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The Music Trades

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After three years of planning, consumer electronics giant Best Buy prepares to open **80 NEW MUSIC STORES**

Piano Movers!

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Hailun Pianos
World Class Quality & Design

Hailun Piano International Quality And Design

Huge investments in an international design team, cutting-edge technology, and extensive employee training are paying dividends in awards, renown, and rapid sales growth

Hailun Chen doesn't dismiss the U.S. piano market's current difficulties, but he has good reason to be optimistic about the company that bears his name. At the time of a recent visit of U.S. and Canadian dealers to Hailun Piano's factory in Ningbo, China, the company was annually producing 16,000 finished pianos and many more parts for its OEM partners, and was back-ordered more than 1,200 units. Hailun Distribution Vice President of Sales Stevan Mills quipped, "Who says the piano business is bad?"

Of course, Hailun Piano's prosperity isn't tied solely to the U.S. market. Strong sales and acclaim in Europe have helped establish Hailun as a premier Asian supplier there. And the company's prospects within China are equally bright. Hailun executives estimate that within five years the global demand for pianos, led by the exploding middle class among Chinese consumers, will support production of one million instruments a year worldwide. But in addition to its success in Asia and Europe, Hailun has made an auspicious—some would say market-defying—start in North America. Facilitated by Lilburn, Georgia-based Hailun Distribution LLC, the brand is winning high praise from dealers and consumers alike.

Launched in 2006 as a joint venture and now owned by its founder, pianist and MBA holder Theresa Perry, Hailun Distribution is an elite marketing company that sets new standards for niche product placement and customer support. "As our name states," says Perry, "we are focused solely on making the public aware of these high-quality instruments and the company that manufactures them. I wouldn't represent anything I didn't personally believe in. As a piano player and as a business person, I believe in the Hailun product."

As far back as 20 years ago, when

Hailun Pianos such as this HG277 Concert Grand are quickly gaining a reputation for excellent tone and superb craftsmanship.

the trend in Chinese manufacturing was undeniably "cheaper, ever cheaper," Hailun Chen was already pursuing a different ideal. Products coming from his Ningbo Piano Parts factory became the choice of numerous manufacturers including several "prestige" brands in the West. When he launched Hailun Pianos in 2000, that ethic was even more developed, refined, and uncompromising.

In the ensuing three years Hailun limited itself to making piano backs, along with the hundreds of other parts it had already been supplying, for other manufacturers. (It currently produces approximately 20,500 backs for its OEM customers annually.) It also used that time to develop resources and further hone its manufacturing processes before beginning to produce finished instruments bearing the Hailun Pianos brand.

A capital investment of approximately $44 million helped take the company to that next level. Much of the initial outlay went to equipping the company's 430,000-square-foot factory. State-of-the-art CNC machinery, manufactured in Japan, was custom-designed for Hailun.

Other investments, even more consequential, started with the formation of Hailun's international "Dream Team" of designers. American Frank Emerson, chief scale designer and lead engineer, has 32 years' experience as a piano designer in the U.S., including seven years with Mason & Hamlin. Austrian Peter Veletsky, Hailun's senior technical adviser, represents the fourth generation of the Wendl & Lung piano making family. Now produced at Hailun's Ningbo factory, Wendl & Lung instruments are among Europe's top-selling pianos. Other team members include: Serbia's Zlatkovic Sibin, director of tuning and voicing, whose more than 20 years of experience include a longstanding affiliation with Bösendorfer; Stephen

Hailun's production processes represent a meticulous balance between state-of-the-art computer-controlled tooling such as the five-axis CNC machine shown above and hundreds of man-hours of handwork thoroughly schooled in European piano making traditions.

Paulello, scale designer, France's renowned concert piano designer; and Japan's Ema Shigeru, grand piano production director, who personally inspects almost every grand piano produced by Hailun.

"Hailun doesn't have the brand marketing advantage of some companies' long histories," admits Emerson. "However, we have an advantage of not having to adhere to designs created 100 years ago because that's what 'tradition' demands. Having a history of just four years gives us a lot of freedom to build a better piano."

Enlisting world-class piano makers early on was critical to establishing the company's direction and standards as well as its scale designs and manufacturing processes. Since 2000 Hailun Chen has continued along this path by painstakingly assembling a workforce commensurate with both the design team's credentials and his vision for a superior grade of Asian-made pianos. Consistent with his "you get what you pay for" credo, Mr. Chen pays his workers 25% more than workers in comparable piano factory jobs, and he is developing plans to build a 500-room dormitory to house the employees, rent-free.

