



Northern Light

Mikal Dreggevik is one hi-fi's rising stars right now, with a passion that shines through when you talk to him. David Price meets Electrocompaniet's main man in his native Norway...

In today's austere economic climate, there's little good news emanating from manufacturing industry – and this picture seems to be universally bad across the whole of western Europe. Right now, no one making hi-fi is having fun...

Well, maybe Mikal Dreggevik is the exception that proves the rule. As the head of Electrocompaniet, for the past five years, he has presided over one of hi-fi's few recent success stories – and all from the high wage, high tax, high cost economy of Norway. Running counter to the current fashion, he has not outsourced his production to China or the Far East; instead he's skillfully grown the business up to one hundred plus employees, and won all number of prizes along the way...

Like all successful captains of industry, he is an energetic soul – smiling and positive - yet he exudes a sense of inner calm too. Whilst the mid November weather in Stavanger [pictured below left] on Norway's beautiful South West coast was icy, the tall blond Dreggevik is not. Indeed he displays a childlike enthusiasm for what he's doing...

"As a kid I had older brothers that owned

their own hi-fi systems," he tells me, "and it soon became a dream of mine to have my own. As my brothers upgraded their systems I would inherit their old and outdated components. I also built my own loudspeakers. But it wasn't until my (Lutheran church) confirmation at the age of fifteen that I had the means to buy my own real stereo. Indeed, my parents were a bit frustrated that I spent all gift money on a hi-fi. It has been a passion ever since."

Well quite, because Mikal's passion for audio was so enduring that, nearly three decades later, it saw him buying his country's most illustrious hi-fi brand. In 2004 he became owner of Electrocompaniet, and injected a new sense of focus and purpose into what was a respected if rather sedentary hi-fi marque. And amusingly, he bought the company itself as a direct result of buying the company's top system!

Thanks to his love of music from an early age, he had been – like many reading this – on his own personal odyssey to get the sound he craved. "I started playing various instruments at an early age", says Mikal. That brought me through many different types of music, from classical to rock. Today, I don't play any more, but have learned to enjoy a wide range of music. My favourite changes through the year, and also after my personal mode. Typically, in the weeks before Christmas, Handel's 'Messiah' is my



favourite. But if you want me to give you just one name, then without question it is Pink Floyd. And for me, Roger Waters or David Gilmour doing their own version of Pink Floyd has the same standing or is even better."

His purchase of Electrocompaniet didn't come by accident, but by having made his fortune with Westcontrol [pictured above right] – an avionics defence contractor, supplying a number of militaries including Britain's Royal Air Force. He started this company by himself, back in 1994.

"In the beginning it was just me, doing everything from design, electronics, programming, and paperwork. Now, Westcontrol is ostensibly a research and development company with its own factory for production and assembling. We like to use the phrase "system house", which in Norwegian terms is a company doing everything from idea to product. So we do development, prototype, beta series and volume production in the same company. We cover a wide range of analogue and digital electronics. Examples include radio communication systems used in helicopters – the RAF has several products installed in their own choppers. We do different types of sensors, vision

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systems, servo systems, etcetera.”

In the UK, Electrocompaniet is a relatively enigmatic name, associated by some audiophiles with clean sounding transistor power amplifiers stretching as far back as the nineteen seventies. In its native Norway however, the marque needs no introduction - it was the Electrocompaniet '2 Channel Audio Power Amplifier' that started the company's success. The result of a paper presented to a 1973 AES conference, which presented the idea of transient Intermodulation distortion (TIM), the story goes that Norwegian record producer Svein Erik Børja took this concept to Electrocompaniet, who refined it and produced a transistor amplifier designed to eliminate this type of distortion. The company duly made a name for itself, and built up its business to get the product into over forty countries worldwide.

After this early success, the company failed to capitalise on the momentum, and it wasn't until Dreggevik got involved five years ago that things started pushing forward again, allied with its powerful sister company Westcontrol. Mikal takes up the story, "Electrocompaniet started from the simple idea that it was possible to make a better sounding amplifier than was available on the market, back in the mid nineteen seventies. 'Close the gap to the master' has been the company's slogan for many years, and for me it encapsulates both the spirit and the style of the company."

