

The Grow Maine Interview

John Karp

John Karp is one of Maine's most successful entrepreneurs. He's led both established and new companies into new markets over and over. The CEO of Pantheon Guitars, he is also an engineer for the Maine Manufacturing Extension Partnership (Maine MEP).

**INTERVIEW BY MARTY GROHMAN
OF THE GROW MAINE SHOW PODCAST**

Marty Grohman: Do you play an instrument yourself?

John Karp: I do. I play a little clarinet and I'm an aspiring guitar player. If you're not playing a Bourgeois guitar, you're playing a GSO.

MG: What's that?

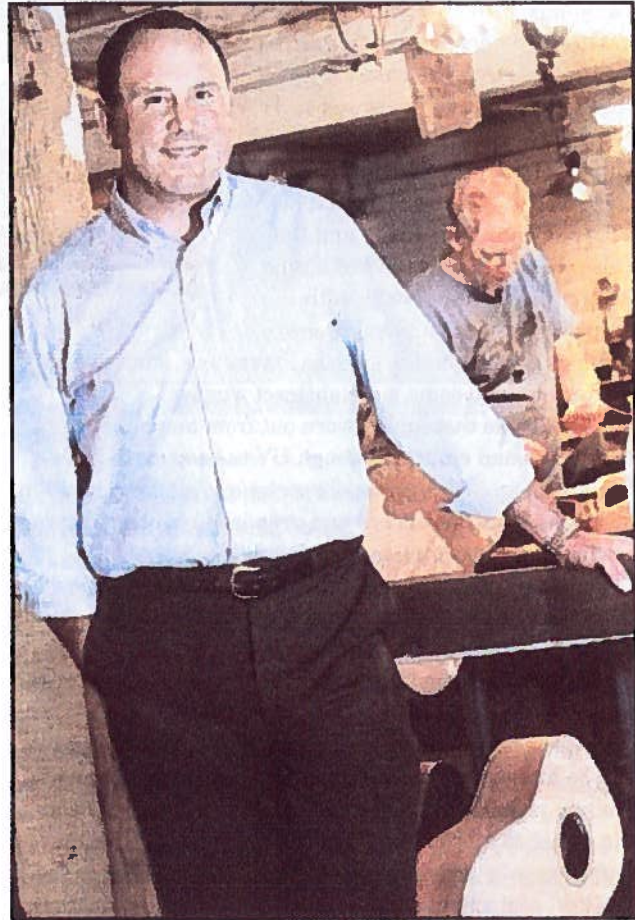
JK: A guitar-shaped object. (laughter)

MG: What's working for you, doing business in Maine right now?

JK: One thing is we market all over the world. We've got dealers as far away as Australia and Japan. There really is a mystique to Maine-made products. We're located in an old mill in Lewiston. There's a lot of soul that goes into that. We had our very first owner's homecoming last year and people were just moved by how genuine -- not just the guitars are, but the whole experience of seeing where they are made by hand in an old mill in a world that is getting more and more plastic. If you go down to New Jersey or Florida then go to Lewiston to see this sense of place and sense of history and the craftsmanship that goes back 1,000 years -- basically we're doing very similar stuff to what was done way, way, way long ago on lutes. In fact, the art of making a stringed instrument is called luthiery. They were making lutes at the time of Christ, so this is not new stuff.

MG: Who did you have come in for that owners' day?

JK: We had people come from as far away as Colorado. It was a fascinating group of people. Almost none of them had (only) one guitar of ours. They had up to 15 of our guitars. People do collect guitars in general and ours are specific because they are works of art. Each guitar is crafted to the wood it's being build from because with each of them the wood sounds different. That sets us



JOHN KARP in the shop at Pantheon Guitars, makers of Bourgeois Guitars. (Contributed photos)

apart from production builders. We don't have technical specifications for our tops or anything like that. Each piece of wood is individually tone tapped and flexed by Dana Bourgeois himself to make sure it sounds as good as it can.

MG: Your location in Maine, that branding is an advantage?

JK: Huge advantage in my opinion. We're in an artisanal business -- handcrafted instruments -- and for us, I do think there's a sales advantage. A disadvantage is it's a small state. The way our health insurance is set up is not good -- there are a lot of problems going around right now with that. Overall, I'd say it's a great place to work, a great place to live and that has drawn people from as

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far away as Minnesota. I think a lot of people are here because they want to be here, not because they have to be.

MG: Tell me a little about your dual role. You're at the Maine Manufacturing Extension Partnership.

