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Inside Track: Moon by Simaudio

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David Price speaks to Costa Koulisakis, Director of Simaudio's successful Canadian hi-fi brand…

“I'm a bit of a nut, Dave!”, MOON's **Costa Koulisakis** tells me in his friendly Canadian accent. We're talking about his love of cassette decks. An avowed Nakamichi collector, he confesses: “I've got over two dozen high-end cassette decks that are tweaked to perfection. All the best ones are at least three decades old. My favourite deck of all time is the Nakamichi 1000 ZXL from 1980, but I sold it because it was beyond even my capabilities to keep it perfect. Now I love my eighties Nakamichi ZX-9 and Aiwa F770…”

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His passion for hi-fi already shines through after barely a sentence or two of him speaking. Just as well that he's both a director and co-owner of Simaudio then, the company that owns the MOON brand – in the same way that Matsushita is the parent company of Technics. **Costa** goes on to tell me how things originally came about: "We were founded by **Victor Sima** – which is where the name Simaudio comes from. He emigrated to Canada from Israel and was a qualified audio engineer. When he came to Canada, his mission was to build high-quality audio products – he didn't start this just as a hobby that eventually became a business, he started it as a business. He was and is an audiophile. He lives not far from here, and we keep in touch. He believed he could build a better-sounding product without charging too much."

Costa is emphatic about Victor's formal engineering qualifications. This is important, he says, because the circuit designs were extremely well executed from a technical perspective. "He didn't abide by the philosophy of "if it sounds good but doesn't measure well, well then, it doesn't matter about the measurements." Victor was not like that; from the very beginning, he believed in correlating what you hear with what you measure. Because it might sound good, that alone isn't good enough - it may not be stable for reliability and prone to premature failure."

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Costa Koulisakis

“Quality is the priority. This was the driving force from the very beginning of our company, and yeah, he was always very passionate about audio, but he was also completely set toward the goal of achieving technical excellence. That continues to be a key element of our DNA today. It drove him to develop, design and create in particular ways without being overly experimental – like the Celeste brand of amplifiers in the nineteen nineties, for example. We were also among the first to do amplifier products whose circuitry has no global feedback loop.”

He is clear about where MOON's focus is. “One of the things we often say to people is that we're in the solid-state camp because we believe valve designs are good for creating a certain type of sound, whereas our design philosophy is to reproduce sound much as it was recorded – in other words, as accurately as possible. We understand and agree that an expertly curated sound can be very pleasant, but our philosophy is to be totally accurate. We don't manufacture any products with Class D circuit designs but have been dabbling in it because it has the benefit of energy efficiency. We may adopt some form of it in future, but we still think it needs further refinement. We're studying what others have done, and we have done plenty of experimentation of our own, but we haven't yet achieved a level of performance that we're comfortable with.”

Costa says that the company isn't technology-driven, but rather, it is customer-driven – all else follows from satisfied buyers. "Let me expand on that", he adds. "Six years ago, we launched a massive pair of reference amplifiers called the 888s. To this day, they are the finest amplifiers we have ever manufactured. The technology in that design wasn't really that different to our overall technology of the time, but it was taken to an extreme. We removed all the cost constraints. The reason we didn't do something radically different design-wise is that we didn't want to make the customer the test bed for a new design. It can take years to perfect something that is radically different from what was traditionally done."

"The performance of the 888s defines what we are – it's absolutely first about sound quality, but also about reliability, build quality, customer satisfaction and pride of ownership. Performance is more than just the sound, it's what you use it for, it's the experience of using it and the overall satisfaction derived from it. Modern customers want the best sound, but not from a product whose control knobs feel like they're going to fall off or which are missing important features. At Simaudio, performance is an all-encompassing term, defining total satisfaction from all aspects."

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Simaudio Directors

EVOLUTION

That's a key point about MOON, I think. The company has deliberately defined itself as a maker of useable, people-friendly specialist hi-fi rather than super-tweaky stuff that's all about building walls between mainstream audio buyers to keep a few ultra-specialist buyers happy. Perhaps that's down to the company's size, which is large enough to do serious research, development, and manufacturing but small enough to keep its feet on the ground.

