

SPECIAL FEATURE: CANADA - MARKET FOR GROWTH

OCTOBER 2008

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BY ANDY ADAMS

PLANNING 2009

In the last Insight column, I commented on how the US market was on a roller coaster and that the drama would continue for a while. Since then, the stock market has dropped nearly a thousand points; just yesterday, the US government announced a bailout plan of such monumental proportions that the market is back up by 700 points today.

We have also been very concerned about gas prices. Today, unleaded is \$1.27 in our little town north of Toronto while in the GTA, it's down to \$1.12. This signals an unexpected break from high prices. By the same token, investors are certain to be feeling a sense of relief but the stock market bailout may be the last act of the Bush administration, saddling future American governments with new debt that may be in the trillions of dollars.

If you feel that it's tough gaining insights into how to help your business succeed, imagine being Dusty McCoy, chairman and chief executive officer of Brunswick Corporation. *Boating Industry Canada* will be interviewing Dusty McCoy for our next issue. Stay tuned to hear what he has to say about the future of the recreational industry and in particular Brunswick's marine business here in Canada.

Canada has been a bright spot for Brunswick. In a brief meeting with McCoy, he said that Canada was a very important market for Brunswick and to prove it, he offered to set up this in-depth interview. With Mercury Canada moving into a new larger facility and Marcel Dubois being replaced as the president of Princecraft boats by Donald Dubois (see page 28), Brunswick has lots going on in Canada.

Anecdotal evidence so far suggests that the Canadian marine industry has enjoyed a good summer, especially considering cool and rainy weather in the early part of the season. It's possible that the bad weather may have helped to moderate a potential future problem.

Some industry experts were concerned that the combination of low interest rates and the high value of the Canadian dollar could result in huge 2008 sales as Canadians accelerated their future boat purchase plans to take advantage of the high dollar and low interest rates. We could have a great year in '08 at the expense of '09 and even 2010 sales.

Hopefully that hasn't happened because a lot of tremendous new product developments are on the way.

In the last issue *Boating Industry Canada* we wrote about catalytic converters (Is There a Cat In Your Future?). Now, the EPA has announced they have adopted California's emissions standards and catalytic converters may be the only way to meet the levels, particularly for carbon monoxide. It turns out that even outboards and lawn mowers will now have to meet the new standards. Controlling carbon monoxide emissions is a very worthwhile goal but adding catalytic converters to little outboards and lawn mowers will certainly be a challenge for the industry, especially the outboard engine manufacturers. Expect better and safer products but lots of development costs.

Perhaps one of the most valuable pieces of learning and insight included in this issue is hidden between the lines of our Impact story on Jerry Huck of Ed Huck Marine Ltd., in the Thousand Islands on Lake Ontario. This enduringly successful marina has new and used boat sales, yacht brokerage, international brokerage connections, a dry slip building, a wet slip marina for seasonal and transient boaters, new slip accommodations for vessels up to 60 feet, a newly expanded service facility, an attractive store selling parts, accessories and clothing and a carefully articulated business strategy addressing their reliable core market of Thousand Island cottagers first and adding other services in layers to ensure that the marina is best positioned to take advantage of, or to withstand the ups and downs of just about any market force.

Who knows what the future will bring but you can rely on *Boating Industry Canada* to bring you Dusty McCoy's version of the future according to Brunswick in the next issue. Stay tuned!



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CONTENTS

VOLUME 5 ■ NUMBER 5 ■ OCTOBER 2008



6



12

18



Features

NEW – THE BOAT SHOP

6

Introducing an Important New Section - This Issue: Favourite Tools

RESEARCH: CANADA – MARKET FOR GROWTH

12

New Marine Industry Research - Changes from 2006 to 2007

PRODUCTS AND INNOVATION

18

Sea-Doo Puts The "Brakes" on Personal Watercraft

ADVERTISING

25

Ad Nauseum – Should You Advertise in a Downturn?



