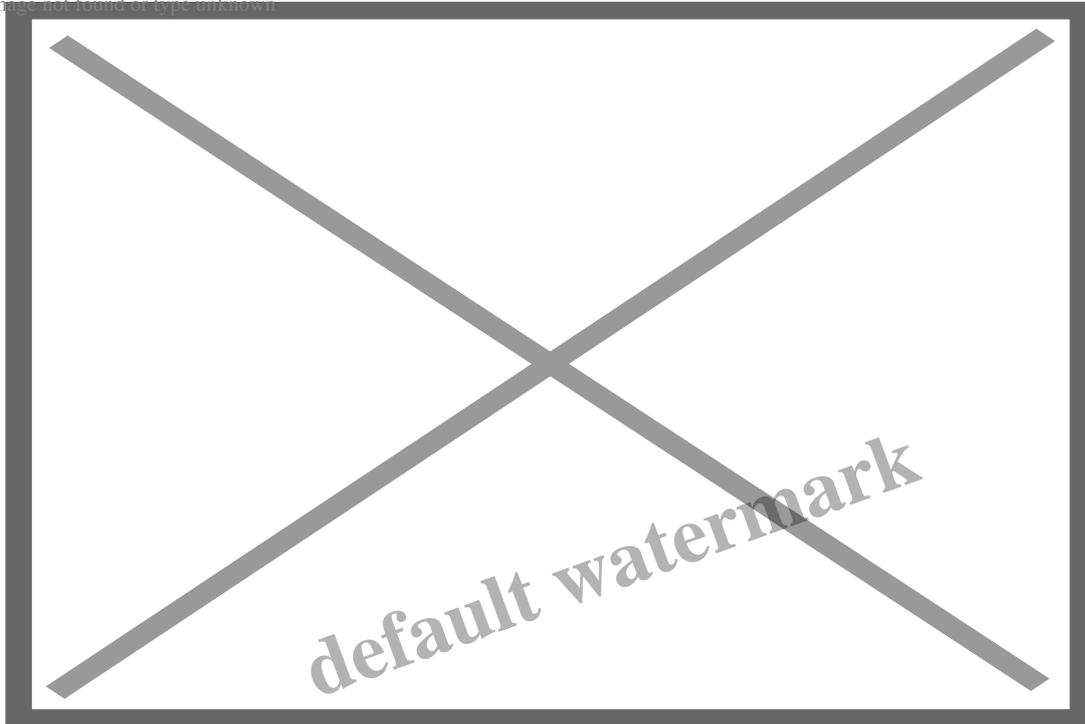


SmartWood and dumb decisions: Gibson's checkered history

Description

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Gibson SmartWood Exotic with a Chancharanca top (2000)

Gibson has made great guitars, dabbled with sustainability, fallen foul of environmental trade rules and was often poorly managed

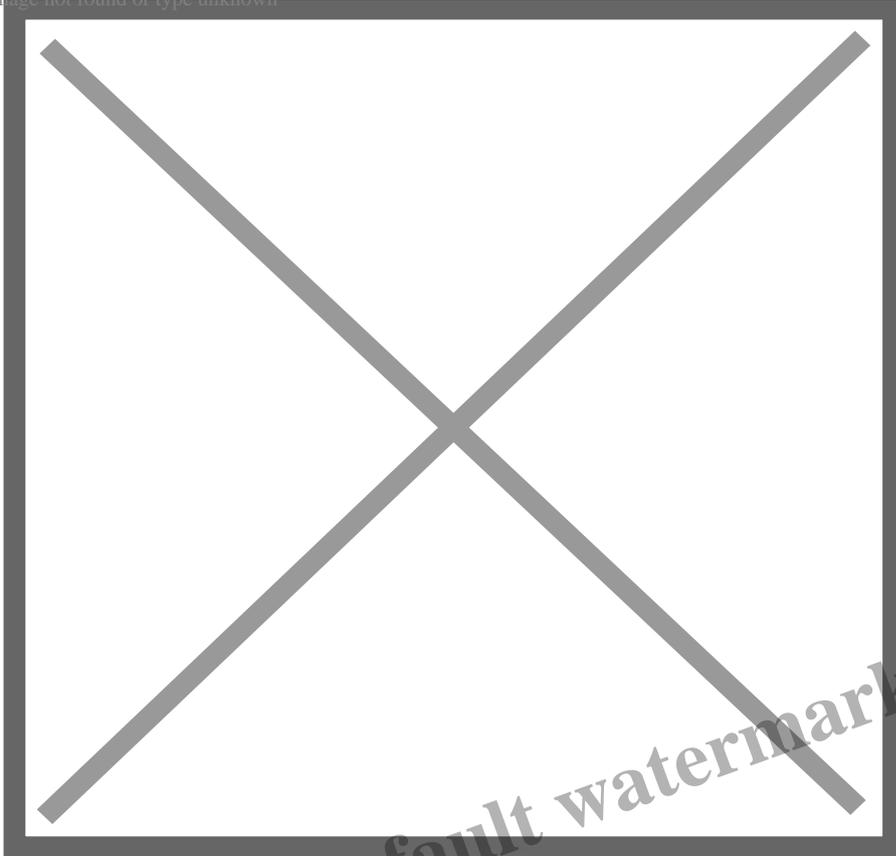
Memphis, Tennessee

In the fall of 2017, I did a classic road-trip through the American south, accompanied by my daughter, Katie. We set off to soak up the music and the history of the American Civil War and the Civil Rights Movement.

Our itinerary took us through Memphis, Tennessee, home of the [Civil Rights Museum](#), [Graceland](#), [Beale Street](#), the [Peabody ducks](#) – and the Gibson guitar factory.

