

Music Trades

JULY 2016 \$3.00

REVIVING GUILD GUITARS

Focusing on building exceptional instruments, new owners breathe new life into an iconic brand

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Building On A Storied Legacy

Guild's new leaders Tim Miklaucic and Jonathan Thomas—guys who “live and breath guitars”—vow to restore the brand to its former prominence, building guitars “you don’t want to put down.”

Ask Tim Miklaucic, founder of Córdoba Music Group, why he acquired Guild Guitar two years ago, and he is quick with an answer: “It was a once in-a-lifetime opportunity to buy an iconic brand name.” “Iconic” is one of the more over-used words in the English language; type it into your favorite search engine and nearly 200,000 articles about some “iconic” gadget pop up. But, it’s not a stretch to use it to describe the Guild Guitar, an instrument that has figured so prominently in the music of the past five decades. Richie Havens used one to open the Woodstock Festival in 1969. Bob Weir and Jerry Garcia toured with them in the early days of the Grateful Dead, and Queen’s Brian May designed a Guild signature model. In addition, countless photos confirm that most of the players who shaped contemporary rock ‘n’ roll—Paul McCartney, Pete Townshend, Eric Clapton, Stevie Ray Vaughan, and Paul Simon to name just a few—frequently played or performed with a Guild. Guild guitars even enjoyed a special moment in pop culture. In the late sixties, millions of network viewers watched Tommy Smothers play one each week on the top rated *Smothers Brothers Comedy Hour*.





Jonathan Thomas with a D20 and Tim Miklaucic with an M20, the first production guitars from the new Guild plant in Oxnard, CA.



The new Guild plant in Oxnard, CA is outfitted with rebuilt tooling and equipment to produce consistent components as efficiently as possible. Clockwise from the top: A computer-controlled machine cuts tops to exacting tolerances; side bending is performed by a machine that precisely calibrates heat and tension; the finish room boasts an automated line to ensure consistent finish and curing times; special tooling has been developed for fret work.

Unfortunately, Guild's storied past has been marred by decades of successive ownership changes and inconsistent management. Yet for all the missteps, the brand continues to command the reverence of players worldwide. Miklaucic views those decades of accrued goodwill as a valuable untapped asset and integral to the company's future. "The outpouring of support since we made the acquisition has been overwhelming," he says. However, as someone who "lives and breathes guitars," he realizes that Guild's future ultimately rests on the quality of the instruments it produces. His mission statement for the new venture could be summed up as "Build guitars that people want to play and are hard to put down."

Since signing off on the acquisition with Fender Musical Instruments on July 3, 2014, Miklaucic and company President Jonathan Thomas have been devoted full time to the

challenge of delivering on this mission. And, it hasn't been an easy task. To start with, Córdoba didn't buy a going concern, just a collection of assets. Specifically, trademarks and designs and 13 53-foot trailers crammed with tooling, production machinery, and raw materials. The first step in transforming truckloads of stuff into a viable guitar business involved shipping it all cross-country from the Guild plant in Connecticut to a new facility in Oxnard, California, 60 miles north east of Los Angeles.

A year before the sale, Fender management had tapped Ren Ferguson to upgrade Guild's production process and product line. A skilled luthier with more than two decades of experience running the Gibson acoustic operation in Montana, he was only partially through the process when the decision was made to put Guild up for sale. Thomas and Miklaucic were sufficiently impressed with the progress, they retained



The Guild product line is one of the industry's broadest, including arch top jazz guitars, flat top acoustics, and solid body electrics including the Bluesbird and the Thunderbird top. Above, the M20 and D20 all mahogany guitars, the first to come off the Oxnard production line.

Ferguson as vice president of manufacturing and gave him free rein to continue what he had already started.

Ferguson believes emphatically that building superlative guitars depends on precision tooling and carefully designed processes. In a world where you could easily hire a few hundred skilled luthiers, this wouldn't be so important. But since people who can hand-build a guitar are in short supply, the right equipment becomes increasingly important to allow average workers to achieve exceptional results. When the trucks delivered the tooling and machines to the Oxnard plant, rather than just setting it up and starting production, Ferguson painstakingly rebuilt and upgraded just about every piece of equipment. The process added cost and delayed the start of U.S. production by close to a year, but Thomas says it was ultimately worth it. "Ren saw the new factory as a blank canvas and applied years of hard-learned lessons to improve every process."

