

Letter from the President

Dear Members,

Wow, spring has arrived quickly, bringing changes and many challenges to all of us in this wonderful industry.

Did you enjoy the Summits? We are truly grateful for the commitment shown to the future of the music industry in Australia by so many attending. The numbers far exceeded our expectations and enabled us to discuss really in depth the changing nature of our businesses. Thank you again to all who were able to attend and contribute so effectively.

In summary, the Melbourne Summit was highly informative and featured a presentation from the AMG group administrators. The Brisbane Summit was historic coinciding with the launch of the Low Value Parcels Task Force report which examines the GST Import threshold. The extensive report includes many of the figures and ideas that we had presented in meetings with the members of the Federal Government Task Force.

The success of the Summits was truly realised in Sydney with so many ideas produced from a sensational panel session. The day there then concluded with a quick positive AGM.

My special thanks to our international guest, NAMM Chairman Mr Kevin Cranley, who gave up considerable time to come and present each day. Through his experience and extensive knowledge, we were able to gain a global perspective into the amazing world of music products. We are so fortunate to have such great support from NAMM further demonstrated by Kevin's generous invitation for members to come to the NAMM Show at Anaheim in January. If you are interested, Dom Di Sisto has arranged some packages that have been circulated already by email.

The success of the Summits was also specially influenced by the contribution of Russell Zimmerman and Heath Michael from the Australian Retailers Association. Russell's presentation on the Australian situation was more than appropriate and full of challenges for our businesses. For him to come to Brisbane in the morning, then fly to Sydney for a 3pm meeting with the Federal Minister was more than appreciated.

Russell's generous offer for our members to join ARA is highly recommended. Our relationship with the ARA is crucial to our work in developing the industry and government policy. Heath's extensive experience working with Government gave that added dimension to the panel sessions. We are very grateful to them both.

Other presenters in the panel sessions included Tim Martin in Melbourne and Selina Nisbet in Brisbane and Sydney. They explored with us the effect of the Internet and how to capitalise on it. Their tips had us writing quickly and we are grateful for the thought that they showed in their presentations.



The panel also featured a great contribution by AMA Committee member Dom Di Sisto. Dom's report detailed his ability to turn his business around through a hands-on approach and a focus on positive outcomes. He emphasised the importance of maintaining a group of supportive staff who would actively contribute to the betterment of the business.

Kevin Cranley insightfully added to the panel discussions the importance of business staffing. We also looked at the distribution model for future survival. For this I introduced the concept of Product having three parts tangible, extended and generic. More precisely what it is, what it needs to get to consumers and does it do what the customer wants!

The Summits included an exciting presentation about the AMA by Brendan Callinan. He showcased the recent achievements of the AMA and its plans for the years to come. He also stressed the importance of getting involved with the organisation to reap the innumerable benefits in the future. We are fortunate to have Brendan on the team with his sincere dedication to the Association and support of the industry.

Many thanks go to Glenys and Richard Gijsbers of Stockdale ACS. Their extensive preparation and team work made the program possible with such a short lead time. Richard as MC and facilitator at each day was a major contribution to the success. His professionalism kept the focus on the factors that will undoubtedly continue to inspire attendees to action for quite some time.

The Summits showed how much commitment there has been over the year from our AMA Committee members. At the AGM I had the opportunity to express our gratitude to both the committee members and to the companies that support their contribution. Three members are not able to continue and I take this opportunity now to recognise the successes they...

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Date Line

October

24 - Exec Meeting

11-14 Music China, Changai

November

1st - Music Count Us In

January

22-24, NAMM Show Anaheim, CA

April

10 -13, Frankfurt

Thanks to our Summit Sponsors



AMAC 2013 — Save the dates: August 10, 11 & 12

To be held at Jupiters on the Gold Coast. Please put the dates in your diary.

Member Profiles

Retailer:

Joondalup Music Centre

Joondalup Music Centre is one of Western Australia's premier music stores. It caters for all musicians from the basic beginner to the professional player.

