

A Thank You To Those Who Drive Industry Progress

Behind every sales number and data point in the rankings of the Top 200 music products retailers is the story of an individual who, through a combination of audacity, ingenuity, and hard work, successfully launched a business. Although this is a statement of the obvious, it's something that gets overlooked given the common tendency to discuss the music industry, or the larger economy for that matter, as a disembodied collection of gears and cogs that can be fine-tuned for better performance. The reality is what we refer to as "the industry" is not a machine, but a group of individuals pursuing their personal goals. And every improvement that creates more music makers and drives growth and prosperity can be traced to one of these individuals who had an idea and took the initiative to implement it. The data we present in this issue is in one sense an objective yardstick for measuring performance. But it's also a way of celebrating and paying tribute to those who built the vibrant distribution channel that is essential to fostering music making.

If you consider the odds stacked against a start-up, it's miraculous that anyone bothers at all. The mortality rate is so high, buying a lottery ticket probably offers better odds for achieving a financial reward. Fortunately, though, there are a handful of intrepid souls willing to ignore the risks and forge ahead. Their stories are all different, but behind every success is a large dose of hardship and not infrequent moments of crisis. Nearly every founder of a Top 200 retail enterprise can recount tales of foregoing a regular salary to reinvest in the business, and "white knuckle" moments when their fate hinged on magically conjuring cash from thin air to settle a supplier invoice or remit a loan payment. It takes a special blend of courage and fortitude to face up to these challenges, which explains why those who start businesses are a distinct minority.

What prompts this hardy bunch to subject themselves to such potentially painful situations? We think it's an optimistic conviction that they have a better way of doing things that will be rewarded in the marketplace. The "better way" in retail doesn't usually entail a revolutionary breakthrough like Edison's light bulb or the Wright Brothers' first flight. Rather, it involves getting a host of small details right, like designing a financially viable system for renting band instruments, figuring out how to assess the value of vintage instruments, or, more recently, determining how to harness the internet to effectively present and sell products. From the vantage point

of hindsight, all of these retail advances seem so obvious, they prompt the response, "Anyone could have done that!" Yet before these concepts had been tested in the market and there was no guarantee they would actually work, "anyone" couldn't have put them into practice. The sustained efforts of a "someone" with special skills and ingenuity were required.

The improved social welfare that comes from better products at better prices made more available—in other words, "progress"—is the combined effect of these inspired efforts. The "industry" didn't take risks, work hard, and make investments, individuals did.

Those who end up translating their efforts into successful businesses are the ones who rightly receive accolades. However, those who fail are deserving of credit as well for contributing to progress. In many instances, their missteps served as an essential road map for those who followed.

Space precludes a full biography of all those who built the businesses that populate our Top 200 ranking. We've had the privilege of getting to know many of them and can attest that their stories would make for good reading; they're filled with drama, suspense, and occasional hilarity, along with triumph and tragedy. More importantly, their hard work has brought music making to millions, provided career opportunities for thousands, and generally made the world a better place. It's a record of accomplishment to be proud of. It's also one that engenders gratitude and a bit of awe. A special thank you to all those entrepreneurs who provide the energy and drive that fuels this industry.



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