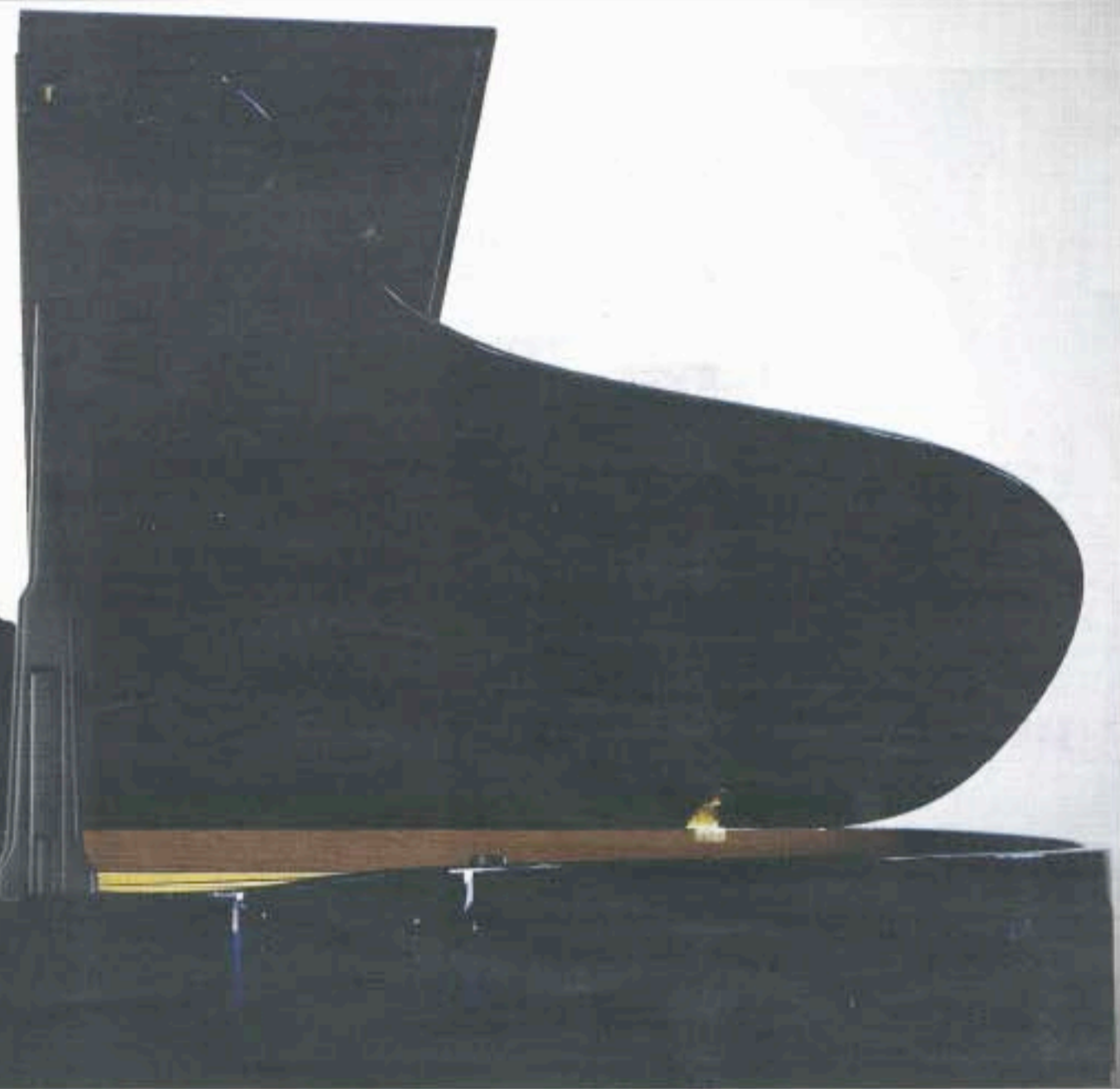


PERSPECTIVE REVIEW

ON A GRAND SCALE

Trucking magnate Lindsay Fox has made an unlikely business foray – into Steinway pianos, writes Andrew Cornell.



Lindsay Fox makes no bones about his musical prowess. "I'm a frustrated musician, I don't pretend to have ability," he says. Fox does play a piano, a Steinway, although, to be accurate, he doesn't play it himself.

"I have a special adaptation. You put a CD in and it plays itself, becomes a player-piano," he says.

Mark O'Connor hesitates to criticise Fox's piano playing but does finally concede the transport magnate has "trucker's fingers".

O'Connor's tactfulness is not unexpected. Over the years when he was working as the Steinway specialist for Allans Music and the Brash Group, O'Connor has sold more than the odd piano to Fox. First for his children, then grandchildren.