"When I started here twenty-three years ago," remembers **Costa**, "we were a dozen or so people. Now, there's over five times that, so we're not small. Amongst the high-end audio manufacturers, I've always looked at ourselves as one of the bigger ones – not the biggest by any stretch, but not one of the 'mom and pop' ones at all. We've got quality competitors like McIntosh that are much bigger, and we know that! When you're a growing company, you cross certain 'invisible barriers', and you only know this has happened when you do it. Sometimes the action is you need to take create new positions, sometimes it's more about material requirements, and sometimes it's finance – you need to spend more money here or there."

He adds: "One thing we always tried to project through all this are the values of our company – and one of the best ways we can do that is through the products that we sell. Trying to maintain consistency of image is something that eludes so many companies as they grow; it begins to dilute after time – the corporate mentality begins to kick in. We want to keep our 'family value' type image in terms of who we are as a Canadian home-grown company. We are proud of that."

Costa is clear about one of the key reasons for Simaudio's success. "We're lucky that we are a privately held corporation, and we have always been, and that lets us have full control of where we are going." And where it is going is a function of where it came from. After **Victor Sima** founded the company in 1980, he retired and sold it in 1994 to **Jean Poulin**. He, in turn, put a lot more money into research and development to help it grow further. In 2013, he retired and sold the company to three people, Costa being one of them...

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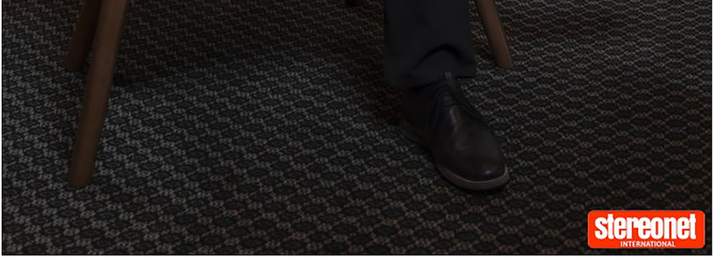

Thierry Dufour

“He sold it to myself, **Thierry Dufour** – who was our chief engineer – and newcomer **Louis Lemire,** who sadly passed away two years ago”, Costa tells me. “Under the three of us, leading and owning the company, we’ve expanded its technology while staying true to our values. We've particularly progressed in network playback and now new amplifier circuit designs.
When **Louis** passed away we had to reorganise the company, and **Thierry** took on the general manager’s role and is now president. All the designs we've done since have been done in such a way that we don't have **Thierry** as our chief engineer anymore – instead, it's a collaborative effort. He does have an eye on engineering, however, whereas I'm obviously more customer-facing.”

He continues: “A number of us have been here for many, many years. **Thierry** has been with the company for twenty-eight years, and our product director **Dominique Poupart** has been here for twenty-three, I would say. Between the three of us and our CCO, **Etienne Gautier**, we make sure that the philosophy of design does not change – we are happy that we have all checkpoints in place to ensure that while preserving and exuding the passion and values that have always been key identifying aspects of the MOON brand.”

In my opinion, it's this rootedness that has given Simaudio an edge. Many organisations of this age and size have the gnarly problem of retaining the magic that made them special in the first place. “I would think that most companies in our industry have never wanted to change the way they've done things from their own beginnings”, says **Costa**. “But I think that a lot of it is fate. If the next generation of ownership happens to be a big foreign holding company that comes along and buys you, you may have a very hard time maintaining your original philosophy. They're going to likely put a substantial emphasis on profit above all else. With us, every time the company has changed hands, it has always been internally. Therefore, we have been able to maintain our philosophy. A lot of it has been fate and luck for us, so we're both lucky and happy!”

