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## **History of Dynaudio**

Dynaudio was founded in 1976 by <u>Ejvind Skaaning</u> together with Gerhard Richter. Prior to this, or during the starting phase, in 1975 Skaaning and Richter joined with Meir Mordechai and founded RMS (Richter, Mordechai and Skaaning). Manufacturing facilities were located in Israel. Mordechai held 50% of RMS, while the other held the other 50%. RMS developed and manufactured raw drivers. After two years, Morel bought out Richter and Skaaning's shares which dissolved this partnership. Mordechai continued to run Morel.

Shortly after, Richter and Skaaning established Dynaudio. (Source: Nir Paz of Morel, Israel).

In 1975, I (US distributor, Mikhael Shabani) was running a retail store that was selling high-end audio gear. At that time, I paid a visit to my friend and cousin, Meir Mordechai, in Israel. He showed me some speaker cabinets that he had made, which interested me a lot, since he was using high quality drivers called Dynaudio. Later, I found out that Dynaudio agreed to sell him these drivers and have him assemble a couple of models in Israel for tax benefits.

Technically the story is told that Ejvind Skaaning is a consultant at a loudspeaker manufacturer Svend Erik Nielsen, who had started a loudspeaker factory named S.E.N.-lab. The products from SEN lab are named Dynaudio.

When I started working at Dynaudio in 1997 there was still a wooden sign for SEN lab sitting in the laboratory.

I was told that Ejvind Skaaning was under some restrictions and not allowed to start a loudspeaker production for 3 years after leaving Scan Speak. Hence many notes from that time would say that "John" said A, B and C. Supposedly John was a factory worker. This person was in fact Ejvind Skaaning.

Dynaudio had initially manufactured speakers using its own crossovers while relying on available OEM drivers. The first loudspeakers Dynaudio introduced in 1977 and 1978 were the models in the P-series. It utilized the Dynaudio D-28 tweeter with a horn and a SEAS woofer.

Some of the first transducer products out of Dynaudio are the famous D21 + D28 tweeters and 21W54 - an 8" woofer utilizing a 52 mm voice coil, remarkably similar to products from Scan-Speak (but Scan-Speak was using 42 mm voice coils).

In fact, the Dynaudio 21W54 used the same cast magnesium basket as for similar Scan-Speak products and the baskets were purchased from Scan-Speak. The other way around, the Styrofoam packaging material was a tool owned by Dynaudio, which Scan-Speak then purchase from Dynaudio until just recently being allowed to purchase directly from the manufacturer.

Skaaning further more in the late 70'ties partnered with Wilfried Ehrenholz at Dynaudio, an engineer who paid for a share in the company and who took care of a range of products for the German market. Ehrenholz changes the product line of classically shaped square boxes to more designer oriented boxes (like Dynaudio 80, Dynaudio 100 and Dynaudio 200 - launched in the early 80s).

SEN lab runs into financial trouble due to some Danish and a German retailer. Ejvind Skaaning picks up the pieces and creates SEN lab, Skaaning ApS. The company continues to manufacture Dynaudio branded

drivers and cabinets (and kits). This is dated end of 1980.

Gerhard Richter was responsible for distribution in Germany (Dynaudio Vertriebs, today owned by Wilfried Ehrenholz).

Around 1980, Dynaudio has about 15 employees and a turnover of about 15 million kroner per year.

The general design used in today's products from Dynaudio, large 3" voice coils and magnets inside a steel cup, were developed during 1980 - 81. The first speaker of this type, 22 W-75, was mentioned in the Danish magazine "High Fidelity" January 1981. These products are similar to the units by RMS (made in Israel), but now manufactured in Denmark.

It can be recognized from many of the Morel transducer designs; they are remarkably similar to the Dynaudio designs.

Dynaudio would not only offer its drivers for sale to others, and you could find Dynaudio drivers in many prominent system designs (Sonus Faber, Wilson Audio, etc.), but also handle production of speaker systems for other businesses. At some point, Dynaudio establishes a cabinet manufacturing site in Troldhede, the western part of Jutland. The primary reasoning behind the location is the fact that the employee who was handling cabinetry came from Troldhede.

A product which should be mentioned is the Consequence loudspeaker, first introduced to the market in 1983. It was later modified / upgraded (around 1985). It keeps selling and today a new incarnation of the Consequence design is available, named "Ultimate Edition," launched in 2010. It is impressive that a design can be on the market for more than 30 years.

In a news section of the Danish magazine "High Fidelity" June 1990, the loudspeaker factory "SKAANING" is mentioned, located in Stilling by Skanderborg (just south of århus). They manufacture a new series of drivers named Flex-Units. The article mentions that Skaaning was responsible for the management of Dynaudio until 1987.

