the service they've been used to. Still, she said customers have been understanding. "Instead of seeing them every other week, we're seeing them every six to eight weeks," she said. "We feel bad because we sometimes feel like we are cutting down on our service, but everyone is very understanding and nobody questions it. They're not driving either." **MI**

— Jeff Cagle, photo by Chris Watkins

What separates Daddy's Junky Music from other combo retailers isn't just its funny name but also its business philosophy. The customer may come first, but employees are just as important. That philosophy has helped Daddy's flourish during its 36 years in the business, and it's a big reason why its executives don't fear the economic downturn — at least not much.

"We operate on the basis that at any time we're going to be able to take care of our customers and take care of our employees in a cost-efficient way, whether it's a good economy or a bad one," said Daddy's Senior Vice President Chris Gleason. "Because of that, I think we'll be in a fine position."

## STREAMLINING STOCK

Of course, hoping for the best and expecting the worst doesn't work unless there's a solid plan in place for the latter. Here, Daddy's has been making some changes.

"Obviously, we're buying less," Gleason said. "And we're on a strict inventory budget, making sure we're optimized."

By narrowing its choices and going deeper on the more popular items, Daddy's has been able to optimize its inventory. The company cleared its warehouse of items that didn't take off, or it found a new place for them.

For example, Gleason explained how Daddy's has one location that has done well with high-end merchandise, especially American-made guitars. It has another that doesn't do as well at moving the top-notch stuff. So, this store's high-end inventory has been shipped to that other store, and next time around, Daddy's won't order high-end wares for that store. This eliminates dead weight.

Daddy's also has a revenue stream that many music retailers don't have going for them: used gear. "Used gear, of course, is a good value for our customers," Gleason said. "And in times when people are looking to save a few bucks, the fact that we're selling used gear will help out a lot."

The mix of high-end gear, used gear and full-service locations, which

feature music lessons and gear rentals, gives Daddy's a little something special. "With us, you get a little bit of big-guy and a mom-and-pop store all mixed up together," Gleason said.

## DADDY'S ONLINE

It keeps that vibe going on its Web site, [daddys.com](http://daddys.com). The site offers all the accouterments of your typical e-commerce site: online specials, PayPal check-out, tons of gear, etc. But it also aims to keep its independent flavor. Most of Daddy's online budget has been geared toward design elements, but one of the least expensive things to produce, the blog, goes a long way in delivering on the company's indie credentials.

The blog is updated frequently by company staffers and usually features information about upcoming events. Daddy's had great success with the blog during its recent Gibson promotion. Numerous people posted regular updates about the event.

**Daddy's has gone deeper into top-selling inventory and moved sluggish items to locations where they'll turn faster**

"We've been getting good feedback," Gleason said of the blog. "It's a great way to interact with people."

Building an online presence is important. And that's where the company's interactive investments are likely to pay dividends.

"Looking ahead into the future, we think that e-commerce will grow, and we'll be a part of that because we're set up to grow with it," Gleason said.

That's the plan for when stuff starts growing again. In the meantime, Daddy's will stick to its indie draw and keep selling the best new and used gear. **MI**

— Andrew Greiner











## OVERALL EXCELLENCE MOM'S MUSIC

**T**his year, brothers Max and Mark Maxwell received a phone call from the mayor's office in Louisville, Ky., requesting assistance for a Labor Day event. Their full-line dealership, Mom's Music, not only ended up providing the entire backline and staging equipment but also booked the performers.

"As far as our name in town goes, anything that happens

with music around here, no matter what it is, they call us," Mark said. "We've made a conscious decision that when the American Heart Association or a cancer benefit calls we need to help."

Between its Louisville and Jeffersonville Ind., locations, Mom's Music provides everything bands need to thrive as local performers. The Jeffersonville store, originally a four-plex movie theater, is now

divided into retail space, private lesson studios for 1,200-plus students and a 150-seat performance stage. The Louisville location includes two facilities on adjacent properties that serve as the company's recording studio, backline and contracting division.

"We have found ourselves to be the promoters of the town," Max said. "With our RockSchool bands, we not only do an eight-week program

with a concert at the end, but we help book these bands at different places in town."

### ROCK SCHOOLS

**T**wenty years ago, Mom's Music was one of the original test sites of the RockSchool curriculum developed by Yamaha. While the nationwide initiative lost momentum over time, the Maxwell brothers found continued success with the format. Mom's Music has



OVERALL EXCELLENCE SIMS MUSIC

# Stars Aligned

had as many as 65 bands participate in its RockSchool program.

"I cannot believe that our school systems have not adapted playing guitar, bass, drums and keyboard, and singing in a rock band — something kids are familiar with," Max said. "Our school music programs keep shrinking, and I'm surprised they have not grasped this."