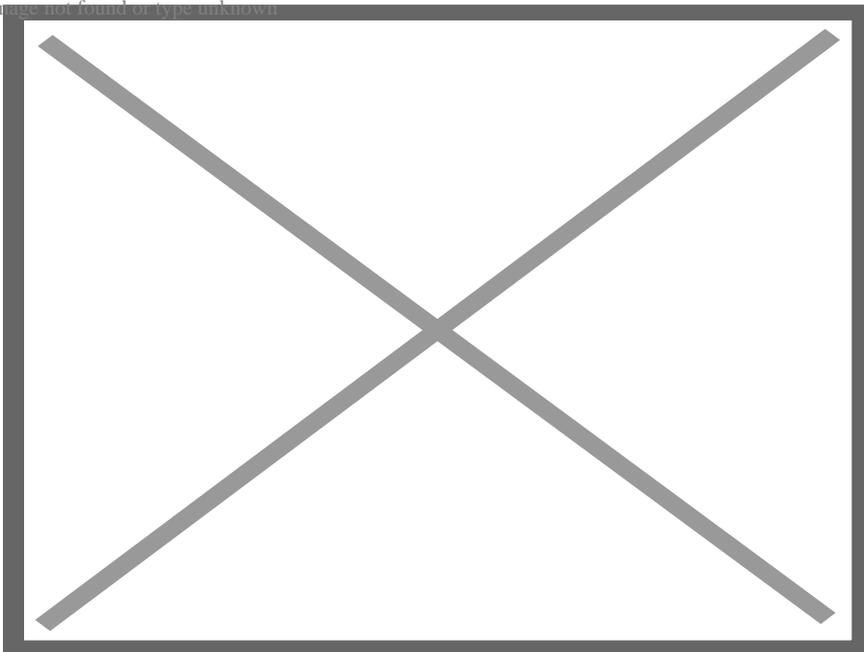
The Civil Rights Museum was outstanding, as was Graceland. A Mecca for music lovers, Graceland was everything it was hyped up to be, and it was great to see all the Elvis photos and memorabilia – including one of his favourite guitars. Elvis' first guitar was a Kay, given to him when he was 11 years old. He then went on to have [numerous guitars](#), including Martins and several Gibsons. Aptly enough for the upcoming Gibson factory tour, the guitar on display at Graceland was a Gibson J200.

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Elvis Presley with his refurbished J-200 Gibson acoustic guitar after a recording session at Nashville's RCA Studio B circa March 1961. Image Credit: Elvis Presley Enterprise, jeremylr.medium.com

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We went to Graceland, Graceland; Memphis, Tennessee. (And the Mississippi Delta was shining like a National guitar).

Factory blues

At the time of our trip, Gibson had factories in Nashville, Memphis and Bozeman, Montana, but only the Memphis factory ran tours open to the public. I was excited to take the tour because it would be my first tour of one of the big guitar companies – I had visited a range of guitar builders before then, but mostly individual builders or smaller shops. Along with Martin, Fender and Taylor, Gibson is one of the best-known producers of iconic guitars. I had my Gibson Les Paul and a 1950s Gibson archtop back home in Australia, and I'd pre-booked a factory tour.

The Gibson factory was not hard to find – just a couple of blocks from Beale Street, with a big tell-tale “Gibson” sign. Once inside, there wasn't a lot going on in the big barn of a front hall, apart from a side showroom filled with Gibson hollow-bodies on display. I found out that the Memphis factory only produced the hollow-body electrics, while the other electrics were made in Nashville and the acoustics in Bozeman.

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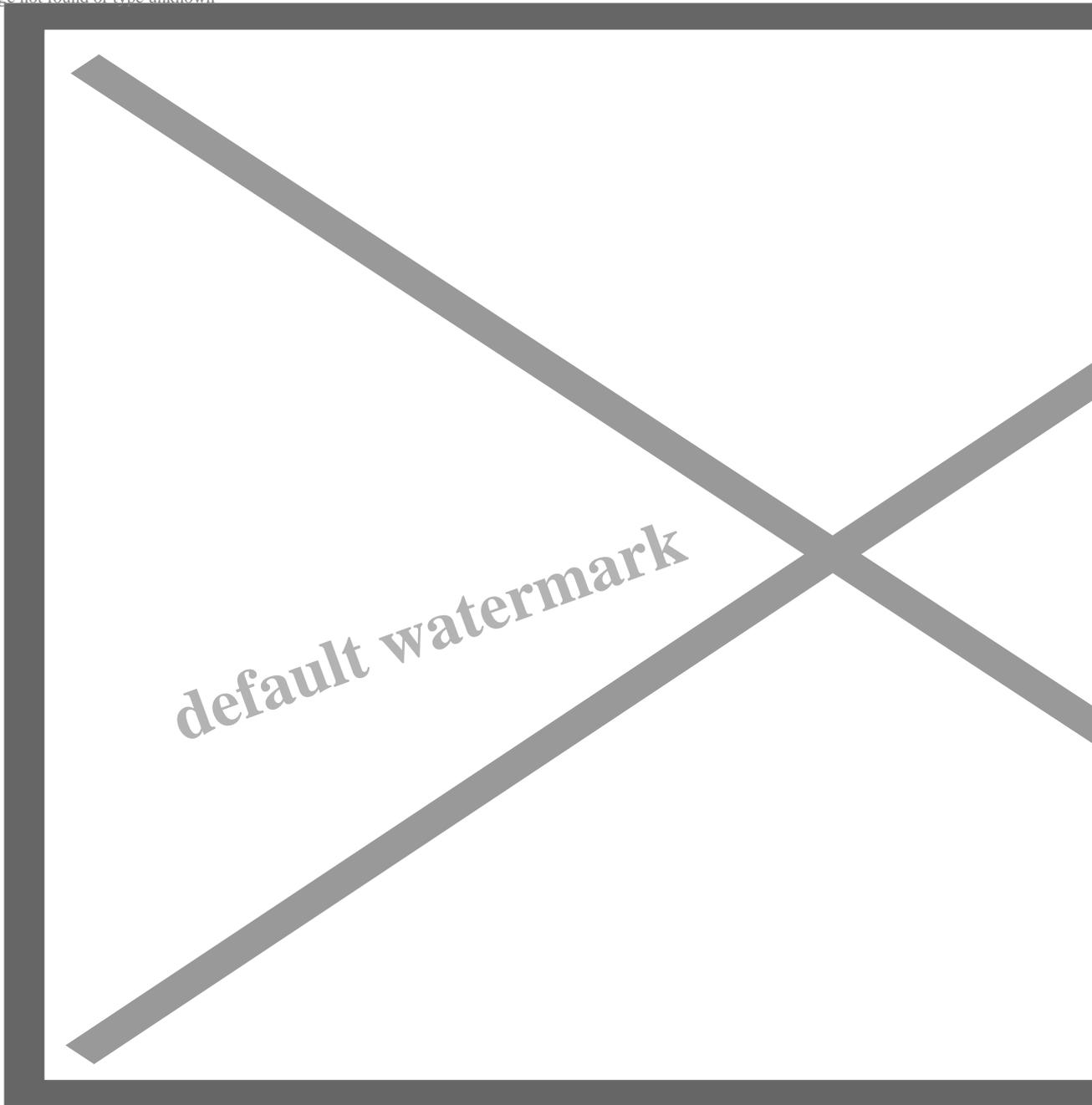
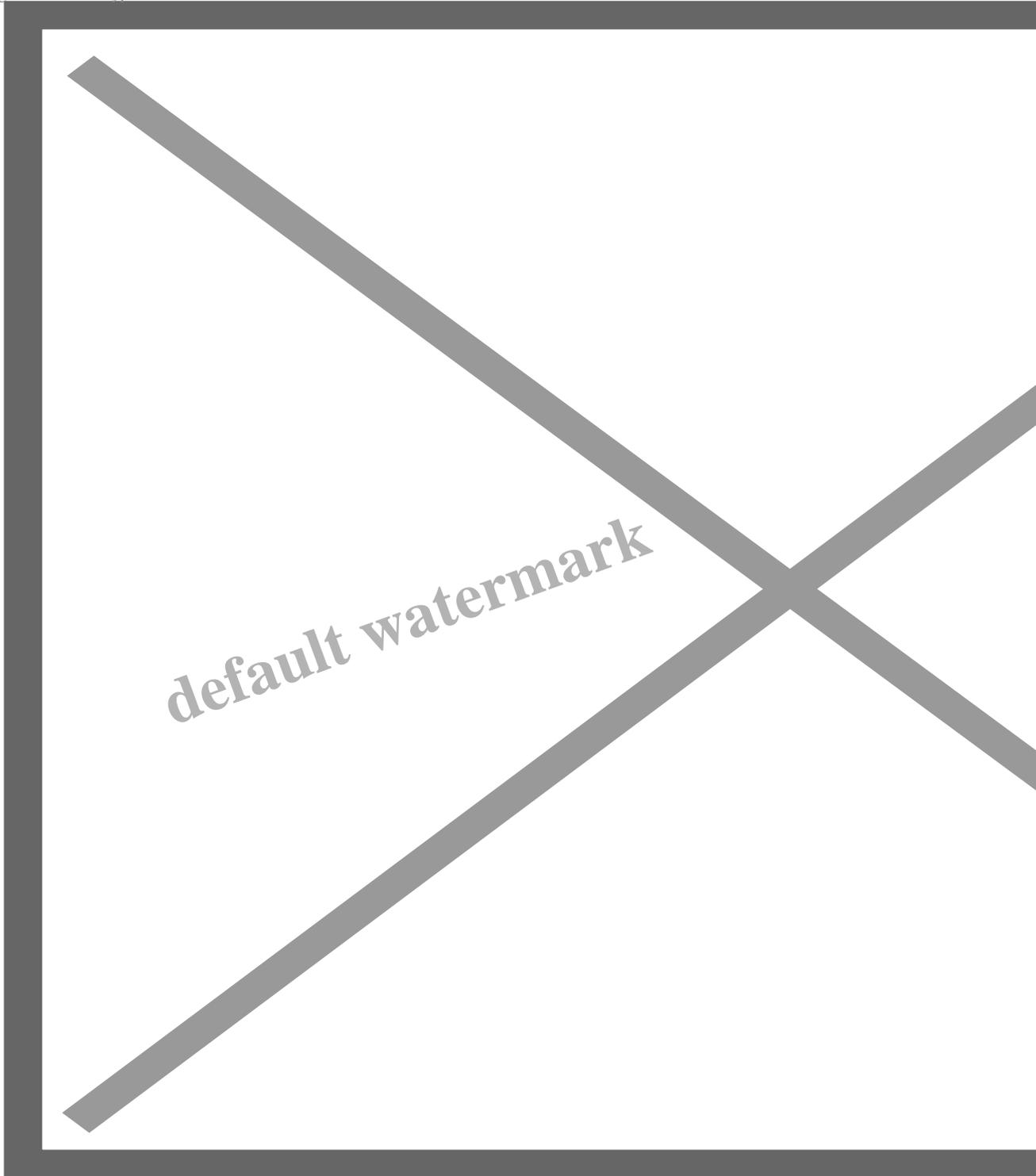