Hailun's aggressive apprentice program recruits 40 engineering students per year from the Ningbo Institute of Technology. Each student works in the factory for as long as two years. Permanent jobs are offered to only the three who exhibit the greatest skill and dedication. Every Hailun worker is trained for at least one year—those involved in tuning and voicing are trained for at least four years—before being allowed to work on pianos headed for the market. Hailun employs 850 workers at its Ningbo factories and another 400 at branches and sales offices throughout China, Europe, and North America.

Another major distinction for Hailun is the way the company is structured. Determined to create a different class of Asian piano company, Mr. Chen opted to run Hailun Piano as a privately held firm, still a relatively rare phenomenon in China. His motivation? Greater control over manufacturing methods, staffing, and international materials sourcing, over all of which he sought to apply higher standards than a government-owned company would allow. For example, he can—and regularly does—reject wood that doesn't meet the company's exacting specifications.

"The materials used in Hailun pianos are the finest available," says Mills. "Whatever is the best for a specific part is harvested in Siberia, China, Europe, or the U.S. Secondly, Hailun is a limited-production line, producing around 16,000 finished instruments a year, which is not large compared with other Asian manufacturers, including the Japanese brands."

In many ways Hailun Chen embodies China's rising entrepreneurial class. He is as intense and demanding in business as he is a generous and jovial host. Believing that life without compromise is not the same as life without balance, he balances, for example, his love of wine and fine dining with the self discipline to run four miles every morning.

Hailun Chen's bold strategy—his emphasis on quality and willingness to spend more and charge more than other Chinese manufacturers—was aimed squarely at the European and North American markets. Accordingly, the "overnight" popularity of Hailun pianos in China took the CEO by surprise. "He wasn't expecting Chinese consumers to pay the higher price, at least not right away," admits Hailun Distribution National Service Manager Joe Swenson. "As the Chinese market becomes more affluent, more people are looking for a higher-quality instrument, and Hailun has already established itself as a high-quality brand."

It's been said that making one high-quality piano is easy; making thousands of consistently high-quality pianos is hard. Hailun Chen stresses that building the company's reputation demands the most stringent quality control and high levels of manufacturing standardization. In 2005 the company invested in custom-designed, five-axis CNC machinery. Use of these high-tech devices ensures consistent accuracy throughout Hailun pianos' construction, including soundboard cutting and shaping, rib attachment, pin-block drilling, and tuning pin installation. Strict adherence to instituted procedures has earned Hailun's factory the global standard ISO9001:2000 CCIC certification for quality management systems.

International "Dream Team" Of Designers

Frank Emerson, U.S.A.

Peter Veletzsky, Austria

Zlatkovic Sibin, Serbia

Ema Shigeru, Japan

Hailun's design and manufacturing capabilities were most recently showcased with the debut of its new Concert Performer Series. The series comprises four entirely new models: the H-31P 52" Professional Upright and three grands—the HG198 (6'5"), HG218 (7'2"), and HG277 (9'1"). Perry comments, "To not only design but also put into production and have market-ready this magnificent series in less than two years is a clear demonstration of Hailun's world-class engineering and manufacturing prowess."

Hailun's apprentice program draws the brightest talent from engineering students at the Ningbo Institute of Technology. Every Hailun worker is trained for one to four years, depending on the position, before they're allowed to work on pianos for the market.

Hailun's huge investments and high-road approach are being vindicated by some of the piano world's toughest critics: tuners and technicians. Mike Carraher and Keith Bowman had operated separate, competing businesses as piano technicians in south central Pennsylvania for 30 years when they began noticing Hailun pianos at trade shows. They were so impressed they joined forces, doing business as Performance Pianos, solely to begin selling the Hailun line from their shops. "We've worked on every type of piano," says Bowman. "Absolutely everyone we've met who's played a Hailun, whether they're consumers or other technicians—including all the techs who are members of our chapter of the Piano Technicians Guild—has had a very positive experience. With most new pianos, you have to kind of wrestle them into tune and optimum playing order. Our track record with Hailun is short, but their pianos almost seem to 'want' to be in tune."

Veteran retailers, too, are giving the brand very high marks. Despite trimming his lines over the past year, Richard Moir of Moir Pianos in Kelowna, British Columbia, took on the Hailun line eight months ago. "Hailun pianos represent an exceptional value," he says. "They sound great, and we sold them very quickly." Fellow Canadian Brian Schmidt of The Piano Gallery in Calgary, Alberta, commented, "If [piano customers] could see how much technology and attention to detail and handwork go into [making] these pianos, they'd never complain about a $10,000 or $20,000 price tag."

One retailer confided, "We were considering retiring, but we got so excited about Hailun pianos, we decided to keep at it. Selling Hailun is a lot of fun." Another insisted, "Hailun's not only the best mid-level piano made in China, it's the best mid-level piano made anywhere in Asia."

Hailun Piano Distribution CEO Theresa Perry.