On the Cover: Marcel Dubois announces his retirement from Princecraft boats. Marcel (centre) is seen here with new Princecraft president Donald Dubois (left) and Dusty McCoy, (right) chairman and CEO of Brunswick Corporation. See Industry News on Page 28.

Departments

Insight	3
Impact	22
Industry News	29
Forum	30

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Why “The Boat Shop”

An Exciting New Series for Builders, Repair and Refit Professionals

By GLEN CAIRNS

Welcome to our new *Boating Industry Canada* editorial series, “The Boat Shop”.

This feature will bring an important new focus to the many issues facing the shop owner today. Your own ideas and input are welcome, too. Tell us what you want to see in *Boating Industry Canada* to benefit your service shop, boatyard or boatbuilding business. If you don't agree with the suggestions we are making, let us know that too. Share a “better way” if you know one and join us in keeping the boat shop business in Canada a bright and vibrant industry. In future issues, we will discuss products that can help

improve productivity for your shop and deliver ideas that successful yards are willing to share.

I've spent the last 30 or so years in various sectors of the marine business, mostly here in Nova Scotia. During that time I've managed to step into most of the gopher holes (and still do). Some of that experience will hopefully prove useful to you. Since 2000, I've been affiliated with the Nova Scotia Boat Builders Association (NSBA) both as a member and also as a consultant. The NSBA represents a coming together of the Maritime boat building industry and has been instrumental in enabling members

to realize their need to cooperate in order to survive. The association has organized training sessions and has set up the Boat Builder Apprenticeship Training Program with the Nova Scotia government and in getting Boat Builder recognized as a designated trade.

If a region has a reputation for quality, then everyone there benefits. Just look at the success of the Netherlands' yacht building industry. I'd guess there are few places in the world more expensive for the production or refit of yachts, yet some of the world's most impressive new vessels and most extensive rebuilds come from there.



Whether you are doing it the old-fashioned way building wooden boats or you are running a fiberglass assembly line, The Boat Shop is a new editorial series that will have real value for your business.

No doubt most of us must deal with price conscious owners, but productivity and quality are the keys, rather than low price. We all know of the owner who thinks nothing of paying his Lexus dealer \$90 per hour to change his oil, but expects the dings on his \$300,000 boat to be repaired on the cheap.

Times are tough and likely to get tougher: oil prices, exchange rates, general economic uncertainty, to say nothing of the potential carbon tax. We won't dwell on the bad news, but instead try to focus on where there is light. With new challenges come new opportunities. One obvious point is: boats don't go away anymore, at least not as fast or as gracefully as they used to. As a result of massive growth in boat production over the last 30 or so years, there is a huge inventory of used boats. This may not be good news for manufacturers, but it means potential growth for the restoration, refit and repair business. As the cost of new product continues to increase, the door for remanufacturing reopens.

Here is a good example of a company finding a niche market of renewing old boats to meet a local demand. On Nova Scotia's south shore near the village of Chester, a company has been taking tired 1960s and 70s vintage Bluenose Class Sloops and completely redoing them for the local market, where there is a vibrant racing fleet. Although completely renewed, these boats still cost considerably less than a new boat. If remanufacturing is to be successful, the boats need to have been good boats in the first place, usually of a somewhat classic design. Often, as in the case of the Bluenose Sloop, the boat is associated with a particular region. In Florida for example, refinishing old Bertrams is a successful enterprise. Hopefully, we will track down a few other yards that are doing the same sort of work.

The appreciation of the Canadian dollar has been hard on manufacturers. But most are adjusting and the effect on the refit and repair business is minimal. Charlie Bulmer at CC Marine recently said to *Boating Industry Canada*, "Our business has



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[THE BOAT SHOP]



never gone down year over year, even once, even when the industry has a big downturn. That's because people still take a vacation. They still want to go boating and if they can't buy a new boat, they wind up fixing their old one."