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A group of people were milling around the showroom, obviously waiting for the tour to start. When it did, we were led from the showroom through heavy doors into the factory itself. It was a weekend, and so there were no workers working – only the different areas in which the various stages of guitar production occurred. That diminished the tour experience a bit, because part of the fun is seeing the activities involved – but on the other hand, it was not noisy, which it apparently was during weekday

tours, often to the detriment of hearing what the guide had to say.

Unfortunately, though, not seeing the guitar building process in action was a minor issue when compared to the quality of the tour itself. Our guide was a slightly dishevelled young man in a hoodie and track pants who clearly did not want to be there. His commentary was lacklustre and sounded like he was on autopilot, much like flight attendants on planes often are when they are doing the safety briefing. His answers to questions were cursory – and a question on where Gibson got its wood from was met with “That’s proprietary information”. It seemed like he wanted to walk us through the factory with as little interaction as possible. And you were not allowed to take photos anywhere in the factory.

I was surprised how deflated I felt at the end of the tour. Sort of like how you feel when you go to listen to a band whose music you love but who turn out to not perform well live. I thought maybe this could just be an off-day, and looking at [other folks’ reviews](#) of the tour certainly showed a mixed bag, from those who loved it to those who recounted similar experiences to mine.

How did it get to this?

The Gibson factory tour was like no other I have experienced before or since. I’ve now had the pleasure of visiting more guitar makers, including doing public tours at Martin and Taylor, and I have to say that the experience could not have been more different – enthusiastic guides, interactions with the staff members, being allowed to take as many photos as you wanted.

How could a company that had made some of the most iconic guitars ever produced get a simple PR operation like a factory tour so wrong?

After a bit of background research, I realised that the lacklustre tour was symptomatic of broader issues facing Gibson. This post focuses on how one of the major names in guitar making succumbed to corporate mismanagement, was embroiled in controversy involving illegal wood importation, and generally lost its way. The quality of its products, the standards of employee relations and ultimately its economic viability all suffered – and this was all reaching a critical impasse at around the time of my tour. Six months later, Gibson filed for bankruptcy and the Memphis factory was up for sale. No wonder the guy leading the tour seemed like he didn’t want to be there.

Gibson – a brief history

Orville Gibson and Lloyd Loar

[Orville Gibson](#) began to sell his instruments in 1894 out of a one-room workshop in Kalamazoo, Michigan. Gibson designed his new mandolins and guitars similar to violins, with carved tops and backs instead of flat ones. In 1902, the Gibson Mandolin-Guitar Mfg. Co. Ltd. was incorporated to market the instruments. Five Kalamazoo businessmen bought rights to his name and hired him as a consultant. Gibson died in 1918, but the company continued to produce mandolins and guitars. [Lloyd Loar](#) joined the company in 1919 and refined many of Gibson’s original designs, producing what many consider to be some of the best mandolins and archtop guitars ever made. He’s also credited with [laying the groundwork](#) for the development of the electric guitar.

Even back in those days, signs of friction between creating innovative fine instruments and managing

the business were surfacing. Lloyd Loar left the company in 1924 following disagreements with the new general manager, an accountant, Guy Hart.