A HERITAGE OF VALUE

The goal of the re-tooling effort was to make every process as efficient and consistent as possible, to produce guitars that Miklaucic describes as "excellent and affordable." Component parts like ribs, necks, and bridges are shaped on a series of computer controlled lathes for consistency. Whirring machines may lack the romance of a craftsman using a chisel, but they make for a guitar that's easier to assemble, and will have fewer service problems as time goes on. There's also a side bending machine that uses sensors and a computer to precisely calibrate heat and tension, yielding parts that mate perfectly with the back, top, and neck. A conveyor finish system moves guitars at a precise pace to ensure the proper amount of coating is applied and sufficient time is allowed to cure. And, there are tools for precisely positioning the bridge, adjusting fret height, and performing every other production process.

The tools at the Oxnard plant are state-of-the-art, but the focus on efficiency is in keeping with Guild's heritage. Founded in New York City in 1952, the start-up lacked the storied tradition of C.F. Martin, or the marketing resources

of the much larger Gibson Company. To compete, founder Al Dronge relied on delivering exceptional value—guitars that could hold their own against more established brands, but at a more accessible price. “There’s always been a modesty to the brand,” says Thomas. “The guitars have never been too gaudy, with an ‘everyman’ feel to them. That’s the tradition we’re aiming for.”

The Oxnard plant is now producing and shipping two satin finish all-mahogany instruments—the M20 small concert size, and the D20 dread-

nought—that exemplify that “modesty.” They have no binding, simple appointments, and closely resemble the pared down models the guitar industry served up to financially strapped players during the Great Depression in the 1930s. Ferguson opted to produce these relatively simple instruments during the factory’s start-up phase, to enable a newly hired workforce to master guitar building basics. Later in the year, production will commence on the more ornate D40 and D50 flattops, historically Guild’s most popular models.

Production is ramping up at a measured pace, with a near-term goal of 3,500 guitars annually.

Like every other major guitar maker, Guild augments its U.S.-produced instruments with a line of Asian-made guitars at popular price points. What distinguishes Guild is the fact that its trademark has adorned the headstocks of an extraordinarily broad range of guitars: big box jazz guitars such as the Manhattan series, hollow-body electrics like the Starfire, solid bodies including the Polara, and flattops in all shapes and sizes. Guild electrics are sourced in Asia, as are the competitively priced acoustics. However, it’s the U.S.-made guitars that define the character of the company and cast a halo that lends market credibility to the imports.

AN ENVIABLE PROBLEM

The scale of the Guild product catalog has presented Thomas and Miklaucic with enviable challenges: What to produce, and how to define the Guild “character.” In seeking direction, they’ve scoured guitar shops nationwide, amassing a comprehensive collection of vintage Guilds, and they’ve examined each instrument to see whether it’s still relevant and how it might be improved with contemporary components. “We’re trying to be strategic in what we decide to introduce,” says Miklaucic. “We don’t have the resources to do it all.” The pair is also drawing on their somewhat unusual personal experience as players and “guitar geeks” to enhance the classic Guild designs.

As a teenager, Miklaucic remembers pleading with his parents for an electric guitar. They got him a nylon-stringed guitar instead, explaining to him that “if he mastered classical technique, he’d be able to play anything.” He says today, “they were wrong; classical technique doesn’t get you anywhere on a Strat.” But, after getting over his initial disappointment, he got hooked on classical guitar and the entire Spanish guitar tradition. At 13, on a family vacation to Spain, he bought a classical guitar for \$100. When he returned to Los Angeles, his guitar teacher offered him \$300 for it, providing the inspiration for what eventually became the Córdoba Music Group. Borrowing \$1,000 from an



uncle, Miklaucic began importing Spanish guitars into the U.S. and reselling them. The profits financed much of his college education.

