

# COMPLETE SUMMER NAMM WRAP-UP

FOR PROGRESSIVE MUSIC RETAILERS

SEPTEMBER 2014  
MUSICINC.MAG.COM

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## THE BAND MASTER

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Nick Rail





Back 37 Small Trumpet  
Sears Roebuck & Co. 1900-1910  
Sears Roebuck & Co. 1900-1910  
Sears Roebuck & Co. 1900-1910  
Sears Roebuck & Co. 1900-1910  
Last Price \$1395.00  
Our Price \$2799.00

Yamaha Silver Trumpet  
Yamaha Music Company, Inc. 1980-1990  
Yamaha Music Company, Inc. 1980-1990  
Yamaha Music Company, Inc. 1980-1990  
Yamaha Music Company, Inc. 1980-1990  
Last Price \$1050.00  
Our Price \$2550.00

Partial Professor F1 Horn  
The Horn Shop, Inc. 1980-1990  
The Horn Shop, Inc. 1980-1990  
The Horn Shop, Inc. 1980-1990  
The Horn Shop, Inc. 1980-1990  
Last Price \$1409.00  
Our Price \$2399.00



# THE BAND MASTER

**A tough SoCal B&O market has nothing on Nick Rail Music.** The indie chain has managed to scoop up a large school base by expanding its footprint all across the southern half of the state using strategic acquisitions and lots of planning.

By Katie Kailus

Photography by Sabrina Hill

Seven hundred miles is what separates Nick Rail from all six locations of his Southern California B&O dealership Nick Rail Music. For some owners, this might be the perfect excuse to not visit a shop in San Diego when you are based at the Santa Barbara location — nearly 215 miles north. But Rail has no time for excuses.

“I make a strong point of spending at least one full day in every store each month,” he said. “And once a month I do this quick little 700-mile triangle [trip] that comes down to San Diego, a day in Redlands, a day up in Bakersfield, and then back home to Santa Barbara.”

It’s this sort of dedication and hands-on business model that has kept Nick Rail Music going strong for the past 28 years in the notoriously tough Southern California B&O market.

“Our famous sunny weather means there are many more outdoor activities year round, which may compete

with a child’s interest in or time to play music,” he said.

However, that hasn’t stopped the chain retailer from nabbing business from nearly 1,000 different schools across the southern half of the state.

“During the school year, we’re probably visiting 150–200 schools a week between all the stores,” Rail said.

## Expansion Plan

So, how has Rail maintained its stronghold? Through constant innovation. He and his team change all the showrooms around regularly so they don’t become a “static environment” for visitors.

“When the customer comes in and everything looks the same all the time, they just get tunnel vision to the one little part they need to go to and — we don’t want to inconvenience them persay — but we want to give them the opportunity to discover something new.”

A drive to innovate is also what helped Rail launch his business into

new markets across the state. The first Nick Rail Music opened in 1986 in Santa Barbara but moved locations in 1994 and was remodeled and expanded in 1999. And that was just the start.

Over roughly the next 15 years, Rail would open five more shops, close a few, move a few and remodel a few (see sidebar on page 34) — all to keep his look fresh while finding new, stronger markets along the way. Two of Rail’s stores were acquisitions, the now defunct Kearney Mesa store and the San Bernardino location — which has since moved to nearby Redlands. Aside from market assessment, Rail said when acquiring a business it is important to assess the acquired store’s employees.

“We interview the staff to get a sense of how their store culture compares to ours and who will transition well to our style of doing business,” Rail said. “As a school music dealer, we are particularly interested in rentals, so this area gets a lot of scrutiny.”

Acquisitions aside, Rail said adding



Director of sales Gary Francisco, Rail, and general manager and vice president Winston Dutton.

a location to your retail operation can be viewed as “a pleasure, an opportunity and an exercise in patience.”

“As we’ve added locations over the years, it’s been a considered move each time as we weigh the many factors at play which can lead to further success or something less if not planned,” he said.

Some of the factors Rail takes into consideration include potential retail, rentals, lessons and repairs.

“We review who has been, is and may be doing business in the area, the cost of the move, the lease, the availability of capable staff and the overall health of local school music programs,” he said.

Rail said it is also important to judge the impact a new location will have on the existing infrastructure of your business as well as the stores’ vendor and banking relationships.

Rail has kept his showrooms fresh by doing remodels at the Agoura Hills, Santa Barbara and San Diego locations. He said he has learned with every remodel and has greatly benefitted from using Yamaha’s Dealer Development Services.

“We’ve create[d] an environment where the customer has more freedom to self shop,” Rail said.

VocalBooth mobile lesson studios

are also included in his stores to make for easy showroom changes. “They’re good looking, quiet and the fact that they’re portable allows us to change floor plans if and when we choose with relative ease.”