On the other side of the lesson spectrum, Mom's Music also has 10–15 current bands involved in its Weekend Warriors program — an iteration of NAMM's rock band initiative for working professionals. Two of those bands even have their MySpace pages linked to Mom's Music's Web site.

## MUSIC ON A MISSION

In addition to the hard rockers, Mom's Music also caters to the the deeply spiritual. Located in what they call "the hip" of the Bible Belt, the Maxwell brothers' greatest passion is their Takin' It to the Streets program, developed from a desire to thank local churches for their business. This initiative brings talented church musicians from across denominations together to play at secular venues. Mom's Music sets up equipment for the events at no cost to the churches. During one such event at a Six Flags amusement park, 74 churches played on 11 stages.

"We knew all these worship leaders," Mark said. "We know all these folks in town and [have] dealt with them forever. It was a way to get them out and play music locally."

According to Max, the only thing they ask is that church bands refrain from soapboxing. "We let the song be the prayer," Max said. "We don't want to make the community feel uncomfortable."

Mom's intense community involvement requires many late nights and lost personal time, but the Maxwell brothers feel it's all worthwhile. "Retail is the last thing on our list," Mark said.

"There is nothing like seeing these kids walk out on stage, and people go nuts for them," Max said. "There is no feeling any money is going to bring us like that. At the end of the day, I think our epitaph will read that we did good by music and did good in our community." **MI**

— Jenny Domine, photo by Jessie Kriech-Higdon

Jerry Sims' Yamaha rep often tells him that he has the stars aligned. "He tells me, 'Don't mess with them. Whatever they are, keep them aligned,'" Sims said.

His Columbia, S.C., dealership, Sims Music, could serve as a best-practices model for MI retail — from its hiring to its buying to its customer service. It's a puzzle with many pieces that coalesce to form a full-line business with sales growth nearly every month since opening in 1979.

## BUYING BIG

Sims Music is a decidedly inventory-heavy operation. The way Sims sees it, the best way to sell a lot of drum kits is to carry a lot of kits.

"We have 50 drum sets, at least," Sims said. "My thought was, 'How can I sell a lot of drums?' I can hire a drum guy, or I can buy a lot of drums, or I can do both. It's cheaper to buy a lot of drums.

"A lot of product has been the bottom line. That has been one of the secrets."

It sounds counterintuitive at a time when many music retailers keep their inventory under a magnifying glass. Here, Sims said his buying strategy has been key. It's driven by inspiration more than calculation, but he said he's right more than 80 percent of the time.

"When I go to a trade show and I look at a piece of equipment like a guitar, I ask [myself], 'Can I sell six of these?' If I say, 'Yes,' I don't even hesitate to buy that product. I'm not putting it in any particular period of time [to be sold]. I'm just saying I can sell six before they go out of style.

"If I say, 'I'm not sure if I can sell six of those,' my next question is, 'Can I sell three?' And if I think I can sell three, then I'll probably buy that product a little lighter with a little more caution.

"I don't have a lot of dead product. And I have a couple of employees that I think have the same sense that I have because they've been here so long."

Sims' no-debt philosophy helps, too. He doesn't floor plan, and his building is paid off. "Cash is tied up in [inventory], but as long as you don't owe that cash, I don't care.

"No debt has always been my bottom line."

## AFTER-SALE SUPPORT

He refuses to race to the bottom with his prices, and so far, he hasn't had to. "We've got a lot of credibility here," he said. "It's a little embarrassing for the customer to come into our store and drive us crazy [on price]."

"My employees are very well-educated. They're very good musicians. They're friendly, and we have product. We give lifetime service to any guitar we sell. We don't get everyone, but we sell a lot of instruments."

Sims also pays his employees an extra dollar to call customers after the sale and check in with them. If certain

**Sims Music's employees earn a dollar if they check in with the customer after the sale**

products break down, Sims Music will give the customer a loaner.

"Great after-sale support," said one supplier of Sims Music. "All the employees want the customer to be happy with his or her purchase."

## HIRING & RETENTION

Sims said he hires employees from his customer base. He also asks his existing staff for referrals when a position opens up. And teachers in the company's lesson program are all employees, not contractors. "Those people are the ones who will say [to a student], 'Oh, you want a guitar?' I'll sell you one of those,'" Sims said.

One of the company's employees has been there for 22 years, another for 20, another for 15. He said employees don't work on commission but get a small reward per sale that's not based on profits. "It's just like, you'll get \$5 extra for selling anything from \$300–\$500, for instance."

Sims added that he pays nearly all of his employees' health insurance. "It's expensive, but you get what you pay for."

It has paid for a lot, judging from the company's sales record. **MI**

— Zach Phillips