Editorial

"External Forces" Did It!

SUCCESS HAS A THOUSAND FATHERS, failure is always an orphan. The truth of this maxim was prominently on display on August 5th, the day after the Dow Jones Industrial Index shed some 300 points. Business leaders and politicians who had previously scrambled to take credit for a surging stock market, citing their visionary management and brilliant policy decisions, suddenly turned reticent. When asked about swooning stock prices, the talking heads on television somberly pointed to "the Asian economic crisis," "shifting investor sentiment," and other factors "beyond anyone's control." This same willingness to grab credit for the good news and place blame for problems elsewhere has also figured prominently in the music products industry ever since the first issue of *Music Trades* in 1890.

The years between 1952 and 1974 saw a steady upward trend in just about every segment of our industry. An outside observer relying only on retailer and manufacturer commentary from the pages of *Music Trades* could justifiably conclude that this good fortune was the sole result of improved engineering, insightful marketing, and a sales effort of unprecedented aggression. The baby boom, possibly the single most significant demographic event in American history, was only incidental. That is until after 1974, when the industry headed into a period of rough sledding. Faced with disappointing results, manufacturers and retailers were quick to blame their woes on "the baby bust." "Enrollments are down, and schools are consolidating right and left. It's a tough climate out there," said Jack Latter, president of C.G. Conn, explaining why 1976 was a lackluster year.

In 1983 the advent of affordable digital synthesizers and the introduction of the MIDI standard touched off a tremendous sales boom. As electronic products surged and traditional industry segments stagnated, hi-tech manufacturers exhibited characteristic restraint. "We [electronic musical instrument makers] understand the market. The traditional companies just don't get it, and if they don't wake up soon, they'll be in trouble," declared Roland US President Tom Beckmen in 1984. Five years later, when synthesizer sales began heading south, instead of confessing that they had suddenly lost their magic touch, electronics manufacturers blamed their woes on "external forces." In a manufacturer roundtable in 1990, industry leaders unanimously agreed that electronic music was the victim of changing musical tastes.

Against this historical backdrop, the commentary of piano retailers that begins on page 88 of this issue is virtually unprecedented. After nearly two decades of decline, piano sales have turned up briskly during the past two years. When asked to explain the improvement, in an amazing display of modesty, a cross-section of retailers unstintingly gave credit to "external forces," like national economic well being, favorable publicity, and good demographics. (And all this time, we thought external forces were responsible only for bad things.)

Success in any endeavor typically requires skill and initiative along with a sizable helping of good fortune. It's worth keeping this in mind, particularly as the industry is humming along at record levels. Companies that sustain success over the long haul tend to be the ones that acknowledge and closely analyze the role of external forces. Understanding the role of a favorable climate helps them prepare for the inevitable periodic reversals of fortune.

The companies that attribute everything to management skill are usually the ones that get blind-sided. After opening a huge new factory in 1978, the head of a major home organ company declared, "We've got this business refined to a science, and we know how to achieve double-digit growth rates in any economic climate." Within two years the company was hemorrhaging red ink. Another maxim worth considering is "Pride goeth before a fall," but that's the topic for another editorial.

Brian T. Majeski
Editor