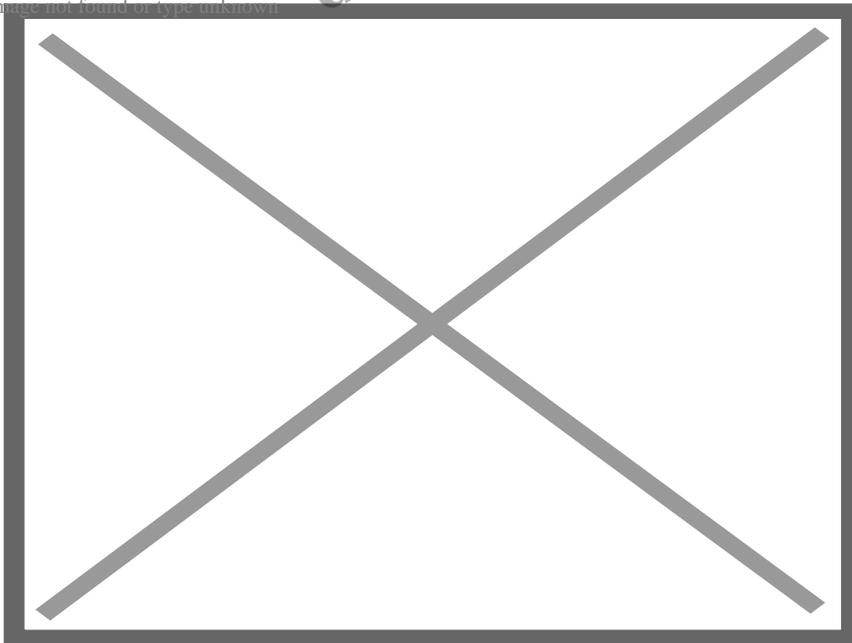
Gibson continued to make instruments in Kalamazoo through the 1920s and 30s, introducing the lower-priced "[Kalamazoo](#)" brand in the depression years. Most accounts then have the company ceasing guitar production during World War II, switching to manufacturing goods for the war effort – but there is a recent revisionist history of this period that will feature in [another post](#).

Les Paul and the McCarty “Golden Era”

The company was bought in 1944 by a music wholesale company, Chicago Musical Instruments. 1952 saw the arrival of the first Gibson Les Paul. [Les Paul](#) had been experimenting with solid-body electric guitar designs for some time – indeed, he had approached Gibson in 1941 with the idea, but was met with little interest. Only after Fender started making solid body electrics in the early 1950s did Gibson revisit the idea, with Gibson’s CEO Ted McCarty leading the design based on Les Paul’s drawings. The company initiated a promotional and royalties arrangement with Les Paul, and the [Gibson Les Paul](#) started on its way into guitar history and into the hands of many well-known musicians.

Gibson continued to thrive through the 1950s and 60s, also acquiring Epiphone. Over 100,000 Gibson and Epiphone instruments were produced in 1965, feeding the growing demand from the explosion of popular music of all sorts. McCarty was CEO from 1948-1966, and this has been called Gibson’s [“Golden Era”](#) when it produced guitars that are now regarded as some of [the most valuable in the world](#)

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*A 1959 Gibson Les Paul can be worth \$ 350,000 today, and this one, previously owned by Peter Green and Gary Moore, was bought by Metallica guitarist Kirk Hammett for \$2million.
Source: [Guitar Head](#)*

Even in the McCarty era, though, all was not sunshine and roses. Sales of Les Paul guitars declined,

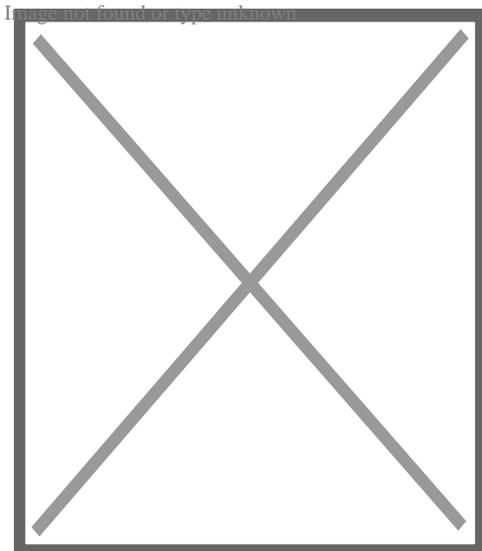
and the original design ceased production to be replaced by the [Gibson SG](#) in 1961. When first produced, it was labelled the Gibson Les Paul SG. However, Les Paul had nothing to do with the new design and did not even know about the new guitar. He asked for his name to be removed from the instrument. The SG subsequently became Gibson's best-selling instrument, but the original Les Paul design was also later [revived](#) in 1968 after guitarists like Eric Clapton and Keith Richards started playing original Les Paul guitars.

Norlin and Henry Juskiewicz eras

In 1969, Chicago Musical Instruments was taken over by the South American brewing conglomerate ECL. Gibson remained under the control of CMI until 1974 when it became a subsidiary of Norlin Musical Instruments, part of Norlin Industries [named for ECL president **Norton** Stevens and CMI president Arnold Berlin].

The Norlin years are regarded as a pretty bleak time for Gibson. Mismanagement, declining quality and falling profits saw the company fade to a mere shade of its former glory. Instruments continued to be produced in the Kalamazoo factory, but production gradually moved to a new factory in Nashville, and the Kalamazoo factory closed in 1984. Production declined, many instrument lines (including all acoustic guitars and mandolins) were discontinued, and by the mid 1980s the company was on the brink of folding.

Enter Henry Juskiewicz, David Berryman and Gary Zebrowski were three Harvard MBA graduates who bought the company for \$5million in 1986 and set about [reversing the company's fortunes](#). CEO Juskiewicz earned widespread praise for rescuing the brand with a hands-on pragmatic approach. In subsequent years, acoustic guitar manufacture was reinstated at a new factory in Bozeman Montana and a variety of other changes had the company's fortunes looking up.