JK: My specific task there is to be a growth coach for companies and I also support the relationship we have with the Maine International Trade Center for export and I'm also with the University of Maine system, most specifically with the Advanced Manufacturing Center, which is an amazing place that can help companies advance their prototypes to market very quickly.

The reason I do that – I am an entrepreneur. I am one of the owners of Pantheon Guitars – Bourgeois Guitars is the brand we make -- so I'm always trying to make sure we invest wisely back into the company so everything from better spray equipment



to new software going into today as I speak to you, the office and there's always another reason to invest, so by taking less money out of there and working part-time for the MEP, I wear two hats. I'd love to be able to spend all my time with Pantheon, but the reality is I'd have to take too much out to do that and I don't want to do that.

Working with Maine MEP

MG: Tell me more about the growth coaching (with Maine MEP). What are the common challenges you address?

JK: I work a lot with the principles of innovation engineering and I'm one of about 50 blackbelts in the United States right now that practice. What Innovation Engineering is it's a project management system to

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THIS IS A HEADSTOCK OR PEGBOARD of a \$17,000 Bourgeois guitar. There is Brazilian rosewood with .030 inches thick maple, .030 inches thick black and Brazilian rosewood binding (edge wrap) – all laminated by hand, separately, in the shop in Lewiston. The top corners of this trip are precisely miter cut – no angle guide, just a very, very sharp chisel and very, very talented craftsmen. This headstock also features abalone "floral" inlay and engraved gold-plated tuners.

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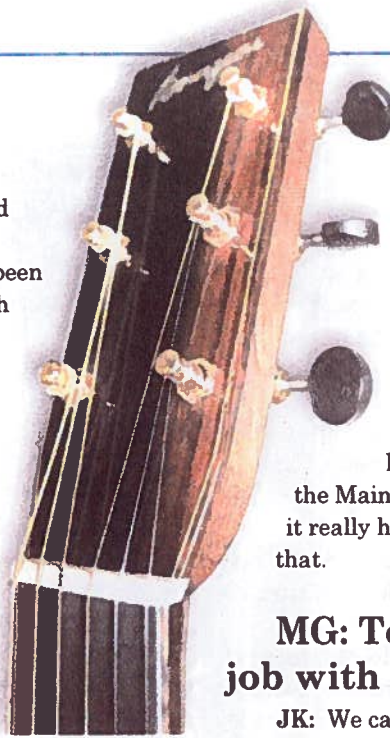
drive products to market much quicker and at lower risk than traditional tough-it-out-and-get-a-product-out kind of method. It's been fun, it's been very effective. I've done it with companies that make refabricated concrete bridges to companies that make brain surgery equipment and in both those particular instances, both those companies got products to market in half the time they had ever experienced.

MG: Is it only about speeding up the development process or is it also about identifying new market opportunities?

JK: It is about identifying new market opportunities. What's kind of cool about it is there's an ideation or an idea generation component to it in the beginning, but people tend to get lost in that, so I kind of shifted my spiel to talk more about essentially lean project management. The ideation part – you can generate new ideas for products, processes, new markets. I've done those with teams and for the most part it's been very, very successful as long as there's been management support from the top down. The only time I have not had success is when it stalled when management wasn't committed to put in the time necessary.

MG: If you're a Maine manufacturer, how do you approach that program?

JK: Just contact me through the Maine MEP in Augusta, just maine-mep.org or 623-0680 is the central office number and we can talk more about it. The place this was all developed was Eureka Ranch and in fact that bridge company had considered working directly with Doug Hall (the head of Eureka Ranch) and the quote was \$50,000 and in our case, we did a couple projects with them and the cost was \$7,000 apiece and it's a big company. They wanted it done very quickly and they didn't have time to go around looking for any particular support. There is some funding out there. It's very limited, but it's there from Blackstone Foundation and that can offset some



ABOVE IS THE HEADSTOCK of a smaller-sized "Victorian Parlor" guitar. The body of this guitar is in the photo below. Though small in size, this guitar and other Bourgeois guitars are unique both in the level of their trim and their sound. This specific \$12,000 guitar was sold to Pantheon's dealer in Singapore, who then sold it to a person in California before Pantheon could even ship it. Now the person in California wants another one. It's trim is the same as the one on page 13, except for the inlay.



parts.

One of the neat things about engaging Maine MEP if you're manufacturer, is they become your agent. They help you look and when a new program comes along, they make you aware of it. We've got a lot of consultants in-house that can deliver services such as plant layout, lean manufacturing, quality, food safety, things of that nature and we've also got many highly vetted resources that are outside the Maine MEP that we can broker a deal and it really hardly costs the company anything to do that.

MG: Tell us about your day job with Pantheon Guitars.

