

**Martin Guitar: A Family's Business Rise Through Strings**

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## **Business Overview**

Martin Guitars is a familiar name to musicians and fans alike, but many do not know the intricacies and complexities of running their family's business and their ability to create a long standing and profitable endeavor. Started at the age of fifteen in approximately the year 1811 by Christian Fredrich Martin in MarkNeukirchen, Saxony, (Martin Guitar, 2013) the long life of the family business of the Martins went through many difficulties that strengthened their ability to survive over time. Worth noting from the book, Martin Guitars An Illustrated Celebration of America's Premier Guitarmaker by Washburn and Johnston, C.F. Martin was the son of a cabinet maker in Saxony where the Violin Makers Guild was prevalent and wanted to take over the making of all instruments made of wood, therefore, Christian F. Martin decided to move to the United States to be free to make the guitar as he wished. (Washburn & Johnston, 2002, p. 10) He established his well known business in 1833 in New York then moved to Nazareth, Pennsylvania where it is still located today. (C. F. Martin & Company. (n.d.)) Now, many years later, the family run business is still strong in the present economy.

## Ideation Phase

Currently there are 139 different models of acoustic guitars, 55 models of acoustic electric guitars, 15 ukuleles and a custom order shop on the Martin Guitar website at

[http://www.martinguitar.com/guitars/guitars/price/itemlist/category/36-](http://www.martinguitar.com/guitars/guitars/price/itemlist/category/36-guitars.html)

[guitars.html](http://www.martinguitar.com/guitars/guitars/price/itemlist/category/36-guitars.html). To start out though the young Christian Martin at age 15

years old began an apprenticeship under Johann Stauffer in Vienna for 14

years. There he became shop foreman until he left and worked for Karl

Kuhle, whose daughter, Otilie Lucia Kuhle and Christian Fredrich Martin

married. He then moved back home to Saxony, but soon though, Christian

set off to America with his family to ward off the Violin Makers Guild that

was fighting with the cabinet makers in Saxony for the rights to be able to

make the guitar. Eventually the cabinet makers won and were able to

make guitars in Saxony, but Christian Fredrich Martin had forged ahead

and was making his own guitars in America by then. Here is a link to

[VintageMartin.com](http://VintageMartin.com) which has a timeline that shows the historical

progression of Martin Guitars, <http://vintagemartin.com/timeline.html>.

(Corwin, 2012) There is also another timeline on the Martin Guitar's

website at [http://www.martinguitar.com/about-martin/](http://www.martinguitar.com/about-martin/the-martin-)

story/martin-timeline.html that is an in depth coverage of historical facts within the Martin Guitar family and business. (Martin Guitar, 2013)

### **Growth and Expansion Stage**

Between the years 1899 and 1929 were Martin Guitar's Expansion Stage according to the book, *Martin Guitars: an Illustrated Celebration of America's Premier Guitarmaker* written by Jim Washburn and Richard Johnston. It also says that due to Thomas Edison's invention of the phonograph and with the new recording techniques coupled with the radio, people across the nation started listening to music from various genres and musicians which eventually would help Martin Guitars become more in demand. But for a while, at the turn of the century, Martin Guitar was struggling to just get by. (Washburn & Johnston, 2002, pp. 84, 85)

### **Survival Stage (Valley of Death)**

Before 1972, Martin Guitar Company was going strong, but it was just a few years later that other companies started encroaching upon Martin

Guitar's style and competing with Martin Guitar by making foreign made guitars that often looked very similar. With the new foreign and domestic competition growing, Martin Guitar's own lack of ties and use of artists as advertising symbolism, and the growing popularity of the electric guitars in rock music and even synthesizers in disco music, Martin Guitar's sales were declining. (Washburn & Johnston, 2002, pp. 194-195) The sales by number of guitars sold peaked in 1971 to 22,637 and dipped to a low of a few over 3000 guitars sold in 1982. (Washburn & Johnston, 2002, p. 197)

### **How Formed and Organizational Structure**

As an aside, on Martin Guitar's website there is a section devoted to guitar kits, parts and tools used in making guitars located at <http://www.martinguitar.com/guitar-maker-s-connection/luthier-tools/mold-form-dreadnought-mold-form-detail.html>. (Martin Guitar, 2013) Impressive help to others who are interested in building guitars. With this in mind, the organization is structured to allow for good communication as noted in their core values. Along with management and guitar construction, there is a Quality Assurance team led by Vince Gentilcore, who was in the steel industry prior to consulting for Martin Guitar and landing his position as

Director of Quality Systems. He said in an interview with Carey Wilson at Quality Digest in 2007 that "Our department structure comprises tactical teams and specialists deployed by area and function who support both manufacturing and service groups, such as procurement, logistics, research and development, technology, and customer service. We interact closely with management and co-workers daily to maintain awareness of quality performance and issues." (Wilson C., 2007) The Martin Guitar business is structured for success because of their core values that include providing a workplace with strong morale and open communications and promoting an environment of teamwork and cooperation. (Martin Guitar, 2013)