Source: [Unique Guitar Blog](#)

Alas, again the good times didn't last. As his tenure as CEO stretched into the new millennium, Juskiewicz increasingly drew widespread criticism for his autocratic management style. He was also criticized for focusing on the introduction of robotics into Gibson guitars – most notoriously, perhaps, in

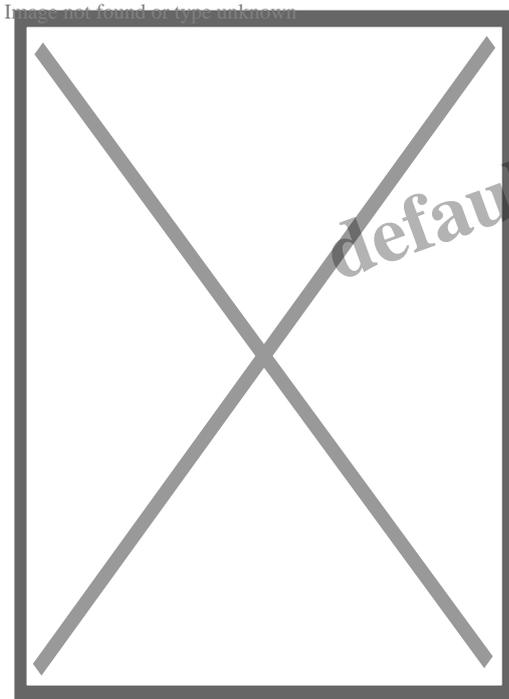
the robotic tuning systems that were experimented with. He was judged to be out of touch with the guitar-playing customer base, and the company's retail strategy meant that only the biggest outlets could carry Gibson stock.

In addition, Juskiewicz led a push to diversify the company into things other than musical instruments. While this approach can sometimes be seen as a good thing to do from a purely business perspective, it really wasn't viewed favourably in the music industry. It ultimately led to serious financial problems for the company.

And that takes us up to the time of my tour of the Memphis factory and Gibson's imminent [bankruptcy](#) in 2018.

[For more on Gibson history, have a look at the excellent books by [Walter Carter](#), [Gil Hembree](#) and [Eldon Whitford, David Vinopal & Dan Erlewine](#).]

Corporate bosses versus instrument quality



[Wikimedia Commons](#)

OK, so maybe by now your eyes have glazed over with all this corporate history stuff. Why should you be subjected to this in a website devoted to looking at trees and conservation issues around guitar production?

Well, to me, how a company is managed and behaves provides a bit of a contextual backdrop for discussing the social and environmental issues involved in guitar making. We'll get on to the environmental stuff shortly, but first let's just recap on how the company operated.

As I've been researching material for this project, virtually everyone I talked to had a story about how

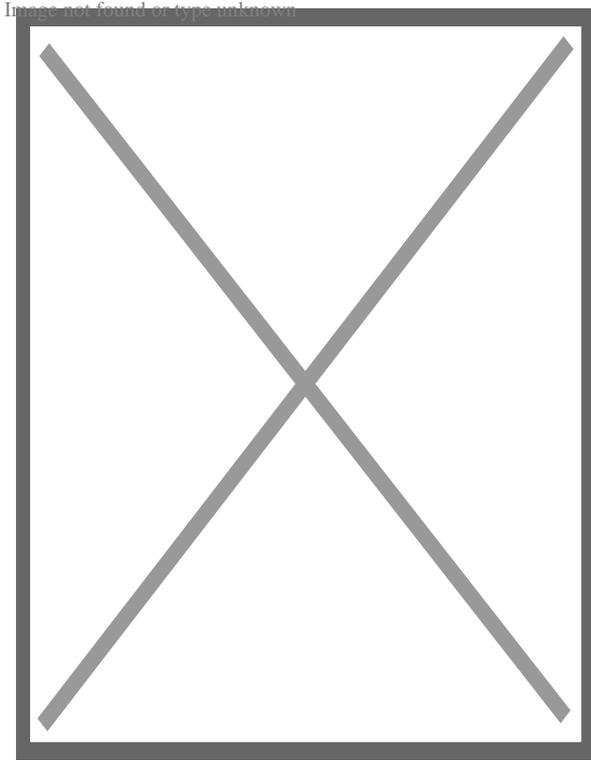
bad Gibson was as a company. They were referred to as “the bad guys”, they had a “robber baron culture”, they treated their staff badly, the consistency of their quality control had deteriorated badly, and their CEO was hard to work with/for, out of touch with the guitar-buying public and fixated on adding robotics to guitars. Gibson differs from many of the other guitar companies in that it has been run in a corporate management mode for most of its existence. Orville Gibson died in 1918 and the running of the company was left to people with a business orientation. Compare that to Martin, who have until only very recently had a Martin family member as head of the organisation. Their [new CEO](#), Thomas Ripsam, has a business background but also an enduring interest in guitars and guitar building.

It's not theoretically necessary for the leader of an organisation to have experience in, or an understanding of, what the organisation does or produces. That's the rationale behind business management degrees and the reason why so many organisations are now run by people with business – rather than technical or specialist – expertise.

Having worked in research organisations and universities most of my career, I've experienced first-hand the shift away from people reaching the top by working through the ranks from an initial position as a researcher or lecturer. Folks that did that tended to know how things worked and how to keep staff happy and motivated – because they'd been in their shoes. They didn't always make good managers, of course, but often they did.

In contrast, the current fashion is for parachuting in executive managers with backgrounds in other types of organisation. These people know a lot of management stuff (or at least sound as if they do), but often lack any clear understanding of how the organisation ticks. A [more corporate style of top-down management](#) has replaced the more collegial approach that predominated in the past. This more often than not leads to a disconnect between upper management and the people doing the work – and leads to some pretty dumb decision making.

This is just as true in universities and in guitar factories. In Gibson's case, it's clear that the company had periods of good management and periods that were pretty awful. Often, the tone is set by the guy (traditionally always a guy) at the top – a great manager gets the best out of the staff and sets the organisation humming. A crap manager makes staff disgruntled and often ends up grinding the organisation into the dust.



Source: [469bce](#)

It seems that the company suffered for some time from a disconnect between management demands and the staff's ability to produce excellent instruments. Low paid, low-skilled employees were increasingly used, while experienced workers became demotivated and many moved on. On my travels visiting guitar makers around the US, I came across numerous ex-Gibson workers who had moved on in the Norlin and Juskiewicz years because they were unhappy with how things were run at Gibson.

Mark Sahlgren, a Gibson employee from 1965-70, [recalled the struggle](#) between production goals and instrument quality even at that time.

“To me and the people that I worked with, we cared more about the instruments than the corporate, the top people,” said Sahlgren, 74. “We cared about every instrument as a creative piece of art. But someone would come through and say you have to finish 100 guitars in a day and you could just see the conflict.”

Instrument quality suffered accordingly. It seems like wherever there's a discussion about Gibson guitars, some folks love them and some don't. There are [whole webpages](#) that have been devoted to hearing from unhappy Gibson customers and employees. There's general agreement that quality control has often not been good – and [I experienced this personally](#) with the pickups on my Les Paul Less+. Clearly, if you get a good one with no quality issues, it's a great instrument. But chances are that you might get an instrument with a problem or two, and then it's not so great.