I must assume that Skaaning ApS spent 3 years (from 1987 to 1990) to recoup and make the flex units. The concept of the Flex units is something I recognize from prototype drivers that I have seen at Dynaudio, when I started working there. These woofers were planned as Esotar woofers. As we know, such beasts never saw the day of light.

Skaaning had to leave Dynaudio in 1987, followed by controversy. Skaaning did not intend to leave Dynaudio, but faced with requirements from Richter and Ehrenholz and several lawyers, he was threatened that the operations would be closed, if he didn't leave the factory, Skaaning felt he had to leave.

It is not clear exactly what was behind this forced takeover, but maybe Richter and Ehrenholz felt that Skaaning was relatively old and business was about to develop in a way that required new management. Maybe Richter and Ehrenholz didn't feel confident that Skaaning could continue to manage the facilities. Although Skaaning had the assets in a consulting company, owning all the rights to production tools and patents, Skaaning left empty handed, which was probably not fair. Subsequently Skaaning worked on and filed a lawsuit against Dynaudio, which ran over the course of 1-2 years, which ends in a settlement.

Another side of the story says that Skaaning had a legal contract with the germans. When the contract was running out (or up for renegotiation), Skaaning intended to part with the dependency of the germans and run Dynaudio on his own, but they looked at this differently and intended to stay involved in Dynaudio in Denmark. The outcome of the legal battle meant that the germans ended up with the ownership of Dynaudio.

From 1987 onwards, the owners of Dynaudio were Wilfried Ehrenholz and Gerhard Richter. Later, during the early 90'ties, Gerhard Richter decided he did not want to continue with the business and sold his stocks to Wilfried Ehrenholz.

Mark Allan Thorup had worked in Dynaudio since 1982. He was a childhood friend with Per Skaaning. He learned "everything" about transducers from working with Ejvind Skaaning. With a sharp mind, he quickly learned a lot. During these changes he was faced with the necessity to choose, and he had also good relations with Wilfried Ehrenholz so he chose to continue working for Dynaudio. This choice was not appreciated by the Skaaning family and they had to break the connection. Mark Thorup became factory manager for a period of time.

One of the characteristics of a Dynaudio driver is the tabs between the dust cap and the cone, where the voice coil is attached, in a way that the cone and dust cap can be formed in one piece of polypropylene. The design of these tabs solved a couple of problems (how to attach the coil + how to prevent too soft attachment of the dust cap part hence preventing phase issues) is the brain child of Mark Thorup.

The German "link" at Dynaudio means that Germany has been a home market for Dynaudio much more than Denmark. Probably not a bad situation, since the German market is approximately 15 times larger.

In 1987 the 17W75 EXT with dust cap turned outwards is pre-released.

The R&D Manager from 1987 to 1990 is Peter Larsen, transferred from Vifa. At Dynaudio he develops the D260 Esotec and e.g. the 15W75 and 20W75 drivers with cast aluminium baskets.

During the late 80'ties and early 90'ties the general manager was Oluf Madsen, which did not bring the company on its feet.

In 1990 Dynaudio Acoustics is founded. A section of Dynaudio dedicated to Studio Monitors. Co-founder is UK based Andy Munro. Among others, the M-series of studio monitors directly references to Munro designs.

Dynaudio partnered with a carpentry company in Uhrhøj, near Vejle, named Uhrhøj Møbelfabrik, owned and run by Hugo Nielsen and Knud Erik Weber. This company manufactures all cabinets for the better-end of the production lines (old Contour series and up, including the current Confidence and Evidence series).

Later the financial manager Allan T. Jensen took over the general management. His first steps to handle finances helped Dynaudio on its feet.

During the mid-90'ties, Dynaudio had success implementing some drivers in the Volvo C70, the first car in the late Volvo program, which was not square boxes, but designed by Tom Walkinshaw (known from the TWR racing team). This car was the first car in the world to come with Dolby surround sound, and gained considerable respect and success. The driving force behind the audio system at Volvo was Hans Lahti. Dynaudio grew from about 40 employees to about 150.

The funny story is that Volvo contacted Dynaudio for the purchase of speakers, but initially was asked to buy speakers at the local dealer in Gothenburg (Dynaudio assumed it was not a business-to-business relationship). After clearing the misconception, Volvo was allowed to purchase specially designed Dynaudio speakers for installation in their cars.

When I was employed in 1997, the company was ready for mass production. There were some start-up problems (at Volvo) and the production was delayed, but Dynaudio stayed ahead and in spring 1998 the

production was at full volume with 150 employees.

