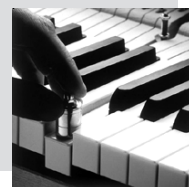


BERNSTEIN *Hailun Embraces Its Origins*

An excerpt from "Musical Merchandise Review" Magazine February 2011



Contagiously upbeat and refreshingly frank, Basilio Strmec, CEO of Hailun USA, acknowledges that it has been in vogue to look down at the "Made in China" label even though today many quality instruments are manufactured in part or whole, in Asia. Strmec finds it a little hollow that the instrument companies who regularly rely on original equipment manufacture (OEM) products made in China perpetuate the stereotype. But he is determined to get past what he delicately phrases "the Chinese obstacle" relying on buyers to "trust their ears and hearts" when trying their instrument out. He's also quick to say why Hailun is different. "Hailun is a Chinese company with a Chinese family standing behind it," Strmec states emphatically. "The family has pride. It's like the European family owned piano makers of years ago. Piano making is in their soul, their DNA, and with a piano, there's a human component. That's why you need to build a workforce that is like a family, people who have worked at the craft and artistry for years." That workforce includes respected engineers from around the world. Hailun's chief design engineer is Frank Emerson, whose 30 years of piano design work has included contributing to the success of many premier piano brands. Stephen Paulello, a French piano designer and engineer who is also a respected pianist, is also part of the team. Emerson recently designed the HG 198 (6'4") grand piano, showcased at the NAMM (National Association of Music Merchants) Trade Show in January. Also on display at NAMM were two new upright piano models and the HG 218 (7'2") grand piano developed by Paulello. As for Strmec, he is from Vienna and was formerly a VP for Bösendorfer (he's currently working on a book about the company that he plans to publish in 2011). Conveniently he's fluent in nine languages (he's quick to apologize for his English, but speaks it articulately and with great humor). As for that perception of Chinese-made instruments, it's so ubiquitous it is found even in China.

"I was at a meeting in Beijing, sitting next to a [local] piano dealer," he says. "I asked him how many of our pianos he was selling, thinking it would be around 200 a year. He told me he was selling 2,000 units a year. Why that is funny is that, for the longest time, Chinese people would not buy Chinese pianos – they wanted pianos from Japan. That so many Hailun pianos are selling in China is a true sign of our success."

Strmec has been at his position at Hailun for two years, his goal being to provide the quality of European-made instruments at prices a middle class family can afford. "We're creating instruments that sound as excellent as those at much higher price range, and I can say that because I worked at Bösendorfer for 10 years. And now my goal as CEO is to drive the market with quality products and legendary service". Highlights for NAMM are two pianos in particular. Strmec is especially pleased with Emerson's work on the 198, 6'4" grand. "It has a language all its own," he says. Another highlight is Paulello's 218, a semi-concert grand particularly well suited for institutions.

"Soundboards are the heart of the instrument, and we recently entered a close relationship with a provider of highest quality timber from upper Austria." Strmec says. "This supplier harvests wood in the Austrian Alpine region and then makes it available to soundboard makers that supply Bösendorfer, Bechstein, and others. Hailun has begun to source this high quality timber itself and produce soundboards at our own factory in Ningbo." The beneficiary is clearly the consumer:

completed soundboards created from this area are between \$1,800 and \$2,600 USD. Making them in their own factory will bring that price down "several hundred percent"; a discount passed onto the consumer.

Hailun owner Hailun Chen recognised long ago that for a product to be well branded, production had to be organized, he adds. "He started as an OEM supply parts organization, where success was based on parts being exact, and attention to detail never faltering." He would take that attention to detail and integrated into whole pianos. As the company grew, it became spread out over several buildings across the city of Ningbo, which itself is across the bay from Shanghai.

But now they are consolidating every thing under one roof for further quality control.

"Vertical integration is a continued focus so we are building a new factory that will allow Hailun to build more instruments. It will also enable the operation to consolidate many of the production steps into one location. We expect a much more efficient mode of production by hosting all departments in one production site. The production capability of Hailun will increase to 50,000 units a year."

Bernstein Australia is very proud to offer the brilliant range of Bernstein Hailun pianos. We invite you to visit Bernies Music Land, the Melbourne representative, to try these instruments for yourself and truly experience affordable excellence".

Right:

Bernie Capicchiano with Mr. Hailun Chen, President of Hailun Piano Company.



Below:

One of the many Hailun manufacture buildings in Ningbo, Beilun, China