Hailun's slogan, "Aspire to Higher Performance," was coined to reflect Hailun Distribution's guiding philosophy. Already the instruments it represents are living up to this ideal with recognition from all corners of the piano community. Prestigious European Hailun owners include the University of Music and Dramatic Arts in Graz, Austria; Conservatoire de Paris; Henry Wood Hall in London; and Weinen Music Seminar and Musikverein in Vienna. In 2005 a Hailun piano was chosen for a performance for a European Chinese Association Peace Celebration, the first time a Chinese piano was featured at the famed "Golden Hall," home of the Vienna Philharmonic. Closer to home, Hailun is the only piano manufacturer to win China's most prestigious high-tech award, and in 2006 it became the first privately held, non-government company to receive the prestigious "China's Top Brand Name" designation.

Despite its solid credentials in Europe and China, Hailun and its growing North American dealer network have only begun to win American consumer awareness. Bob Purdon of The Piano Company in Leesburg, Virginia, likens the task to the challenge Kawai faced when introducing the Shigeru line to the American market. "The great news with Hailun is that its price-value ratio is simply unbeatable," he says. "We've been selling the line for about eight months, and we've been extremely pleased. The Hailun grands compare well with European grands selling for $20,000, $30,000, even $50,000."

The Piano Market

The Piano Company's Antoinette Purdon recalls, "The other day a man walked past all 130 pianos on our floor, pointed to a Hailun, and said, 'My wife wants *that* piano.' She was taken with its cabinet, a show-stopping bird's-eye maple all over the fallboard and under the lid that was comparable to the very best that Europe can provide—but at the price of a Chinese piano."

For customers who seem interested in a Hailun but remain cautious, Bob Purdon asks them during the qualification process if they think they might resell the instrument within three years. Most, of course, say they wouldn't. After acknowledging that Hailun is a relatively unknown brand, which would affect its resale value in the short term, he suggests that it is destined to be a well-known, highly respected brand in the years to come. This sales strategy reinforces the idea that Hailun's quality represents not just a great value, but also a wise investment.

"The Hailun dealer family represents a dedicated, savvy group of business people who recognize the dedication of the Hailun factory and the quality of its products," says Perry. "There is no question that we are partners in building the Hailun brand in the Americas."

Hailun Chen's goal to lead a world-class piano company won't be attained quickly or easily, but with steely resolution and courageous independence he has been advancing steadily toward it for much of his career. "Twenty years ago," he explains, "when Chinese piano manufacturers began exhibiting pianos at Musikmesse, people said, 'It's too cheap; that's not for playing; that's a toy!' The quality was far inferior to what they were used to seeing, so the Western world's first impression of Chinese pianos was very bad. That's the reason why we decided that we must do *much* better, making pianos that are *much* better than what people are expecting from a Chinese manufacturer. After much hard work, we are now making the kind of pianos we can be proud of."

Hailun Distribution LLC
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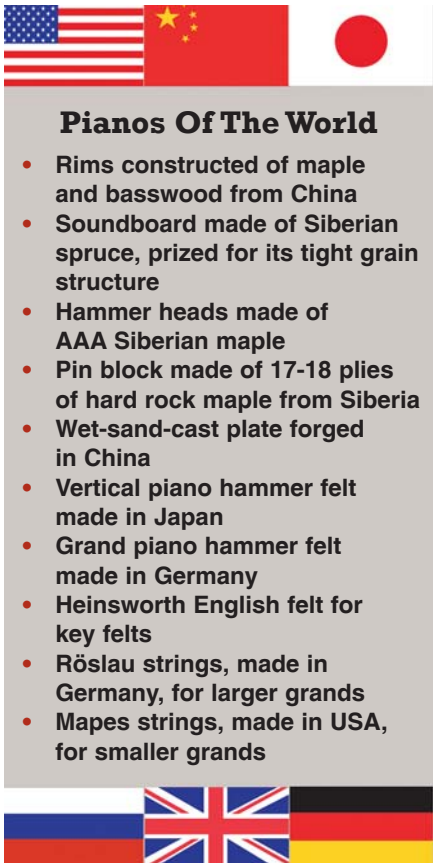

Pianos Of The World

- **Rims constructed of maple and basswood from China**
- **Soundboard made of Siberian spruce, prized for its tight grain structure**
- **Hammer heads made of AAA Siberian maple**
- **Pin block made of 17-18 plies of hard rock maple from Siberia**
- **Wet-sand-cast plate forged in China**
- **Vertical piano hammer felt made in Japan**
- **Grand piano hammer felt made in Germany**
- **Heinsworth English felt for key felts**
- **Röslau strings, made in Germany, for larger grands**
- **Mapes strings, made in USA, for smaller grands**

Hailun Chen invested heavily to run his company without government involvement, ensuring greater control over manufacturing methods, staffing, international materials sourcing, and quality control.