Overall, when making changes to any business plan, Rail advocates looking into all aspects of the company.

“The better we do our homework, the less we see the future through rose-colored glasses,” Rail said.

Part of the future for Nick Rail Music includes expanding the store’s online presence and lesson program. (Rail’s repair business is going strong with the chain performing about 15,000 repairs annually).

All six locations of Nick Rail Music offer lessons in all instrument categories including voice, drums and guitar (which Rail stocks only a few lines of). Each location sees about 75 students a week and each store has roughly five lesson rooms.

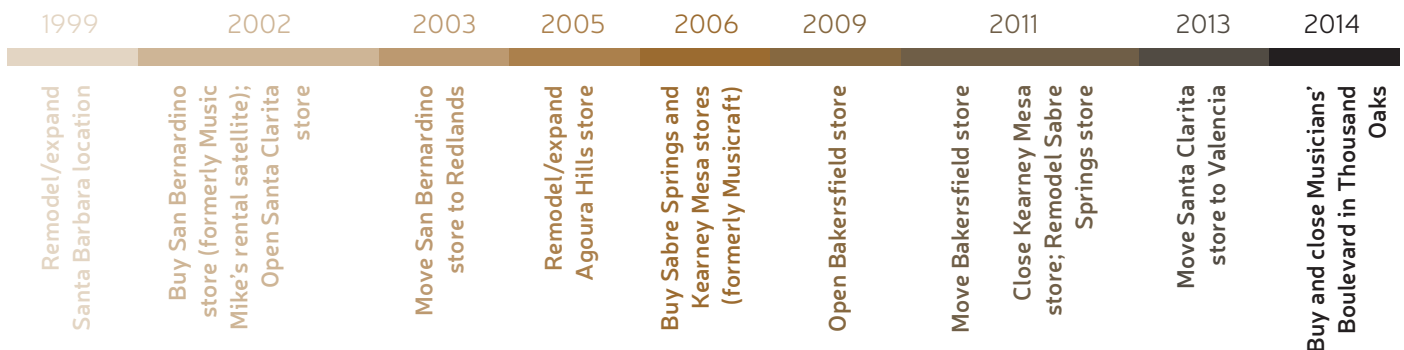
“Lesson programs still represent a growth opportunity for us,” Rail said. “It’s an area that we’re concentrating on more now. The concentration the past 15 years has been adding, refining stores, gaining territory, that sort of thing. Now we’re going to get our studio numbers up. We do well enough with them, but we have room to grow.”

## CHANGE IS GOOD

Over the past 15 years, Nick Rail has kept busy acquiring, opening, closing, moving and remodeling his six locations. He said adding or acquiring a new company can be viewed as an opportunity but is also a big responsibility.

“[Adding a location] can be a pleasure for doing past business well, an opportunity to grow and strengthen the company, [but also] a responsibility to not overstep your ability to expand and an exercise in patience as you work on bringing the new acquisition up to profitability,” Rail said.

**Here is a timeline of Nick Rail Music’s major milestones.**





## Good People = Good Returns

Despite more big boxes entering the area, Nick Rail Music has managed to maintain its stronghold on the SoCal B&O market. Rail said one factor that makes his stores stand out amongst the competition is its employees.

“Our people are loyal, dedicated, and believe in our motto of ‘responsible partners in music education,’” Rail said. “[Our employees’] longevity builds consistency, both within the company and for our customers.”

While visiting each store every month, Rail works directly with the managers, introducing promotions and doing training, but, he said most of all, he aims to preserve and promote the company culture of service.

“The value of your company is the value of the people working at your company,” Rail said. “I feel very fortunate to have the people working for me that are working for me. I appreciate their backgrounds, what they bring to the job, their loyalty, their dedication.”

Due to the distance between stores, Rail relies heavily on his staff (which is up to about 50 employees across all locations). One main aspect he looks at when hiring is his future employees' backgrounds.

“I think a lot of it has to do with the fact that we hire people who are familiar with school band, so they understand the passion of what we do,” Rail said. “People that have not grown up in school band don’t tend to understand it as well. They can have an academic appreciation, but they don’t appreciate it as a past participant. In the hiring process, I’m not only looking for the usual things — motivation, intelligence, good presence — I’m also looking for a great sense of humor. If we don’t have humor, I wouldn’t ever make it out of bed. If I can’t laugh, it’s not a good day.”