Dynaudio decided to phase out the sales of raw transducers and focus their business on selling systems (hi-fi and automotive) using their own drivers. Few businesses kept buying for a while; in particular Wilson Audio bought the 21W54 for their Watt-Puppy loudspeaker. Today maybe Egglestone still buys the Esotar tweeter. Many transducer customers were offered a last-time buy. New transducer business is not accepted. Eventually, it became a point of irritation when magazines tested Dynaudio products and casually mentioned that it was a transducer business (especially since systems had been the focus from the very beginning). Maybe Dynaudio automotive aftermarket still sells the MD-tweeters and MW-woofers (M for mobile). On the automotive aftermarket there was no problem with the different markets blending.

In 1999 Dynaudio partners with <u>TC Electronic</u> and sells their line of Dynaudio Acoustics studio monitors through TC.

In 2002, Dynaudio Acoustics introduced the AIR series of studio monitors, utilizing class-D amplifiers and digital signal processing technique from TC Electronic.

Later, around 2003 if I remember correctly, Dynaudio started cooperating with Volkswagen. The first commercial product was a sound system for the VW Passat. As a game changer, Dynaudio was co-branded in the Volkswagen. Although discussions with Volvo had previously been ambiguous about this, it was an eye-opener for the Swedes and Dynaudio was subsequently also co-branded in Volvo cars.

Facilities were expanded considerably and to facilitate driver production, the cabinet/system assembly line was moved to a second location across the street (a rental property on Danmarksvej). Later a tall warehouse facility was built on Danmarksvej.

Over the course of some time, Dynaudio took over the ownership of Uhrhøj and expanded facilities significantly (with more CNC machinery, etc.) and the business unit became Dynaudio Cabinets.

All parts of Dynaudio were organized under Dynaudio Holding. Although not aiming at an introduction on to the stock market, the company was shaped to fulfill the requirements and as such be structured in a more professional way.

The company in a continuous process had to comply with increasing automotive requirements and went from ISO-9000 to QS-9000 and further onto complying with the TS-16949 quality management standard as well as the ISO-14001 environmental management standard.

Around 2007, general manager Allan T. Jensen faced serious illness and had to retire from Dynaudio. His lungs were affected by years of smoking cigars, yet unfortunately he was also diagnosed with cancer. He could not have a lung transplant until he was cancer free. He later died (2010). New management came in 2007, led by general manager Lars Prisak.

In 2008 Volvo put an end to the further cooperation between the companies (when Volvo was purchased by the Chinese car manufacturer, Geely). This is stressed by the fact that Dynaudio had just (again) expanded its production capacity to be able to fulfill future orders. This is before the financial crisis. Dynaudio had grown to about 350-400 employees and had to cut down. Luckily Dynaudio had in the meantime started cooperation with Volkswagen (since 2003, if I remember correctly) and this cooperation was expanded further. The organization was slimmed down to about 270 employees. Besides some processes that were maybe not running in its most rational way were changed (turned parts became cold forged, assembly of cone/surround was automated, etc.). In some way the global financial crisis just came a few months later on top of the challenges that Dynaudio was already facing, when it lost its longtime partnership with Volvo. The

cooperation with Volkswagen (and in particular the rapidly expanding market for Volkswagen in China) saved Dynaudio from bankruptcy and provided for a remarkably quick recovery.

The ownership of Dynaudio is changed and now shared by more investors as part of the recovery.

Not exactly sure when, but Dynaudio Acoustics changes into Dynaudio Professional.

Over the course of a decade, Dynaudio became predominantly an automotive supplier. The company continues to attempt at making a 3-legged company with an approximately equal focus on automotive, home hi-fi and recording studio sound (with the Dynaudio Acoustics now rebranded to Dynaudio Professional).

In December 2012 Dynaudio started a record company, Dynaudio Records, similar to big players like Naim, Linn and B&W, who had started selling albums some years ago. The first release is Richard Wagner, Ring of the Nibelung, named The Ring Pianos Project, released in January 2013 on CD. It is unknown (as of August 2015) whether more material will follow from this label.

It's difficult to keep up with the history here on these pages, where we first of all try to look back, but on 21. October 2014 it was announced that 83% of the shares in Dynaudio had changed hands to GoerTek, a Chinese corporation, for a value around 50 million USD. Wilfried Ehrenholz remains a stockholder with 15% and the last 2% are shared between chairman of the board, Johannes Bogh and CEO Lars Prisak.

From 1st November 2015, it will be distributing its industry-leading studio monitors from its headquarters in Skanderborg, Denmark. Dynaudio Professional products have been distributed by TC Group since 1999. Following the April acquisition of TC Group by Music Group, Dynaudio has taken the opportunity to restructure its distribution operation. As a result, the company has chosen to take its distribution operation inhouse. (source: AudioXpress, October 13th, 2015)

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