EXPLOSIVE SOUND QUALITY

After college, he went into real estate, but continued trading in Spanish guitars as a “hobby business.” On annual trips to Spain in the pre-internet era, he drove around the countryside, forged relationships with a number of local guitar makers, and began selling their instruments out of The Guitar Salon, his small shop in Venice, California. In 1996 he established Córdoba guitars, but 1997 was an early turning point for the business. That year, the Gipsy Kings approached him about getting a thin-bodied nylon string guitar with good electronics, and a cut-away that they could use on their U.S. tour. He contracted with a Spanish workshop, delivered a few instruments, and soon found himself awash in orders for more. The unexpected response convinced him that there was a market for non-traditional nylon stringed guitars,

and he decided to go into the guitar business full time.

The resulting Córdoba Music Group has built a sizable business offering nylon stringed instruments designed for electric and steel string acoustic players. Córdoba doesn’t refer to its guitars as “classical,” “because you can play anything on them,” says Miklaucic. Unlike traditional guitars from Spain, Córdoba models feature a neck that’s 2mm thinner, with a slimmer profile, and 14-frets, instead of 12. “We realized that there were a lot of steel string players who loved the sound of a nylon stringed guitar, but couldn’t get past the playability issue,” he says. Retailers enthusiastically embraced Córdoba instruments because they represented “plus” sales, and because their uniqueness delivered better than average margins. As the Córdoba wholesale business expanded, Miklaucic transitioned Guitar Salon into a broker in high-end and vintage classical guitars, including a few Antonio de Torres instruments that command up to \$400,000. (de Torres

(b.1817-d. 1892) is the noted Spanish luthier credited with developing what is the modern classical guitar.)

How does a background in nylon-string guitars have any bearing on a brand like Guild, steeped in folk, rock, and jazz? For Miklaucic, it comes down to what he terms “lightness” and “explosive character.” He elaborates, “A great de Torres instrument weighs about two pounds, but despite the feather weight, it puts out more sound than you think possible. I want Guilds to offer that same explosive sound quality.” To that end, the engineering staff is refining the bracing and top dimensions of the acoustics. He says they’ll still be eminently recognizable to Guild fans but will deliver “more power and projection.” These attributes are evident in the M20s and D20s coming off the Oxnard production line.

Jonathan Thomas had a more conventional introduction to the guitar, but could very well have been the target customer Miklaucic had in mind when he hatched the idea for Córdoba. His

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father Larry headed Guitar Center for several decades, and later served as Fender CEO, and Jonathan grew up surrounded by every type of guitar. After playing his father's early Gibsons, Fenders, and Martins, he says, "I wanted to dig deeper into the guitar's history and understand where it all came from." That led to experimentation with Spanish guitars, and later a day job at Guitar Salon. As Córdoba and Guitar Salon grew, he took on expanded responsibilities and was named president in 2012.

Thomas's experience as a musician also sharpened his appreciation for the Guild brand. In the late 90's, when Guild was largely dormant, he says "I had a friend with a Starfire that caught my attention. You could see the Gibson influences in the design, but it was different, and the fact that there weren't that many of them made it even cooler. Then I came across an old F-50 maple Jumbo acoustic and fell in love with the brand." For Thomas, the fact that Guild has been neglected in the recent past



Ren Ferguson (left), with Tim Miklaucic and Jonathan Thomas, has directed the manufacturing effort, treating the new plant as a "fresh canvas."

adds to its appeal. "When we talk to dealers and players, they all seem to be looking for something different," he says. "Guild answers that, and with its rich history in both acoustics and electrics throughout the '50s, '60s, and '70s, the brand is unique and has a story that needs to continue."

Thomas and Miklaucic are under no illusions that cracking into a competitive guitar market, even with a legacy product like Guild, will be easy. Fortunately, though, they have the luxury of time on their side, without pressure to meet specific sales timetables or market share goals. Their strategy could be summed up as "if the guitars are right, the rest of the business will fall into place." However, that doesn't mean they don't feel a sense of urgency. In two years, they have assembled a cohesive Guild product line, set up a new factory from scratch, and substantially expanded distribution around the world. "We just want it all to happen faster," adds Miklaucic.