Now he and his customer are business partners in a new venture, the Exclusive Piano Group, agents for Steinway & Sons in Victoria, the ACT and South Australia. Despite the financial crisis, the business is tracking well, delivering sales of more than \$2 million in its first year.

A former musician, O'Connor became Allans general manager for Steinway in Victoria and South Australia in 2004, spending time training with Steinway in London and Hamburg. At Allans, though, Steinway was just another brand – albeit a very famous one – in a general music store.

O'Connor and Fox believed Steinway deserved a dedicated piano business and joined forces to create EPG just over a year ago.

The first exclusive showroom, allowing a full range of Steinways and other pianos to be displayed, was established in the homemaker centre at Melbourne's Essendon Airport – fortuitously owned by Fox (this works out well as it means that, when the Fox Steinway at the Portsea beach pile needs to be tuned, Fox can give O'Connor a call to wander out on the tarmac, where he is picked up

by helicopter, shuffled to Portsea in 15 minutes, and be at the keys in half an hour).

"I've always joked that I'd purchased so many Steinway pianos for the family that I thought I might as well buy the company that has the rights to sell them in Australia," Fox says.

"I've known Mark for almost 20 years. He's always looked after me and the family, including getting the grandkids started with lessons. He loves the product and he's very highly regarded in the industry and by the manufacturer – it comes back to the individual; you invest in the person."

Fox is not expecting a return from the venture, although he does expect it to be profitable. Instead his share of profits goes to the Fox Foundation to be returned to the community, with a particular emphasis on music.

The Melbourne showroom of EPG includes a piano workshop, piano teaching rooms – where students have the opportunity to learn on Steinway pianos – in-store practice facilities and showroom of grand, baby grand, upright and electronic pianos, and the self-playing technology favoured by Fox.

The billionaire ex-truckie may be an intimidating business partner but O'Connor says he's a pleasure to work with: "He's an absolute champion bloke, I've learnt so much. Every day I learn something from him," he says.

Fox is more self-deprecating about his wisdom.

"I give him a few tips; while my aim with the investment is to put some money back into the community and arts, it's doing all right for a start-up. He's building it up," Fox says.

"The fundamental thing about business is to have a little bit more money at the end of the day."

One tip of Fox's was that, if there was going to be a Steinway showroom, it must have a concert grand on display, valued at \$280,000.



I've always joked that I'd purchased so many Steinway pianos for the family that I might as well buy the company.

"We put it in and the first weekend a guy came in, said it was fantastic and wanted to show his wife. Two days later he bought it," O'Connor says. "He doesn't even play, he just thinks it's such a beautiful piece of furniture."

Even during the financial crisis, while sales slowed, O'Connor says the Steinway quality placed the fledgling business in good stead. "We had two trade-in Steinway concert grands that came from concert venues, both sold to private buyers within weeks of us receiving them. Both pianos were close to \$100,000."

The Steinway & Sons company started in Hamburg in 1853 and pianos are today hand-crafted in New York and Hamburg. A Steinway grand has more than 12,000 pieces and requires up to a year to build. Such is the power of the brand that almost every significant concert hall has one, itself a response to the demands of concert pianists who request their favoured instruments.

In the last two decades, Steinway has also introduced the Boston and Essex brands – "designed by Steinway" – as more affordable options. Steinways start at \$140,000, with the most popular model B, favoured by the Fox family, costing about \$170,000. The Essex range is from \$7000

to \$40,000 and the Boston from \$15,000 to \$60,000. "We are seeing customers shift to focusing on better-quality, long-term options such as Essex pianos in the \$20,000 and under price range," O'Connor says.

Even so, he believes the potential is there to lift sales of concert grands from one every two months to one a month. The piano market in Australia, while mature, still has opportunity, he says, and indeed has received a fillip from widely publicised research that music aids children's learning.

Roland Corporation [another EPG brand] ran a campaign some time ago around the slogan 'Music makes your children smarter', he says. "This is something the Australian Music Association has also been involved in promoting."

Heinrich Steinway built the first Steinway grand piano in his kitchen in Seesau, Germany, in 1836 and that first piano is still held by the company. It is known as "the #1 piano" or the "kitchen piano" and, with all the innovations Heinrich adopted, it became the basis for the modern grand piano.

A replica, created after extensive analysis including X-rays, has been created and was recently in Australia.

As to the rather prosaic location of the first Steinway showroom, alongside the Good Guys at Essendon Airport, O'Connor says people do expect the company to be in Toorak or Brighton.

"But Steinway doesn't see the brand as exclusive, particularly with Essex and Boston, and we have enormous support in the community," he says.

And, of course, it doesn't hurt that Fox owns the airport and can pop over at any time to offer some tips. But not on how to play.