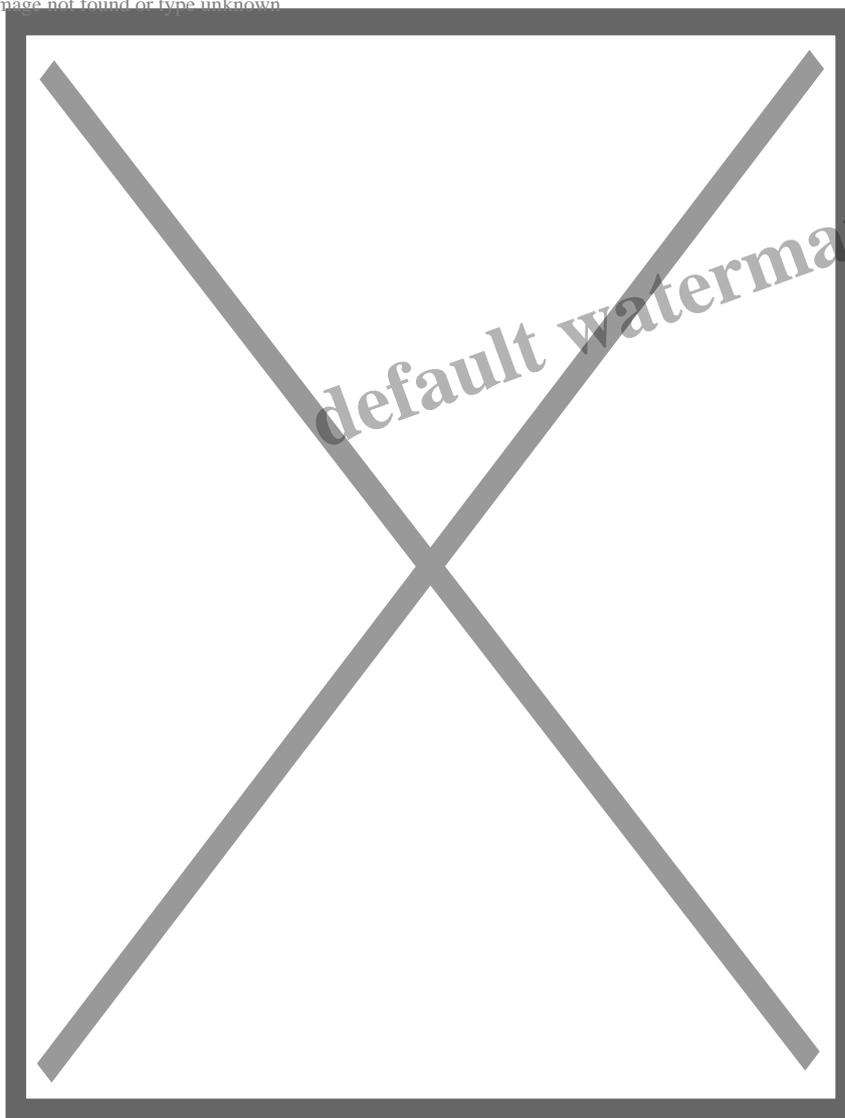
Smart wood

OK, so the corporate side of Gibson was not always the best. What about its environmental credentials?

Interestingly, Gibson was one of the first big companies to embrace sustainability issues and bring sustainably harvested wood into their guitars. They launched their SmartWood series in 1996, partnering with the Rainforest Alliance. The [Rainforest Alliance](#) was an NGO that had developed the SmartWood program with the Forest Stewardship Council in 1989, as the world's first global forestry certification program and the first to rely on market forces to conserve forests.

Through this, Gibson was to be independently audited on an annual basis by the Rainforest Alliance to ensure that only FSC-certified wood was used in the construction of SmartWood instruments.

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Gibson ad for the SmartWood Exotic series

The [Smartwood series](#) is a bit tricky to understand, because it morphed a few times over the period Smartwood guitars were being made. There were three models of Smartwood Les Pauls produced

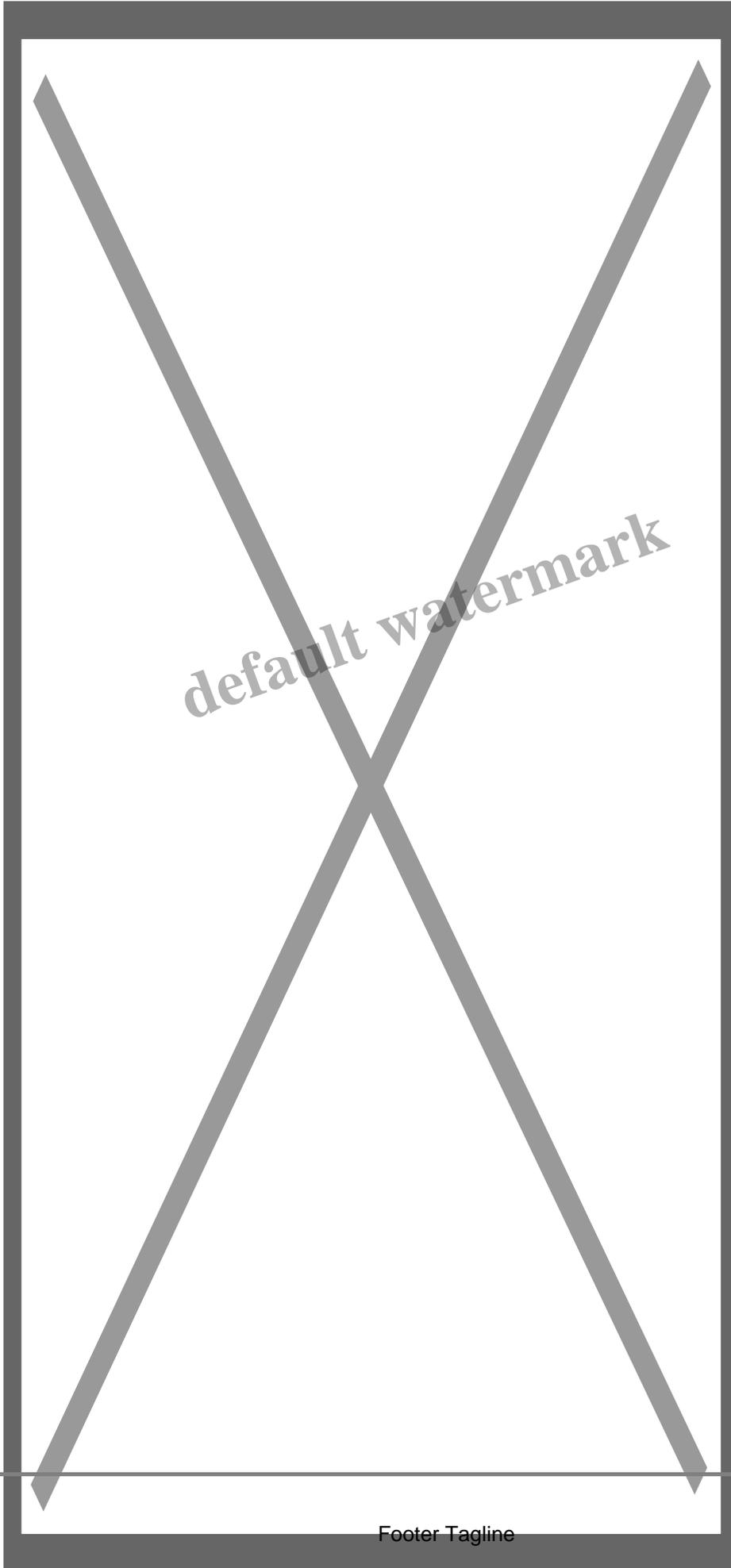
between 1996 and 2011, namely the Exotic, the Studio and the Swamp Ash models.