The progress to date, though, has fueled a sense of optimism. Reflecting on his earliest days, importing a handful of handmade Spanish guitars, Miklaucic says, "I never dreamed that Córdoba could have gotten this big." He adds, "But Guild, with such a broad product line, is going to be even bigger."

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KYSER® MUSICAL PRODUCTS

Guild's Illustrious History

GUILD GUITARS GOT ITS START in a small loft in lower Manhattan with a staff of five. The year was 1952, and founder Avram "Al" Dronge sensed an opportunity in the guitar business. Dronge had been born in Poland in 1911, but his family fled three years later, first to Paris, and then to New York. Al grew up along Park Row, then the music retail hub in New York City. He taught himself guitar, played professionally throughout the city, and opened his own store in New York in the mid-1930s. He eventually sold the store and made a small fortune importing accordions.

In the 1950s, Epiphone, also based in lower Manhattan, was struggling to deliver, plagued by union strikes and family infighting. With dealers clamoring for a new source of supply, Al saw an opening in the market. He recruited George Mann and five other former Epiphone employees and began building jazz guitars. In the early years production was so limited, Al personally played each guitar before it was shipped. That changed when jazz great Johnny Smith signed on as an endorser and sales spiked. To meet growing demand, production was shifted to a larger facility, across the river from Manhattan, in



Guild founder Al Dronge.

Hoboken, New Jersey.

In the mid-'50s, Washington Square in Greenwich Village, a stone's throw from the Guild factory, was the epicenter of the growing folk music boom. Al was quick to recognize the trend and augmented Guild's jazz guitars with a line of flat top acoustics, including the F-40 and F-50. As rock 'n' roll came to the fore in the early 1960s, he added electrics, including the Starfire and Polara models.

Over the years Guild guitars found their way into the hands of the musicians who defined contemporary music, including Johnny Smith, Duane Eddy, Roy Orbison, John Lee Hooker, Merle Travis, Paul Simon, Keith Richards, Dave Davies, George Benson, Buddy Guy, Howlin' Wolf, Richie Havens, Bonnie Raitt, Steve Miller, Eric Clapton, Muddy Waters, Doc Watson, Ry Cooder, and George Strait to name just a few.

The arrival of the Beatles in 1964 triggered unprecedented

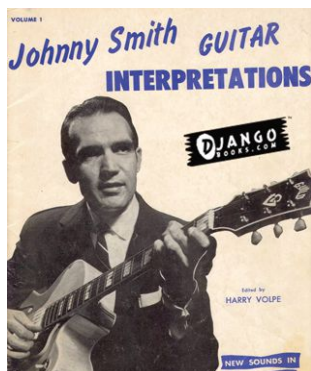
industry growth and attracted the interest of outside investors. With industry sales on a tear, CBS purchased Fender guitars, Macmillan Publishing acquired C.G. Conn Ltd., and Gulf & Western acquired Unicord, the forerunner of Korg USA. Dronge sold Guild to Avnet, an electronics parts distributor. With Avnet's backing, Guild relocated production to a much larger facility in Westerly, Rhode Island and enjoyed record sales.

Dronge died in 1972, when the plane he was piloting crashed en route to the Westerly plant. Despite his passing, Guild continued to thrive, with prominent endorsers such as John Denver keeping the guitars in the public eye. Sales were also aided by the first dreadnought-style acoustic with a cutaway. Avnet exited the music industry in 1986, selling Guild to a group of Nashville investors. The company struggled, went through several ownership changes, and filed for bankruptcy before being acquired by Fender Musical Instruments in 1995.

Fender brought financial stability to Guild, but never seemed to give it the attention it needed. The Westerly plant was shuttered in 2001 and Guild production was shifted to the Fender plant in Corona, Mexico. Three years later, production was moved again to Fender's Tacoma, Washington factory. In 2008, after Fender had acquired KMC Music, Guild production was moved yet again to the Ovation guitar plant in New Hartford, Connecticut.



Richie Havens opened the Woodstock Festival in 1969, performing with his Guild D40.



Guild's Gallery of Greats—noted players who used Guild guitars included jazz great Johnny Smith, Paul McCartney, the Smothers Brothers, and Bob Weir and Jerry Garcia in the early days of the Grateful Dead.