### **Management Philosophy of Innovation and Culture and Why So Successful**

Two of the core values of the Martin Guitar Company that apply directly to their innovative processes are 1. "We are committed to improving our product, processes and work life." 2. "We are committed to managing the risks associated with growth and innovation." (Martin Guitar, 2013) With both the growth and the struggles of Martin Guitars, these

foundational core values expressed through management are helping to direct the company's employees and consumers. The incorporation of the business' core values are a good reason that Martin Guitar has weathered the storms of economic fortune flooding, and also the complete opposite with famines associated in lack of sales and stiff competition. A section of Martin Guitars' website is devoted to innovation in their history, the design of the famous Dreadnought guitar by Frank Martin and Harry Hunt that incorporated a longer 14-fret neck was a very successful innovation for Martin Guitars, but also most other domestic and foreign counterparts that produced the Dreadnought style of guitar. (Martin Guitar, 2013)

### **Innovations and Strategies Used to Make the Company Efficient and Competitive**

To stay competitive and keep a record of the guitars being built, "In 1898, Martin began serializing their guitars. Martin estimated that 8,000 guitars had been built between 1833 and 1898, so started the serialization with number 8,000. Ever since 1898, Martin has serial numbered their guitars (excluding the Backpacker and Little Martin guitars) using a straightforward numerical sequence. At the end of each year, the last serial



number is recorded and this provides a very accurate way to date Martin guitars back to 1898." (MARTIN Acoustic Guitar Values, (n.d.))

### **Strategies for Competitive Sustainable Advantage**

Found on the Martin Guitar website under the Martin Story section, in 1990, the company updated its ecological policy to include sustainable wood and wood that otherwise would have been considered to have markings that would have been passed over in the past. They also make sure that they comply with the standards for keeping endangered species safe. (Martin Guitar, 2013)

The Save The Elephants Campaign is one of Martin Guitar's ongoing efforts to keep their products good for all involved. "In the 1960s, we began to phase out the usage of ivory because the demand led to soaring prices of tusks, which in turn, resulted in the slaughter of elephants. We created a hang tag for our guitars, at that time, that reinforced our position on the usage of elephant ivory with the message that "C.F. Martin & Company refused to be a contributor to this atrocity." it says on their present day website at <http://www.martinguitar.com/about-martin/save-elephants.html>.

According to the Martin Guitar website, they are making sincere efforts to create a business that is accountable to taking care of the environment. Here are some of their goals and commitments listed on their site as an overview, for more details click on the following links to find out more details (Martin Guitar, 2013):

[Martin Guitar's Commitment to the Environment](#)

[Responsible Timber Purchasing Policy](#)

[Waste and Recycling](#)

[Computer Virtualization](#)

[Lighting Upgrades](#)

[Air Compressor Upgrades](#)

[Roof Replacement](#)

[Finish Curing Room](#)

## **Role of Entrepreneurship**

In the whole scheme of things, Martin Guitar began with a 15 year old boy learning from his Dad, then acquiring an apprenticeship from a well established guitar maker in Vienna, close by his Dad's locale. After becoming trained for years in guitar design, Christian Fredrich Martin, then

married, decided to embark his family on a trip to America to gain freedom from envious violin makers in his hometown who were trying to takeover Christian F. Martin's hard worked for knowledge of guitar making. In America, he started in New York, but then moved to Nazareth, Pennsylvania and established an entrepreneurial business that still to today survives and produces some of the best guitars sold on the market. Through competition and difficulties over many years, the Martin Family, never gave up on their guitar company. "Martin opened its "Custom Shop" division in 1979. Martin built its 500,000th guitar in 1990, and in 2004 they built their millionth guitar. This guitar is entirely hand-crafted and features more than 40 inlaid rubies and diamonds. It is worth an estimated \$1,000,000. As of 2007, Martin employs 600 people." (C. F. Martin & Company. (n.d.)) "C.F. Martin & Company has been in the business of making quality acoustic guitars for over 175 years." (Martin Acoustic Guitars, 2014)

## Business Model

The Mission Statement for Martin Guitars is pictured below along with their core values listed on their website at

<http://www.martinguitar.com/about-martin/mission-statement.html>



### MISSION STATEMENT

To be an organization of dedicated co-workers committed to exceptional leadership and innovation in the fretted instrument and string manufacturing industries, while celebrating our heritage and traditions as a family-owned company.

### OPERATING VALUES

We are committed to:

- Providing a workplace with strong morale and open communications
- Promoting an environment of teamwork and cooperation
- Promoting a diverse workforce
- Providing a safe work environment
- Honoring and protecting our environment
- Dealing fairly and honestly with all stakeholders
- Encouraging active participation in charitable organizations
- Maintaining high standards of musical excellence and artistic integrity
- Improving our product, processes, and work life
- Providing the world's finest products and services to our customers
- Respecting our heritage of quality craftsmanship while encouraging innovation and exploration of new technologies
- Managing the risks associated with growth and innovation



According to the textbook, *Patterns of Entrepreneurship Management*, 4th Edition by Jack M. Kaplan, "There is a third route, however—a lifestyle company that manages to grow fairly rapidly without taking in outside investors. These companies are a hybrid between the lifestyle company and the high-growth equity-financed company. We call these “growth bootstrapped” companies." (Kaplan, 2013, p.8) This business model may be what Martin Guitar Company may best exemplify. Their ability to stay family focused, yet create an innovative and open working environment for their employees, and keep true to their values and customer needs is their strong and unique business model for the construction of beautiful and precise sounding instruments of music that they so adeptly produce in the Martin Guitar Company.

## **Conclusion**

In closing, Martin and Company, the Martin family's business, had many trials and ups and downs though out its long lifetime. The steadfastness and commitment to the Martin family's core values of serving others by producing innovative, fine quality guitars has given all who know

the name of Martin Guitar a truly memorable and one of kind musical experience based in history, tradition and new growth.

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