

# Good Fortune Favors The Prepared

**E**ver since he took his first train ride in 1904, accompanying his father to call on a New York City lumber yard, Christian Frederick Martin III was fascinated by railroads. When I visited with him on a cold rainy November day in 1983, his desk was strewn with railroad memorabilia, including a stack of yellowed train schedules. “Nobody rides trains anymore, but I still find them interesting. They bring back a lot of happy memories,” he said. Then with a wistful tone in his voice, he confessed “I worry that our guitar business is headed the way of the passenger train.”

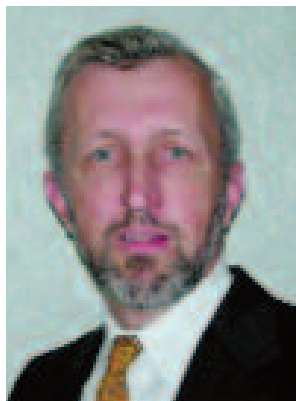
I had gone to the Martin guitar plant in Nazareth to meet with Mr. Martin and do a story on the company’s remarkable 150th anniversary. However, at the time, no one was in much of a mood to celebrate. A series of poor acquisitions had weakened the company’s finances, banks were threatening to call in loans, and Martin guitar production had plummeted from a high of 22,000 units in 1971 to just over 3,000 in 1982. From the somber mood in the office to the empty workstations on the factory floor, it was obvious the company was barely scraping by.

Martin was not the only guitar maker struggling in the early ’80s. Both Fender and Gibson were also in the process of losing market share, money, and prestige. However, Martin’s problems were more acute because, unlike Fender and Gibson, it didn’t have a large corporate parent to keep it afloat. With the unflinching, straightforward style that served him well in nearly 70 years in the guitar business, he said, “This is worse than the Great Depression.”

What a difference with the story in this issue, as we chronicle Martin’s 175th anniversary. With the passage of 25 years, the company has undergone a complete transformation. The venerable firm is turning out about 80,000 guitars a year, its finances are strong, the Martin trademark is revered worldwide, and the 800-plus employees in Nazareth display the kind of esprit de corps that comes from playing with a winning team.

The cause of this extraordinary turnaround can be traced to a combination of good management and a healthy dose of good fortune. As we detail in our story on page 62, in 1984, C.F. “Chris” Martin IV inherited a company that had a famous brandname, a legion of enthusiastic users, and not much else. Through fuzzy strategic planning, poor labor management, and sheer carelessness, much of the company’s asset base had been squandered. Working against the clock, pressured by hostile lenders, Chris rallied his co-workers around a simple goal: to pour all their energies into building the finest flat top acoustic guitar possible.

Although this strategy produced immediate results, Martin’s



fortunes were also enhanced by a wholly unexpected revival of the guitar market. With the development of MIDI and digital musical technology in the early ’80s, it was an article of faith that in a short time, the only place you would find a guitar would be in a museum case, alongside other musical antiquities like the sackbut and the clavier. In 1983, shortly after the introduction of the

MIDI standard, the president of the Guitar and Accessories Marketing Association went so far as to declare, “How can the guitar compete with the excitement of the new electronic technology?”

As John Lennon sagely observed, “life is what happens while you’re busy making other plans.” And in the case of the guitar business, manufacturers and retailers alike made the common mistake of extrapolating a short-term downward trend line out to the horizon and concluding that the guitar was finished. If there is a moral in this, it’s to take any and all long-term forecasts with a healthy dose of skepticism. No trend continues indefinitely, and the resurgence of the guitar confounded the best brains in the music industry.

The other moral in this story is the importance of focus and customer service. Over the 175 years the Martin family has been building guitars, management styles and business methods have continuously changed. What has not changed is that long-term success accrues to those who deliver genuine value to the customer. The company’s extraordinary milestone is testament to a family that has truly internalized these basic truths.

There are a number of companies that enjoy a storied past, but none can match the Martin record of 175 years under the same family ownership, building the same product, and operating in the same locale. With due respect to C.F. Martin III, who was scholarly, unflinchingly gracious in all his dealings, and remarkably modest given his accomplishments, I don’t think the Martin guitar is destined to go the way of the passenger train anytime soon.

**Brian Majeski**  
Editor

Email: [brian@musictrades.com](mailto:brian@musictrades.com)