

## **Rich Maez and Jon Baker, Founders of Monarch Systems, U. S. Siltech Distributor**

### **How did Monarch Systems come about?**

We would have discussions about dealer networks or leads, and eventually we saw holes or issues in the import and distribution system here in the U.S. There were distributors that sold around their dealers; guys that would bring in quality lines and then sit on them without establishing a dealer network where people could audition them; or folks who simply weren't doing the work necessary to establish brands on a national level. It slowly dawned on us that we could do at least as good a job as anyone else, maybe better in some instances. Since we both came from manufacturers and knew their needs and expectations, we felt that we could put together a more creative marketing approach and a more disciplined business plan. At some point everyone wants his job to be fun for himself and for the people he works with and to be in control of his own work life. These were all things we felt we could address. The first line we picked up was Chario, and we've been moving forward since.

### **Your experience has allowed you to see the high-end industry from every side. What is the unique role you play as distributors?**

We've both worked in retail, so we understand the things a dealer wants from a distributor: complete and prompt support, proper product training, the ability to answer questions, and being easy to work with. We've also both worked for manufacturers, so we know the things that a manufacturer wants from its distributors: building a proper high-end audio-dealer network, effective marketing, etc. Having worked in each of these capacities gives us a clear sense of what's expected and what works on both ends of the channel. Seeing both sides of the fence and knowing what it is that makes a successful relationship are immensely helpful. Monarch Systems' role is to meet everyone's expectations and exceed them whenever possible.

### **Many see distribution as a bridge between manufacturer and retailer. Could you clarify?**

We represent speakers from Italy, amplification from Denmark, racks and accessories from Poland, and cables from the Netherlands. Each company is likely very familiar with its own market, press, and customer base, but not so familiar with others outside of their circle of direct observation. Manufacturers need someone with boots on the ground locally to navigate the market effectively. Everyone knows that China and the U.S. are large markets for audio equipment but they're not interchangeable. Distributors from one will likely not be successful in the other because the ways of doing business are so vastly

different. That goes for nearly all locations around the world, because there are different “rules” and nuances for things like engaging the press or working with dealers. We need to establish those relationships and get to know their way of doing business to make sure that it works for us and the manufacturer, learn the rules of working with different members of the press, build relationships with show-organizers and others in a way that the manufacturers cannot. We also need to make sure that all aspects of the manufacturer’s wishes and message are passed along accurately and effectively. On top of all of this, we handle everything associated with product importation and delivery.

At the same time, we receive quite a lot of feedback from dealers and end users here in North America and have to relay all of that back to the factories we work with in order to refine the products we receive. This helps with future product definition, so when new pieces become available they're appropriate for our market and have all of the features that customers here require.

### **What sort of challenges did Monarch and the high-end world in general face during the pandemic, and do those challenges remain post-pandemic?**

The biggest problem in North America was during the retail shutdown that forced stores to close their doors early in the pandemic. That caused quite a drop in sales and meant a lot of dealers had to rethink their way of doing business if they couldn’t allow people in the store. Most dealers were able to overcome these issues quickly, and since then business has normalized.

Overseas, factories were closed, or staffs were seriously limited due to illness or lockdown, and the time it took to receive products grew exponentially. Audio products simply weren’t available within a reasonable amount of time, and occasionally customers grew frustrated. We’re still dealing with some manufacturing issues because parts of Europe have a different level of “openness” than the U.S.

Another thing we’re still dealing with is transportation delays. Air-freight shipments that land in the U.S. within two days can now take weeks to be delivered because of slow customs clearance. Ocean freight is worse: Ships may not be able to pull into a harbor because of a lack of labor to unload them. We ship only via air freight at this point to minimize delays and try to get things here as promptly as possible.

### **How do you go about selecting brands to represent? Is synergy amongst those brands a contributing factor?**

There are a lot of criteria that go into brand selection, but there are a few that are at the forefront. More than anything, the company must be stable. We learned this lesson the hard way with a turntable manufacturer that’s no longer part of our portfolio. Monarch Systems Distribution should add to a company’s stability, not provide it. We also feel that good partners must trust each other and genuinely like each other’s company for the relationship to work and be prosperous. Then we have a “No BS” policy for potential manufacturers. We don’t want to promote magic or marketing hyperbole. Lines need to have a good engineering background with legitimate and verifiable stories. If a manufacturer claims things that

aren't or can't be true, then it's not for us. We have to be able to present products that we believe in. Chario has 45 years of university-backed research and engineering. Alluxity does all of its manufacturing and design in-house, as does Siltech. Franc and Ultra-Carbon are designed and engineered by someone with a master's degree in mechanical engineering. Every technology is verifiable. Reliability is also important, and I guess we're a bit picky when it comes to aesthetics too: The best-sounding amp in the world can look like dreck and will be an abysmal failure. Regardless of what people tell you, they initially shop with their eyes.

We really haven't chosen anything because of its synergy with other brands. We select products with a neutral character, pieces that aren't voiced to sound a certain way or have a certain "flavor." That way everything works well together naturally. There are no conflicts in their personalities. When you start choosing products that have colorations because the designer had a preference for a certain type of sound, you end up with situations where they have to be put together with very specific other products or they won't work well together. Correcting one coloration with another is difficult at best, so we're careful to choose manufacturers that are focusing on the neutral side of things, and the issue of synergy never really comes up.

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