The SmartWood Exotic line (1996-2002) featured tops made from a variety of different tropical woods: [Curupay](#), [Peroba](#), [Banara](#), [Ambay Guasu](#), [Taperyva Guasu](#) and [Chancharana](#). All species of trees from South America that most folks had never heard of. It's even hard to find any information on some of them (if you Google them, Gibson SmartWood is mostly what shows up) or to determine which species is actually referred to – most also have multiple other names depending on which regions they grow in. The fretboards were Curupay and the backs were mahogany. “Smart wood” was written on the truss rod cover and featured in a stamp on the back of the headstock.

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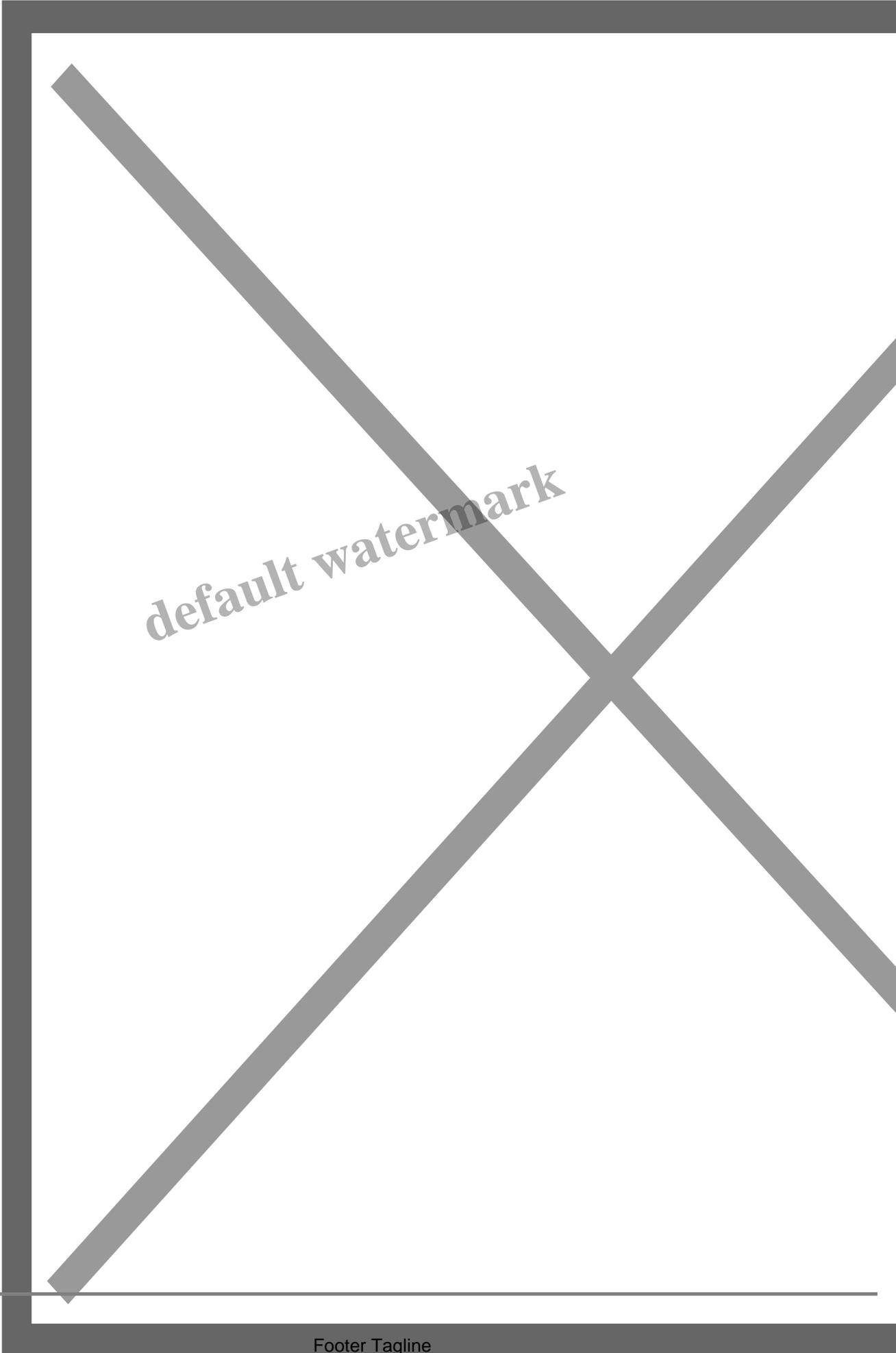
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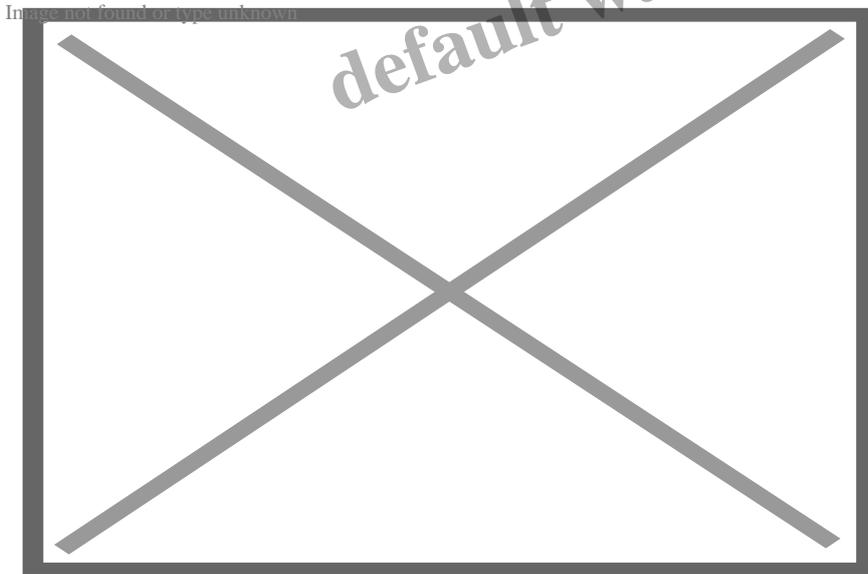
Gibson Les Paul SmartWood Exotic, 2000 with a Chancharana top