Established over 15 years ago, owners Peter and Genelle Picton-King originally saw the opportunity to create a music store with a very strong focus on customer service.

That same customer focus has resulted in a business that has constantly improved and expanded resulting in one of Australia's most exciting music stores including a highly respected music school with over 500 students JMC's latest expansion has been to purchase and fit out their massive new Musical Instrument Warehouse directly

opposite their music school. " This has been a terrific success despite the challenging economic market".

"Our sales guys are all practicing muso's themselves who love dealing with literally thousands of the world's finest instruments, covering every price and ability range.

JMC has a two storey acoustic guitar section and a whole floor dedicated to drums and percussion instruments. there is also a huge range of electric guitars, acoustic guitars, amps, bass, P.A. systems and keyboards as well as a brass and woodwind section and the added advantage of an on-site repair centre.

Three times nominated as a finalist in the AMA awards, they have found membership in the AMA to be of great worth to the business. "The wealth of knowledge acquired over the



many years of attending the AMAC shows has been invaluable to us".

With a great new store, knowledgeable and passionate staff and a drive to keep their customers playing, JMC is looking forward to a great future in musical retail.

Check them out at
www.joondalupmusic.com.au

Wholesaler:

Music Sales Group

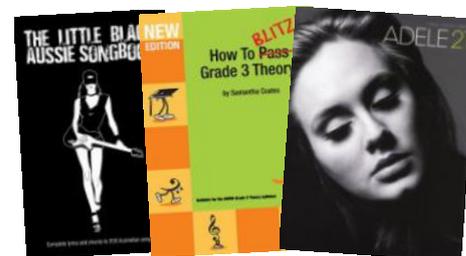
Music Sales Group is one of the world's largest print music and copyright businesses, spanning decades of experience and millions of publications.

Music Sales in Australia represents a diverse range of print music across multiple fields including pop & rock music, key education titles, touring artists and more. From Adele to Jimi Hendrix, Thompson to Blitz!, Little Black Books and more, the core foundations of our print business have provided for musicians for decades in Australia.

Matt Bailey (recently appointed Publishing Manager) is passionate about making the best products at the best price that musicians, students and fans can really connect with. The way that consumers connect with sheet music in today's environment is rapidly changing and Music Sales is always working hard to stay ahead of the curve.

From our strength in the best pop & rock catalogues, alongside our industry-leading education essentials, there is a product at Music Sales to appeal to musicians of any age.

Contact Matt: (02) 9299 8877



President's Letter (cont.)

have experienced as part of our organisation. Firstly, Rob Walker who under difficult circumstances put in a massive effort for the Association, particularly in resetting up the AMAC parameters that will be used for AMAC 2013 at Jupiters on August 10 to 12. Secondly, the strong voice of Peter Trojkovic proved a great asset and we appreciate his commitment to being our representative on the AWAG Committee and thirdly to Mark Amory for his outstanding hospitality and contributions at the meetings.

The exciting news is that we welcome four new members onto the Committee. The AMA is grateful and looks forward to a prosperous future with Damon McMahon, Michael Shade, Craig Thompson and Michael Jongbloed. The AMA is also very thankful for the continuing support of returning members Richard Snape, Tony Burn, Brendan Callinan, Greg McNamara and Dom Di Sisto, it is sure to be an exciting year for us all.

Please enjoy this newsletter and we wish you and your business every success this Spring and in the time to come.

Bernie Capicchiano, AMA President

Industry News

Warranties Against Defects

From 1 January 2012 if you choose to provide a warranty against defects to consumers then the document you provide evidencing that warranty must comply with specific ACL requirements.

The ACCC's website www.accc.gov.au is a great resource to help answer any questions you might have.

Save Fanfare & MOST Petition Success

Thanks go to everyone who supported "Save Fanfare & MOST". With over 10,000 signatures on the 'Save' petition and pressure on the sitting government the group was able to obtain a temporary stay of execution for Fanfare & MOST. AEG Ogden have committed to 2 years of sponsorship which will allow the events to continue until 2014. There is no guarantee what will happen after 2014 but we will fight even harder if the events that are integral to music in QLD do not continue after 2014. -Dianne Gittens (MauMusic)

ARA Gift Card Report

Peak retail industry body the Australian Retailers Association (ARA) welcomed the findings of the Gift Cards in the Australian Market report released today by the Consumer Affairs Advisory Council (CCAAC) and said it was encouraging Government to take heed of the findings moving forward.

