

Changing Days of Troy

Melbourne audio firm Troy Balance to sell as the Troy brothers move to next challenge. By Julius Grafton

Selling a successful business depends on finding someone with enough money to buy it. Early in the 1980's Barratt Lighting, a large Sydney lighting production company was sold piecemeal - instead of as a going concern. Later in the 1980's your writer faced the same situation, announced a breakup sale of the Graftons Lighting business, but then found a buyer for the whole concern as a consequence. It trades on today.

Last year The PA People sold their concert production business in parts, but of course kept their main business intact.

Peter Troy is keen that the impending sale of Troy Balance Corporation be seen in the correct context, and I know how he feels. "In the past four years I've made more profit than ever - but my heart is not in it anymore" he told me at his South Melbourne base. The assets go to auction later this month, with the business to be broken down to suit buyers.

Troy Balance is one of the live sound pioneer firms in Australia. It started when the brothers Trojkovic -Peter, Drago and Luke- expanded their music shop from Geelong in the early 1970's. Troy House of Music opened a rental business, Peter found himself sending double 4-way PA's on hire to all corners of the country as the rock music boom erupted in the late 1970's. Troy Sound Reinforcements rode the wave that saw local bands working every night of the week, with literally hundreds of shows each night in every major town.

A partnership with Balance Sound in the early 1980's brought some serious expertise in major production audio into the fold. Ernie Rose, Adrian Smith and Grant Walsh were (and still are) respected engineers, Peter Troy approached Balance and the firms merged. Balance had lucrative contracts with The Little River Band and operated a studio outboard rental business. These days the studio outboard business is redundant with few music recording studios surviving the changes of recent years.

"Most people in this business (pro audio) came into it because of their love of it", says Peter. Troy Balance invested heavily including purchase of a Meyer MSL-3 based speaker system that is still current and in demand today.

The recession came and the work slowed, revenue dropped 40% across a 12 month period. "We got through it, but in the 1980's we were geared very heavily, we had two years of really tightening up and then we came up with the new company policy of not borrowing".

The work today has changed too, now it's one-off sound reinforcement, where a show takes days to prepare but the show is often a product launch or something sterile like a convention. A far cry from tours and bands. The challenge has gone out of it for Peter. "I find

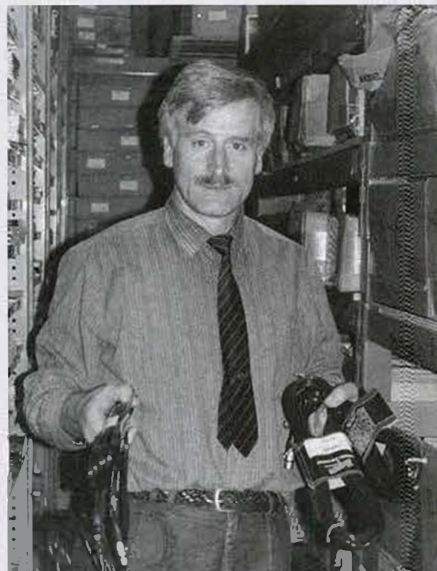
myself going through last years diary to call people to get this years work. It never used to be like that in the 1980's - we never knew what was around the corner. That was what made it exciting".

Four years ago Troy almost sold out, following the recession, which hit hardest in Melbourne, and the loss of a major account, John Farnham. "The recession reduced the quality of the work out there. A band was prepared to pay the extra for a Meyer system - but now the cost is everything. We maintained our pricing throughout. It was an active decision to do less work for the same money, it reduced our overheads".

The business was offered to the highest offer but again, one cashed up buyer was elusive. Peter decided to stay in business.

Some months ago several people in the industry negotiated to buy Troy Balance, but the deal stalled because they couldn't find the money to pay the agreed price. Peter had already planned his next move, so the decision to quit the business had been taken.

Troy Balance operates a large concert production system, with 64 Meyer MSL-3's. 42 Meyer subs, and flying equipment. They have



Drago Trojkovic: CMI have 5000 lines

32 EV Deltamax speakers, 123 Yamaha and 31 QSC power amps, Midas and Yamaha mixers, and all the paraphernalia and cabling that goes into major audio production.

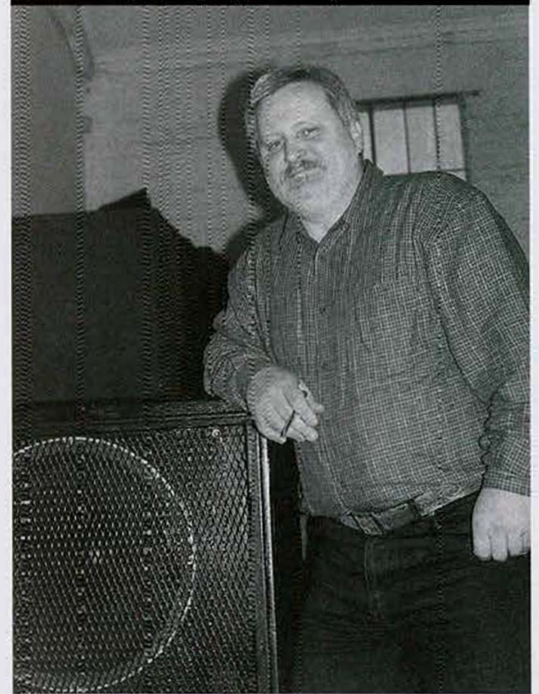
The rest of the business will be sold possibly as a going concern- it comprises a 'drive-way hire' business, three rehearsal studios, and a pro audio sales division run by Richard Hallem.

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So what next for Peter Troy?

It became obvious to Peter and Drago (who runs Central Musical Instruments) that Pe-

Peter Trojkovic prepares to farewell the PAs



ter's pro audio background and experience would fit naturally into CMI. CMI is a very successful musical instruments (MI) distributor, with over 5,000 stock lines. Most of CMI's business is low-end, guitars drums and accessories. However in recent years it has started to distribute quality audio lines like Digitech and DCD, and cables and stands from Proel. These lines have grown, to the extent CMI were named international distributor of the year by DOD-Digitech.

CMI have over 400 retail music store accounts, they deal with virtually every store in Australia. They sub-distribute gaff tape, TDK tapes, Alcatel connectors and Shure microphones, so as to offer a store a wide range of products. From cables to strings to straps to low cost speaker boxes, locally assembled.

Peter and Drago are coy about what will eventuate, but it's obvious the CMI infrastructure can distribute additional product lines at low cost. Peter can provide the pro audio savvy to back up new 'high tech' pro audio lines.

CMI itself has grown as a business by at least 10% each year, built on a philosophy of supporting those 400+ retailers and supplying as much of their needs as possible. This requires a lot of attention to detail, the effort involved in stocking so many lines and remaining competitive is immense.

When I called on CMI the background noise in the office was a printer working non-stop to produce shipping notes, a phone system running hot with calls, and a barrage of fax machines popping out orders. In Drago's office are piles of printouts. He knows what he is selling and at what price to whom. He knows if the product is competitive and if it isn't he seems to know what to do about it and where to get it.

"There is a big world out there, the world is changing and you have to change with it" says Peter Troy.

• *Author: October 23rd. Call +61 3 9645-3333.*