

Hailun Embraces Its Origins

New Pianos, New Factory, and New Deal with Cunningham Pianos All on Display at NAMM

Basilios Strmec returned from the Shanghai Music show more enthused than ever. “Speaking with Chinese buyers was a refreshing experience, and one I believe bodes well for our American market,” he says. “I was also pleased to have the opportunity to preview the new piano models we’ll be introducing at NAMM.”

Contagiously upbeat and refreshingly frank, he 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 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 Italian 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 Baldwin and Mason & Hamlin. 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”). Also on display at NAMM



A rendering of the new Hailun Factory in Ningbo. Completion of the Factory is scheduled for Nov 2011.

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Visitors at the Hailun Factory: Jonathan Jerome (Toronto, CA), May Wang (Export Manager- Hailun Piano Co.), Lauren Wallace (VP of Retail Strategies, Hailun USA), Peter Veletzky (Master Piano Designer, Vienna, Austria), Jason Liu (Singapore), John Schienke (Toronto, CA), Frank Emerson (Hailun Chief Technical Engineer), Basilio Strmec (CEO, Hailun USA), James W. (Malaysia), Danny Geoghegan (Florida, USA).

will be his HU 116 (45.5") and the HU 6 (51.5"). Paulello developed the HG 218 (7'2"). 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 its found in, well, 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."

Dedicated to Service

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.

But what is also on display at NAMM is service.

"We have installed procedures, special internal benchmarks, to make sure we can provide excellent service. We'd like to be known as a company who creates products you can brag about, and if you have a need, you'll be taken care of." Called the Merchant Support Management (MSM Program), they "log each and every service call that comes in and pledge to resolve it within 10 business days." Then every quarter they look at the big picture and see if there are any patterns or issues that need to be addressed with any specific model and act on it immediately.

"In the first quarter of 2010, our customer satisfaction rating was 99.6 percent. In the second and third quarters it was 100 percent. I'm proud we're fulfilling our goals – we are standing behind our pianos."

For the end user, Hailun also dares to dream.

"We're creating instruments that sound as excellent as those at much higher price range."



A worker manually prepares the bridge of a Hailun Grand Piano.



Tim Oliver (Cunningham Pianos) and Frank Emerson (Hailun) discuss the sound and design properties of the new Cunningham Piano.



Nov 2010: Austrian Engineer: Peter Veletzky inspects a Computer Numerical Control Machine (CNC) at the Hailun Factory.

“Service is so important that we have created the Dream Assurance program.” If after 60 days the customer isn’t satisfied, he or she can exchange it for another instrument. “This offer has resonated in the marketplace because it shows the degree of support we’re committed to providing,” he says. “We want customers to be free from preconceived notions and trust their ears and experience with our pianos.”

They will also unveil a big innovation at NAMM called HELPS – Hailun Exclusive Limb Protector System. Danny Geoghegan, an engineer and inventor from Florida, developed patented hydraulic cylinders systems that make lifting a piano lid easy. The system also facilitates that the grand piano lid closes slowly similar to a slow fall mechanism for the fallboard. “For a pianist who is not warmed up it can lead to a strained muscle. For an elderly person it might be sheer impossible to lift the lid. And for children, it may actually pose a serious threat of the lid landing on their arms or hands. It protects children and older people because it can be lifted with one finger,” he says.

All new Hailun grand style pianos will have this feature on it, and it can be retrofitted on other pianos.

New Beginnings

“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 mak-

ers 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 \$1,500 and \$2,200 euros. Making them in their own factory will bring that price down “several 100 percent” a discount passed onto the consumer.

Hailun owner Hailun Chen recognized long ago that for a product to be well branded, production had to be organized, he adds. “He started as an OEM supply parts operation, 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 everything 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.”

And while they’ve long been known as an OEM provider, they are backing away from that to focus on the work for

their brand. They have, however, formed a new relationship with Philadelphia-based Cunningham Pianos, and they have collaborated to bring back the revived Cunningham line of pianos.

“We were honored when we were approached by Cunningham Pianos to work with them on this special project,” Strmec says. “Cunningham was a thriving brand from when it was founded by Patrick Cunningham in Philadelphia in 1891 until it was discontinued during World War II. [They continued on as a retailer and restorer.] They had very good ideas back in the day, and Patrick Cunningham was a leader in his time.”

In Spring of 2009, Rich Galassini and Tim Oliver, current owners of Cunningham Pianos, approached Hailun with a special request: they wanted us to design a proprietary Cunningham piano line that would build a bridge between the historic Cunningham Piano and modern piano building capabilities. Hailun brought in Emerson and worked with the team at Cunningham, integrating ideas from their history and modern technology to create these pianos. “I’m proud of the Cunningham – it’s not just an OEM stencil product, but designed to meet their needs and standards. It has allowed us to bring together America and China, taking strengths from both worlds.” He adds that this will be the only partnership like this they will do, and this new will be launched in January 2011.

And it’s all on display at NAMM. And maybe by then you can test Strmec on his 10th language – he’s been steadily studying Mandarin.