JK: We can make joints in wood. I have a history in the large yachting world and I can tell you I thought I knew fine joinery from that. In reality, it doesn't even hold a candle. If we make a joint between two similar pieces of wood and you can even see the joint, it's a reject and that's the truth.

The way we do it is just very sharp chisels, hand planes and a ton of skill. So the people in our shop are highly educated, most of them have gone to Luthier College, it's called.

These are smart people. And they're doing the work because they love it. It's not a bunch of people who don't care. These guys really care, they're wonderful to work with, they're smart, they keep me on my toes and they come up with continuous ideas for improvements. It's really very, very neat to work with them. I've never worked with a group like this before.

Dana (Bourgeois) has been building guitars for 36 years and he has a great quote – there's about a thousand ways to screw up a guitar and one way to make it right. And every guitar, he plays, he does the final setup on, he polishes it and he puts it in a case. Only him, because he's the quality control and our guitars start at \$4,500 and go up to \$30,000. So for us, our buyers expect them to be perfect and they really have to be which is why

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nobody plays them once they're set up by Dana and put in a case.

In fact, I just had one guitar come through. It was a high-end guitar that developed a tiny crack in the body. It was in the tightest bend in the body of a cutaway guitar. Can't be fixed. It's not a structural problem, it's not a sound problem, it's an appearance problem. That's the very first guitar that Bourgeois Guitar has owned as a company. We're going to own it permanently. There is no ID sticker inside of it because it will never be sold. But it's great to have as a demo.

We don't sell guitars directly. We have a dealer network. Sadly, we don't even have a dealer in Maine. The closest one is in Massachusetts.

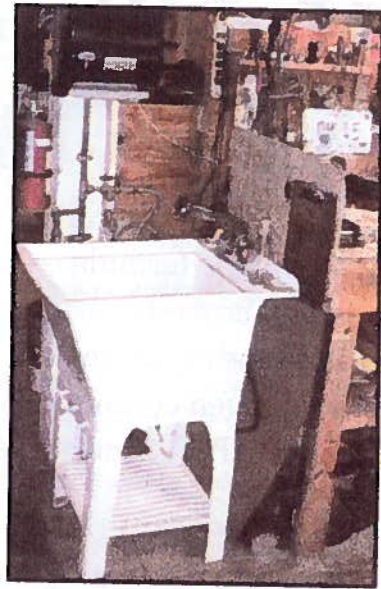
MG: It's a high end specialty item. How's business?

JK: It's really good. We're having a record year. Like so many other luxury good manufacturers I've spoken to recently, the higher end the instrument, the better it sells. I'm friends with Bentley Collins of Sabre Yachts, he's the VP of sales, and over there and the higher the price tag, the better it sells.

There are uber guitars and we've thought a lot about that. We're going to do it, but we have to do something really special. We've actually been working on a new thing called our Age Tone series. The top of the guitar is the sound board and we've taken up a finished patented technology where it is cooked in in a oxygen-free kiln at 200 degrees F for an extended period of time. It makes the wood sound very old and very mature. So we've done that and coupled it with a very thin finish and the kind of unique way we brace them and the guitars really sound wonderful. We've very careful not to compare them directly to an antique Martin because that's like the Stradivarius of guitars, pre-World War II Martins. It's that type of character, that type of maturity. It's very

interesting to see how they're being received. They've been received very well, selling very well. They've really made our year.

Bourgeois Guitars is at bourgeoisguitars.com. We're a lot more famous in Nashville than we are in Maine. Tim McGraw doesn't play our guitars, but his guitar player does. Madonna doesn't, her guitar player does. Lyle Lovett – his guitar player does. I could go on. The guys who really make their living playing guitar play our guitar. We encourage everyone to go on (the website) and have a look.



MAINE MEP WORKING AT PANTHEON – Karp sent two of the craftsmen at Pantheon to Maine MEP "Lean 101" training. The basic thought is to figure out how things could be improved. John says, "One guy came back and said, 'Man, we use glue all day and each of us makes about 10 trips to the sink (about 100 feet away) to clean up. Why not put the sink in the middle of the shop?' Well, this calculates to an annual savings of about \$30,000 in labor – a great example of the type of thing Maine MEP does for businesses."

This interview is excerpted from a podcast on The Grow Maine Show, organized and narrated by Marty Grohman, the founder of CorrectDeck (now known as Integrity Composites.) Grohman interviews successful Maine entrepreneurs always with the basic thought of "If Maine is so horrible for business, why are entrepreneurs so successful?" Look for The Grow Maine Show on iTunes, Stitcher, Soundcloud or on the web at www.growmaineshow.com.



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