The Studio SmartWood (2002-2008) had tops made from [Muiricatiara](#), and a [Preciosa](#) rosewood fingerboard. It also featured a metallic green leaf on the truss rod cover

Finally, the Studio Swamp Ash (2003-2011) had a swamp ash top over a multi-piece Swamp Ash back. This was an interesting departure, considering that [Swamp Ash](#) was from the southern US – certainly not a rainforest timber – and was already a recognised guitar wood. The neck was mahogany and the fretboard either ebony, granadillo or rosewood, depending on production year. This series reverted to the usual Studio truss rod cover.

The SmartWood Exotic and Studio SmartWood seem to be quite frequently mixed up, especially in adverts for used instruments. It would appear that some sellers use the stock descriptions or the wrong guitars – for instance a Smartwood Exotic might be described as having a Muiricatiara top, and a Studio Smartwood with the green leaf on the truss rod cover might be advertised as an Exotic.

It's also virtually impossible to tell what a particular Exotic guitar is made from, although the different woods do have some differentiating characteristics. After a trawl through various chat group discussions, I discovered that the only way to clearly identify the top wood was to take out the bridge pickup and see what code was written in pencil there – this code identified which of the 6 likely woods had been used.



The pencilled code “CA” indicates the wood type used on the SmartWood Exotic

It seems odd that Gibson would invest in promoting sustainably harvested timbers and not have a better system for identifying what wood was used in particular guitars.

In an interview with Jeff Touzeau, featured in the book "[The Green Musician's Guide](#)", HenryJuskiewicz discussed the original series of SmartWood guitars: "At that point, the only way we could get 100 percent certification was to use different woods. So we had one-of-a-kind woods, and this made the guitars really stunning. But we could only get a couple of planks. Every guitar was unique, and the wood was spectacular."

He went on to suggest that Gibson were increasing the amount of certified wood in their guitars, with a commitment to eventually be 100 percent certified. It's unclear how they planned to move from the relatively small-scale production of SmartWood guitars – using small amounts of sustainably harvested timbers from a variety of species – to large scale adoption of certified woods.

So, was the SmartWood series a legitimate attempt to promote the environmental aspects of guitar raw materials, or was it simply a marketing gimmick? Again, a quick scan of various discussion groups indicated a fair degree of cynicism, with opinion leaning towards the gimmick perspective.

"The only Smartwood Henry cares about is when it's processed into paper pulp and turned into dollar bills."

mylespaul.com

They were called Smartwoods because all the lumber used to make them was supposedly certified to be from eco-friendly sources."

— "Lol, implying the rest of their wood *isn't*?"

mylespaul.com

"Ok, but.... what makes the wood 'smart'? Just that it was harvested ethically?" –

—"Marketing"

[Reddit](#)

Apparently, however, the marketing angle didn't really work. Another observer suggested:

“They made guitars out of renewable wood. Apparently, if you draw a Venn diagram of people interested in saving the planet and people that can afford a Gibson, the crossover is very small.”

[Seymour Duncan](#)

Caught in the act

Was this degree of scepticism justified? Well, other events would suggest so.

While still running the SmartWood program, the company was [raided twice](#) for alleged violation of CITES/Lacey Act regulations – in relation to illegally harvested wood.

Agents of the United States Fish and Wildlife Service (FWS) raided Gibson’s factories in 2009 and 2011. The first raid in November 2009 brought to light illegally imported ebony wood from Madagascar, and the second in August 2011 seized wood imports from India that had been labelled incorrectly on the US Customs declaration.

Juskiewicz [declared](#) that the company had done nothing wrong and claimed that Gibson had been unfairly singled out.

A 2012 news piece on the Gibson factory raids

Nevertheless, a civil lawsuit was brought against them – the first such case under the amended [Lacey Act](#), which requires importing companies to purchase legally harvested wood. Gibson settled out of court, paid a fine of \$300,000 and a \$50,000 community payment, and agreed to abide by the terms of the Lacey Act in the future.

Maybe that’s why the tour guide dude in Memphis so cursorily dismissed the question on where their wood came from.

Commentary from conservatives argued that Gibson was being unfairly targeted by the Democrat-run administration (Juskiewicz was a regular Republican supporter). Regardless, the case was undoubtedly an embarrassment not just for Gibson but also for the [Rainforest Alliance](#), and in turn the Forest Stewardship Council certification process. It turned out that Juskiewicz had quietly joined the board of the Rainforest Alliance, which certified the wood used in Gibson’s instruments – raising questions about obvious potential conflicts of interest. [Articles](#) published at the time discussed Juskiewicz’s prompt departure from the board and unearthed evidence of hefty gifts from Gibson to the Rainforest Alliance.

Not a good look. But perhaps not too surprising in the context of the way Gibson had been operating its other corporate affairs. Michal Wichowski, who runs “Gibzone”, a website devoted to all things Gibson, [concluded that](#) “The perverse finale of this case shows that in the business world there is a place for ecology, but only when it operates in the service of economics.”

Turning the corner?

Following bankruptcy, Gibson was rebooted under the leadership of new CEO and President, James ‘JC’ Curleigh. [Curleigh](#) showed signs of having observed and learned from past mistakes and vowed to return the company to its core values and purpose. He moved the Gibson operation to downtown Nashville and “Gibson experience” tours started up – these appear to be much better than the one I went on in Memphis.

Gibson has also started revisiting sustainability issues, launching a [Sustainable Acoustic Series](#) in 2019 – using north American woods, with walnut for back and sides. The guitars also include a Richlite fingerboard and bridge – a composite material made from recycled content and pulp derived from responsibly harvested trees.

A focus on quality and sticking to what Gibson has done best in the past may be just the recipe to lead Gibson back to its glory days. But [reviews](#) of recent guitars continue to be mixed. Clearly you can’t solve entrenched corporate, staffing and quality control problems overnight. Curleigh thinks [Gibson can do it](#), and that the pandemic has provided added momentum for the guitar industry generally.

I guess we’ll see!

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1. Uncategorized

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