For a copy of the Australian Market Report, visit the Treasury website:
www.treasury.gov.au

Stop Press: JB Hi-Fi launches a Music Instruments Education Team

JB Hi-Fi has announced a further expansion in the Musical Instrument (MI) market, with the addition of a team of MI Education Specialists to service the Education market in Australia.

The team will be based at JB Support Office in Chadstone, Victoria and can be contacted on 03 8530 7333 or tony.moore@jbhifi.com.au

Mission: To be the voice of the music products industry and grow music making in Australia

Summit Top 10 Actions & Photos

1) Internet Alerts

If you do not have Google Alert then it may be time to consider it. In Brisbane we learnt about Dell computers who lost an estimated \$270million from an Internet campaign started by an unhappy client. If there is a campaign out there you need to know about it and act very quickly to correct any misunderstandings or unfair negatives.

2) AMAC

At each of the Summits there was an overwhelming support shown for AMAC. The role of the AMAC is to bring the Industry together for trading, training and fellowship. Please save the Dates set for August 10, 11 and 12, 2013.

3) Changes in distribution Channels

The Internet has changed the way business is done for many products. Manufacturers, Wholesalers, Retailers and Consumers are facing oversupply of information and undersupply of resources. With our borders wide open overseas competitors are stealing our hard work. Identify the producers in your products and work to service them.

4) Level Playing Field

Through the Government relations program, the AMA needs to keep the pressure on Government for a level playing field for Australian traders. Worldwide governments have lost billions in tax revenue. Australian estimates range from a minimum per year of 1.3 billion to 2.4 billion in GST. Extensive work has already been done and, through the Australian Traders Group, the report presented in Brisbane needs to be promoted with State Governments for quick action pressure.

5) Value added

Businesses survive through their capacity to be paid for the value they add to product or service. Examples from USA showed a margin of 40% is essential in their economy. In Melbourne we heard that consumers may pay up to 20% more in store than on line. The challenge is to review our value added equation and identify what consumers will pay.

6) Cheaper In Store!

In Sydney a big penny dropped when we said hey why are we been forcing people to go on line when really it should be the other way around! Coles charge 15% more for online grocery orders.

7) Human Resources

Management often gets more involved *in* the business rather than *on* the business. In USA there is a Service Core of Retired Executives (SCORE) that offer a mentor service for businesses. Australian employment laws are

quite complex, however there may be a way that a mentoring process could be available through retired and sharing groups.

8) Excitement

We sell enjoyment and entertainment. Music is full of good things and much to be excited about. This needs to be reflected in our displays, staff and stock. Stand back and have a look.

9) Capital

Relying on outsourcing capital can be a trap if times get tough and added working capital is not available. Examples showed how traditional values for retailers have changed. Sears in USA worth 6 billion whereas Apple 600billion! Commonwealth Bank are offering a free Capital health check for our members.

10) Embrace technology

Phablets (phone tablets), QR codes and turning off the minus button were some of the many ideas on how to embrace new technology...

Happy selling, *Bernie Capicchiano.*

Photos (Top to bottom: Panelists, Key presenters, and Melbourne Summit participants)



Thank You from Kevin Cranley

We would like to express our gratitude for the wonderful opportunity to visit your beautiful country. From the moment Debbi and I stepped off the airplane and onto Australian soil, we felt right at home. Bernie was at the Melbourne Airport to meet us and we were off on our Australian adventure. Everyone we came in contact with was very welcoming and went to great lengths to make sure that we had an enjoyable visit.