Costa continues: “We've seen in our industry how many brands have been grouped together under big umbrella companies, if you will, and there are some potential benefits to that. But probably the biggest threat to each individual company is maintaining their identity, they end up changing their philosophy of design, and they end up losing their individual customer base and in extreme cases, their entire original identity.” The MOON range has tried to stay true to its founding philosophy of a consistent sonic voice allied to value for money. Rather than flirting from one audio fad to another, it has proven to be grounded with a clear sense of its own identity and path. Private ownership means that it we are able to do this, he underlines…

“When you move up the MOON product range, you should get more of everything you liked in the smaller model”, he explains. “There are a lot of brands out there whose sonic flavour changes when you move up their product range. In such cases, the customer often prefers the cheaper model over the more expensive one – and may even say that the more expensive one sounds so different that it could come from another company. With our products, we don't generally get that kind of comment. The benefit of that is that customers become more loyal to the brand because if we have the type of sound that we like, they tend to stick with us.”

Costa worked in hi-fi retail for a period in his earlier life and observes that good sound allied to consistency of approach is soon picked up upon by hi-fi buyers. “I've sold many different brands – American, Japanese, British, some oddball European – and we have to pay homage to the roots of the high-end audio industry. We have to salute the UK because so much of the passion originates from there. Contrast the British approach to the Japanese when it was all about specification. The Brits set out to design simpler things with shorter signal paths that sounded better. They paved the way for a lot of the other companies along the way and had much influence on our history.”

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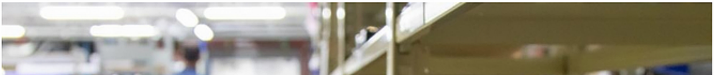
DO IT YOURSELF

Another thing that's been key to the company's success to date is its manufacturing philosophy. He says that local build is important because it gives almost complete control over what's being made and the quality that's being achieved. Done this way, the buck stops with them. "We start at $2,400 US for a 250i v2 integrated amplifier, and then of course we go up to the stratosphere with the 888s and 850P at the other end. Likewise, with our digital products, we make the 280D streaming DAC, which is $3,900 US, and at the other end of the extreme we have the 891, which is part of the North Collection, which is a whopping $25,000."

Costa adds that the company has its own machine shop, so does not sub-contract out as much as its competitors. "That allows better cost control – which allows us to pass the savings on to the customer at the end of the day. We do contract out the paintwork, but everything else, even the circuitboards, surface mount technology, soldering of the boards, etc., is done here. It's great to have this level of control, as when we want to make changes in production, we can do it on a dime, stop it and make a change if we need to."



It's here that MOON products can take advantage of the very latest production processes. "You can do things today that you couldn't do a decade ago," says Costa. "The types of semiconductors available have improved, our circuit designs have evolved, the quality of DACs have improved, and the multiple four- or even eight-layer circuit boards that we use all allow us to integrate design more effectively and keep the signal paths as short as possible. At the same time, we can also minimise interference between the circuits. An optimised design, both in electronic and physical layout will improve reliability and sound quality."

For **Costa**, it is important that all MOON products – aside from one loudspeaker – are made in Canada. "Perhaps for us the most important thing of all is the brand identity. To pay that top dollar from a company like us and then to learn it was made in Asia, well it could kill us. I cannot overstate the amount of damage it could possibly do to our reputation, it could be devastating. One of the most important identifying characteristics of the MOON brand is that all our electronics (products) are made in Canada."

He continues: "The competitive advantage of price is now closing because freight costs have sky-rocketed, and things are more regulated. So those who have moved to China (for example) have to be very strategic because that gap is closing. I know at least one company that has gone there and then come back to Canada. As for our Voice 22 loudspeaker, we have forged a great relationship with SB Acoustics, who have an excellent manufacturing facility in Indonesia – which also makes speakers for other very well-known names too. The Voice 22 was designed in-house, but when it comes to manufacturing, we simply can't build it because – for one – we work with aluminium, not wood."

Even the most basic MOON products are manufactured in the same way as the high-end pieces. "The way we build our entry-level stuff, we don't have a double standard. In other words, when we build ten 250i v2 integrated amplifiers, it's possible that right next to them are some of our top-level products. The design is such that much of the cost of 250i v2 in manufacturing is in the parts, and not in the labour. It's actually pretty quick to assemble, and it is designed to be that way, so it doesn't need to spend six thousand hours in quality control! We developed intelligent and efficient assembly techniques so we can spend more money on the component parts. The efficiency is tied with reliability in all our processes, so we can confidently offer our ten-year warranty."