Asked to describe the most important early Electrocompaniet product, he's convinced it is the iconic 25W amplifier launched in 1977. "A lot of people still speak about this, as one of the most significant in the history of high end. It was a technical breakthrough, and the sound was marvellous. In many ways, this product is the foundation of the brand name Electrocompaniet. I bought the company in December 2004, simply because I loved the product, and also because there was a perfect synergy with Westcontrol. I had been a customer of Electrocompaniet, and had the

products in my living room, in use every day!"

The association with Westcontrol is what really gives Electrocompaniet an edge, he tells me. "It works very well, because the former has a strong R&D department covering analogue and digital techniques at an advanced level, along with a modern factory. This of course is allied to over thirty years experience on the audiophile engineering side from the latter. It's very difficult for many high end companies to have all the necessary resources available on a daily basis, so by combining the two companies' research and development centre, we can have a lot more engineers employed than if Electrocompaniet was a separate unit. Westcontrol has a reputation as one of the most innovative companies of its type in Norway, with all types of qualification standards, covering ISO900, Aviation and military specification."

Electrocompaniet is based in the Stavanger area of Norway, known locally as its 'petro-capital' thanks to the country's highly lucrative oil industry. Although an industrial area, in typically Norwegian style it's very tidy and the city itself, the country's third largest, is very pretty. Anyone who's been to the Highlands of Scotland will get a familiar feeling - expansive 360 panoramic views, crisp air and a sense of wonder at the great outdoors. Set just a few kilometres out from Stavanger town is the factory, a fairly conventional looking affair but with one key difference. When I visited, there were heavy earth movers at work outside, cutting their way through the rock behind the factory to make a massive extension. Electrocompaniet is growing...

Given the prevailing economic circumstances, isn't it surprising that a high end hi-fi company can succeed - especially with the high wages and high taxes he has to pay? Mikal disagrees. "When you want production in Northern Europe, you need a modern factory, with robots doing most of the work. At our factory we have for the last ten years focused and worked hard with this. This type of production is less influenced by the labour cost. We find that with modern construction in a modern factory we are able to compete with the cost from the east, including China. But we have the benefit of in-house quality control. All our products are made in Norway and this is in fact a more and more valuable situation for us. There is less and less product made in the West today, and we use 'Made in Norway' as part of the product's very identity."

Electrocompaniet now has two main focuses. It is pushing hard to update its high end range. Whilst some amplifiers have been in production, largely unchanged for a great many years - underlining the basic rightness of the design

- there's a need for other new products which Mikal is working on now. But he's also very excited by what he calls "an exclusive new lifestyle series". These more accessible, 'plug and play' products are striking visually yet show great engineering depth and imagination. "With these in place, we will be competing in different areas of the market against new rivals - but I don't want to wake them up by giving out their name! By and large, they are makers of terrible sounding systems, sold to people that have never had the chance to listen to high end systems. Our goal is to get customers from this market, rather than just take ever more from the limited number of customers 'inside' the high end arena", he tells me.

Although something of an Anglophile (he spends much of his time in the UK and for some unfathomable reason is a lifetime supporter of Leeds United football club), I can sense that Mikal is very proud of his Norwegian roots. The country has staged something of a renaissance in recent years, and I think he's happy that the return of Electrocompaniet is one part of it. Not just to show his Scandinavian neighbours that Denmark isn't the sole superpower in consumer audio electronics (he has a watchful eye on the output of Bang & Olufsen), but to show the world that the country has a place in international high end hi-fi.

With over one hundred employees and a growing factory, plus a range of impressive new products coming up, Electrocompaniet doesn't look set to easily give up its status as Norway's largest hi-fi maker. Dreggevik is ambitious for Electrocompaniet, and senses the changing market. "The synergy with Westcontrol means we have a far bigger development team than is normal for a high end company the same size as Electrocompaniet. We want to be one of the major actors in the high end market - this is the goal and we will continue to focus on the best product, with the best quality, with the best possible service."



ELECTROCOMPANIET
www.electrocompaniet.no

NORWEGIAN GOOD - MIKAL'S HOME HI-FI.

"One year ago we designed a two channel 450 Watt system that can be automatically reconfigured to give 5x120W. This plays SACD, CD and DVD, with very good upscaling for the latter. We have the system installed in the living room, and that gives me the possibilities to play music in stereo when I want, but I can also share the system with the rest of the family for movies - and it sounds much better than in the cinema. I am running an EMP-1 universal disc player for CD, SACD and DVDs, via a EC4.9 preamplifier and two AW120-M monoblock power amplifiers. Speakers are the Nordic Tone 1, with a PSF-1 for the rear and centre."



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