I personally want to thank the AMA for the opportunity to speak and to share information and ideas at the three Summit Meetings. The AMA is a great organization and I wish you much success in the future. I would love to visit during your convention next year at the Gold Coast but if I can't, I know you will have a wonderful show. The dialog we had at the Summits indicated great interest in working together and building the AMA and I think it's exciting. Please know that NAMM values our relationship with the AMA and all its members and we look forward to working together for many years. I hope to see many of you at the NAMM show in January.

Debbi and I want to thank you and we appreciate your gracious hospitality. We look forward to visiting Australia again.

Sincerely,

Kevin Cranley
Chairman, NAMM

Summit Resources

Key Powerpoint presentations are now available on the members area of the AMA website:

- AMA Summit Introduction
- Top Concerns (compiled from AMA member feedback)
- NAMM Presentation by Kevin Cranley (NAMM)
- State of Retail in Australia by Russell Zimmerman (ARA)

Login from the homepage to access.

Video presentations coming soon!

Member Benefits - Making the most of your Membership

Full details of all member benefits are in the member section of the website.

Partnering with



Commonwealth Bank Alliance Partnership: The CBA offers a free health check, followed by great deals

on leases, corporate credit cards, and more. Request a free health check today! The Commonwealth Bank also offers special rates on Merchant services to members. Contact the office for more information.

Great your free health check now. Everyday Settlement offer extended until June 2013.



Aon business insurances. Business insurance for retailers. Peter Sun, head of the music insurance area, has partnered with Vero to create a unique package specially for music products retailers. For more information, contact Peter Sun: 0414 721 928 / peter.sun@aon.com



Travel services: for some of the best hotel rates to be had in Australia, look no further than **ShowGroup**. As an AMA member benefit you can set up a credit

card account with **ShowGroup** so you can access flights and hotels.

AVIS Car Hire: free upgrades and walk-in access to pre-booked cars at most Australian airports are just two of the benefits of being an AVIS Preferred member. AMA members are automatically qualified to become AVIS Preferred members at no charge.



Australian Retailers Association: Offer launched 1 July 2012 providing a substantial discount to AMA members giving access to all the benefits that the ARA provides.



Weekend Warriors: the come-back-to-the-band program for baby boomers. Weekend Warriors is under licence from the US (through NAMM) and fees apply. Lots of fun, building strong loyalty from new customers who had stopped playing ten and fifteen years ago.



Certegy Ezi-Pay Express: Launched on 1 September 2012 will be member discount rates for Certegy Ezi-Pay Express, which provides a NO INTEREST EVER! payment

plan. This allows you to give your customers another option – the option of a take home lay by.



Music Makes the Difference brochures.

For more information about these popular brochures that show why music is so important for every child go to the AMA website. Sold at a low price, with the first 50 for free!

AMAC: Australia's *only* trade convention for the music products industry. Members receive discounts on exhibitor and delegate fees.



Currency exchange services at preferential rates and free wire fee's. For more information, contact Nick Xiradis 02 9268 7635 nxiradis@afex.com

Coming Soon:

NET:101 - Digital Marketing Courses

Tim Martin of NET:101 (presenter at the Melbourne AMA Summit) is offering a 20% discount to AMA members for Digital Marketing courses. Contact the AMA Office for more information.
www.digital-marketing-course.com.au

Mission and Objectives

Mission:

To be the voice of the music products industry and grow music making in Australia

Objectives:

Provide events and programs that stimulate growth and development of the Music Products Industry in Australia.

Communicate, and promote the industry and the achievements of our association to our members and the community

Deliver six core services:

- Government relations
- Member benefits
- Annual trade show
- Industry statistics
- Member communications
- Promotion of music making

2012/13 Executive Committee

President:

Bernie Capicchiano (Bernies Music Land)

Treasurer:

Tony Burn (Resource Corporation)

Committee:

Richard Snape (Hal Leonard), Damon McMahon (Shriro Australia), Brendan Callinan (Roland Corporation), Greg McNamara (Dynamic Music), Michael Shade (Yamaha), Dom Di Sisto (Holden Hill Music), Craig Johnston (Keyboard Corner), Michael Jongbloed (Fine Music)