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MAKING MUSIC

As with all major specialist hi-fi manufacturers, Simaudio faces a constantly changing market space – with a number of factors it has to keep in mind. "When it comes to electronic design," **Costa** explains, "a product that generates a lot of heat uses a lot of electricity and that uses up our natural resources – so that certainly is a problem. That's why we are exploring other methods of amplification like Class D. It's not in our products yet, but as I mentioned earlier some proprietary variant of it may find its way in one day, we'll see. We already design our amplifiers so that they run much cooler than the vast majority of our competition, so they're Class AB designs and not Class A. In fact, we get a lot of positive feedback about just how cool our amplifiers run."

Technology is a challenge in itself, due to constant change. Often this is for relatively insignificant reasons such as international standards and compliance, or simply where the market is going. Costa points out: "We have a fairly large research and development team, but there still problems we need to overcome, such as technology licensing issues that cost money, or other concerns like complex issues related to network playback. For example, there are so many things that are related to the network that we can't control, but we still mysteriously have to be one hundred percent compatible with everything. It's a lot of time spent on designing, testing and adjusting for things that we would never have anticipated. These are challenges that we wouldn't have had twenty-five years ago."

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The recent global pandemic exposed another problem that all consumer electronics manufacturers have to grapple with – supply chain issues. **Costa** says: "We have overcome many of them because we do most manufacturing here, and use custom parts made in large quantities, and order them a long time in advance. We do have economies of scale. But it's still ultimately beyond our control. For example, when we designed our 390 network player preamp – one of our best-selling products – it had HDMI connectivity. During Covid a particular chip became next to unobtainable, so we had to take a step back, reprogram it with new firmware to operate without HDMI, so we could continue to sell it. And then when that chip becomes available again we can begin offering it again. So these are technological problems made worse by supply chain issues – there are things that are out of our control, and we just have to adjust as best we can."

The development process behind any MOON product is long and methodical. After all supply and manufacturing issues have been surmounted, then it's a case of making working prototypes. These have to be carefully measured and then listened to over an extended period. "And after we've abused the daylights out of it, beyond any type of typical use in a home" as he so delicately puts it, "we need to take it back to the lab and measure it again – and look for design weaknesses. Then it goes back to the listening room for further testing." He adds that it's normal to do multiple prototypes with slightly different revisions in the circuitry, and these are exhaustively auditioned to decide which is best. So from the prototyping stage to production, there's a big gap with lots of pre-testing. "We also take pre-production samples home for an extended period to see how we like them, in other words to live with them just like the end-user will, and look for bugs, before finally fixing everything. Once all that is accomplished, then it finally goes into production."

INTO THE FUTURE

Costa says that sales volumes of MOON products are now well into eight figures, with the brand breaking that barrier just a few years ago. He says the USA is the single biggest market, and then it's divided in a comparable way between Canada and China. Although maintaining its commitment to no-compromise hi-fi separates, the company is now widening its range to appeal to a broader cross-section of buyers. "I would say that a decade ago or more," he explains, "the typical MOON buyer was older, but we've been working to bring that average age group down – to expose younger people to our brand."

Affordable products that appeal to audiophiles, such as the 250i v2 integrated amplifier, 280D streaming DAC and 110LP phono stage, are what **Costa** calls "gateways" to the brand. "They're your first "hit", so to speak. And we've noticed that with the North Collection – which depicts the six new products which we view as the next generation of MOON products – they are highly integrated, multi-tasking designs. The 791 and 891 streaming preamps, for example, have a network player, analogue preamp, DAC, HDMI connectivity and phono stage built-in. But if you remove the cost constraints then our ultimate separates are still the best from us – the 850P is still king as far an analogue preamplifier is still concerned, along with the 888 monaural amplifiers."

Sadly for **Costa Koulisakis**, there aren't any cassette decks in the forthcoming MOON line-up, but you could say that the brand is concentrating on products that have a similarly broad appeal to contemporary consumers, in the same way that tape decks did to music lovers a generation or so ago. At the same time, he assures me that this popular Canadian hi-fi marque has absolutely no intention of letting go of its purist, specialist hi-fi past.