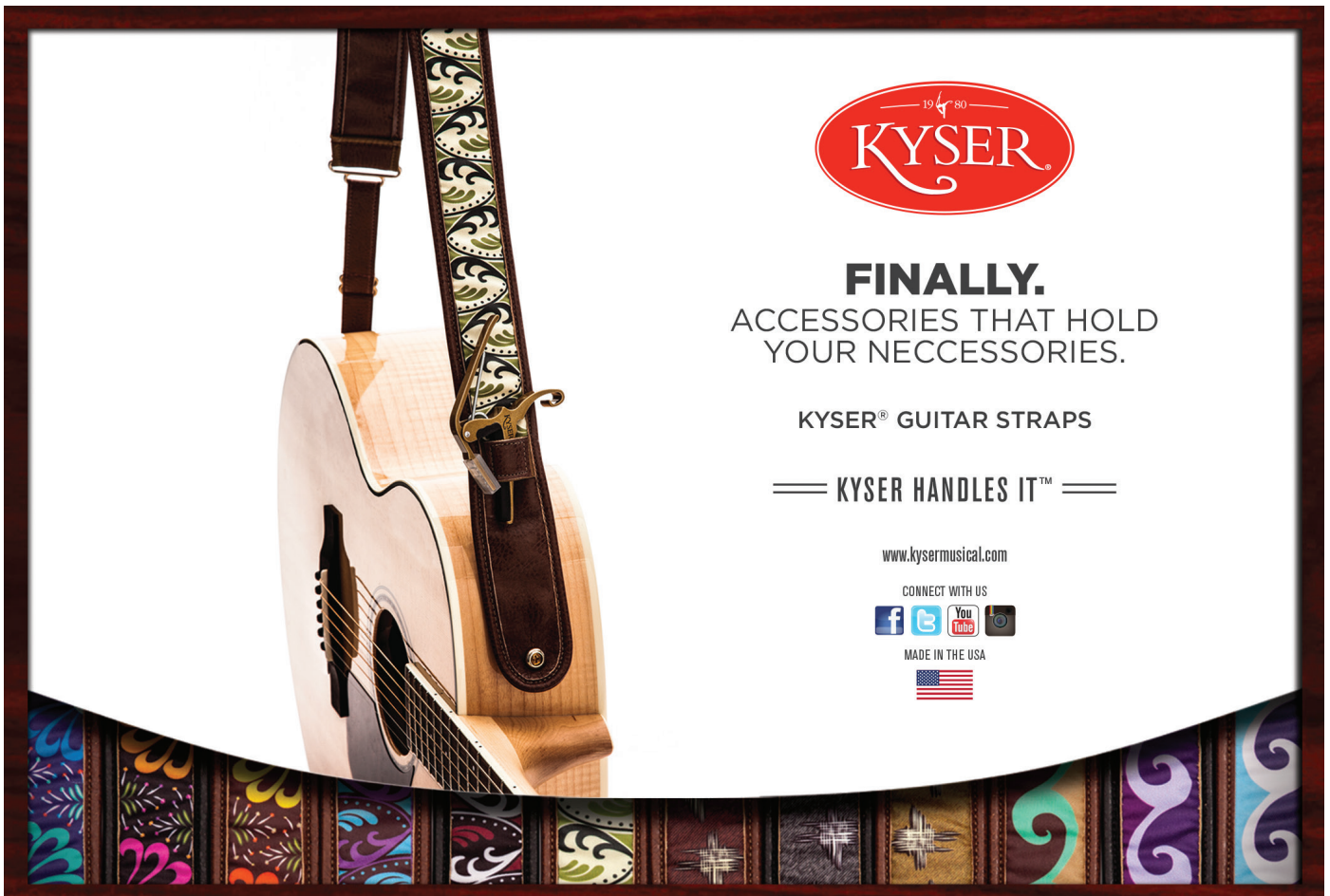
Gary Francisco, director of sales for Nick Rail Music, agrees that personalizing the experience for the customer is important, including asking the right questions to get a

feel for what best fits their individual needs.

“We have to connect with the customer no matter the age or knowledge,” Francisco said. “There is little difference from helping an adult or child find the right product.”

With strong customer service intact, Rail looks ahead to the future, stating he doesn't plan to add new stores any time soon, but instead work on the existing locations.

“We’ve been very active the past fifteen years,” he said. “It’s time to pause, catch our breath, and give our infrastructure the chance to catch up with our external growth.” **MI**





# WALK THROUGH

Nick Rail Music moved its Santa Clarita, California location to its current space in Valencia in 2013. The 2,200-square-foot space includes three lesson studios and a brass room. Here is a snapshot of the showroom:



## MAIN SHOWROOM

Rail said he and his team like to move the showroom around occasionally. "The thought is next time you come here, it shouldn't be where it is now," he said. "We don't move everything all the time, but on a rotating basis. We want departments to move or be redesigned so the store doesn't become a static environment."

## GUITAR SELECTION

Rail focuses the majority of his business on B&O, but stocks a few guitar models including Yamaha and Ibanez.



## FRONT DESK

With the checkstand located at the front of the store, staff can greet customers as they walk in.

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## BRASS SHOWROOM

Nick Rail Music's brass showroom gives the customer a separate area to try out the selection away from the buzz of the rest of the store.