

CASE STUDY: RØDE MICROPHONES

Winner: Manufacturing Award, 51st Australian Export Awards (2013)

For outstanding international success by a manufacturer.

Background

RØDE Microphones (RØDE) designs and manufactures high-quality microphones at accessible prices.

The company evolved from Freedman Electronics – established in 1967 by Swedish immigrants Henry and Astrid Freedman.

Henry's son Peter took over the business in the late 80s and made the decision to specialise in microphones. Originally hand-modifying imported microphones, Peter quickly realised that he needed to have greater control over the entire manufacturing process. RØDE Microphones was born.

The company's first big contract came from a tiny stand at a music industry trade show in Los Angeles in 1990.

Today, RØDE has a major manufacturing facility in Sydney and offices in three countries. It employs more than 150 people, services 108 global markets and sells more than 500,000 microphones worldwide every year.

Approach to business

Taking a leaf out of Steve Jobs' book, company founder, MD and self-professed 'head of everything', Peter Freedman, operates on the principle that anything is possible.

"I just won't take no for an answer," he says, "So many people are burdened by knowledge".

Design thinking and Innovation are two of the latest buzz words, and while RØDE has fully adopted them as corporate mantras, there is a danger in preaching these as immutable to achieving success.

"While it is imperative to have the customer and their needs at the forefront of mind when designing any product, innovation comes with being involved in an industry if constant improvement is at the core of your philosophy. There is no need to preach 'innovate or don't bother' at the beginning of any enterprise" says Freedman.



SNAPSHOT

- Established in 1990
- Operates in 108 global markets
- Offices in Australia, Los Angeles, New York and Hong Kong
- State-of-the-art manufacturing plant at Silverwater in Sydney – housing more than \$30 million in precision machinery
- Export accounts for 97% of their business
- 150 staff working in Australian and overseas
- Winner of 2013 Premier's NSW Export Award - Manufacturing category



RØDE MICROPHONES

"If someone says it can't be done, I say to them at least give it a go or you will never know. Every major advancement has been achieved because people gave it a go."

It is this attitude that has seen RØDE go from strength to strength since its inception, with double-digit growth year on year.

"When I first began this business I remember thinking if we could sell around 500 microphones each year then we'd be doing okay. It's ironic that today we are selling more than 500,000 all around the world," Freedman says.

RØDE began as a key supplier of audio equipment to the broadcast and entertainment industry.

More recently, it has also become a major player in the consumer market – making affordable microphones and accessories for digital cameras, camcorders and smartphones.

Its most recent innovation is a field recorder and app for Apple iOS devices.

"We create the market rather than react to it. That's the really exciting part for me," says Freedman.

Once 'desperate in debt', he says success has allowed him to focus less on money and more on the product.

"You've got to dream the dream and be pure about what you do – that's the key to good business."

"You can't fake it in this business. You need to live it, breathe it, eat it! That's what I do."

Peter Freedman, Founder and Managing Director, RØDE Microphones

International engagement

RØDE has a wide distribution network – 76 international distributors and more than 2,000 retail dealers in 108 global territories. More than 97 per cent of the company's business is now offshore.

"The local market is too small unfortunately," says Freedman. "We concentrate our efforts on being an exporter, rather than what many manufacturers do and focus on the local market."

Freedman says Australian manufacturers should never underestimate their ability to create product locally and sell it overseas.

"We can do anything in this country," he says. "If you have the right machinery and the right attitude there is nothing you can't make here. We buy the parts at the same price as everybody else."

Freedman says he chose to produce his product locally, not only because it made more business sense, but because but he "loves it here".

"Why would I want to live anywhere else?," he says.

FACT

- The first international contract for the supply of RØDE microphones was negotiated from a small stand at the National Association of Musical Merchants (NAMM) trade show in Los Angeles in 1990.
- Today, the Sydney-based company sells more than 500,000 microphones a year and is the leader in its field.

Winning an Australian Export Award

Freedman said winning the Australian Export Award was the highest compliment RØDE had been given in more than 20 years of business.

"Nothing's more satisfying than being recognised at home by your peers and your country. I love it!"

"All award wins are good," he says. "You won't sell more product because of them. But does it make you more of a legitimate company when you can show you have awards and government recognition? Absolutely! It's awesome."



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