Although the dollar is close to par today, repair yards and storage in the US, especially in areas close to the Canadian border such as New England and Washington State, as well as the Great Lakes, is very expensive. This means that Canadian side re-fit, repair and storage can be attractive to US clients. Customs regulations don't help, but if work is to be performed, boats can winter in Canada. In Nova Scotia, we see more US yachts coming here for work and this is definitely an area with great potential for growth. Philbrooks Boat Yard in Sidney, BC, is an example of a large yard with the capacity to undertake large jobs up to 120'. (See *Boating Industry Canada*, December 2007 at www.boating-industry.ca and click Read Online, December 2007, page 25). Located close to the US market, they take advantage of the tight supply situation south of the border to offer a competitive advantage for their US customers.

A critical step for even very small fiberglass shops will be moving to closed from open molding. We will explore adhesives, epoxy and repair techniques. The next issue will feature

the highlights from the 2008 IBEX show where the latest products and innovations will be on display.

In upcoming issues, watch for stories on two innovative and successful small shops. One has doubled its sales in the past 12 months with improved marketing while the other has increased sales by becoming part of the entertainment at a major new resort! We will tackle issues about your property and your building, local bylaws, ideas for efficient layout and organization; cost-effective parts inventory systems and new techniques as well.

Our first article highlights two unique tools you may not yet have in your toolbox.

FEIN TOOLS-MULTIMASTER

As the stock of recreational boats ages, one job that's popping up more frequently is remov-

ing a worn out teak deck. This can be time consuming, dirty and frustrating work. Old boats don't give up their leaking decks without a fight. Sometimes the teak will

be replaced with new, glued not screwed, teak, or a new glass deck put in its place.

There are no magic cures, but Fein Power Tools has a product that will go a long way to making the job easier. The Fein Multimaster is a new product from this well-known company. They offer a wide range of adapters for their tools that address many boat shop applications.

In the case of the old teak deck, the cutting tool adapters allow for cutting out the recesses between planks and smaller mini cut tools allow you to get into the tightest corners.

The Multimaster's selection of sanding adapters means that awkward corners are accessible and precise trim can be done with confidence. The use of oscillation technology allows the accessory to cut or sand with a frequency of up to 21,000 per minute along a minimal arc of 3.2 angular degrees. This makes for very smooth operation and great versatility.

The company claims that this high oscillation frequency means there is no kick-back in tight corners, very little pressure is required and the tool does not move on its own. This should also be a very safe tool to use, another important factor to the small shop owner.

Fein Power Tools has a worldwide reputation going back 40 years and they offer this Multimaster in four different packages:

The Multimaster START is targeted to beginners while other models add features up to the Multimaster TOP EXTRA including the FEIN DUSTEX II system for dust extraction, an important feature for shop safety.

The Multimaster's performance with wood, fiberglass and carbon fiber means a reduction in time-consuming handwork that might just make it your next new favourite tool.

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[THE BOAT SHOP]



grade screws can be a cause of this but so can the use of the wrong tools.

When doing refit repairs we are always sure to use the best 316 stainless fasteners to endure no bleeding stains. However, the usual carbon steel screwdriver can leave small deposits on the fasteners that can cause cross-contamination and result in unsightly rust stains. The only way to be sure this doesn't happen is to use a stainless steel screwdriver.

In the past, stainless steel was considered too soft to be used in tools such as screwdrivers. However, Wera has developed a process to overcome the shortcomings of stainless. Its technique, known technically as "cryogenic construction", is a vacuum ice-hardening process done at very low temperatures.

This tempers the steel in a gasless chamber and results in stainless steel that has the necessary hardness and flexibility to be used in screwdrivers.

This process was developed at considerable expense by Wera at their laboratory in Wuppertal, Germany and it has allowed them to offer the Kraftform Stainless Steel screwdrivers, L-keys, screwdriver bits and the Rapidaptor Stainless steel bit holder. These tools eliminate cross-contamination and the potential for rust.



This new line of screwdrivers comes with comfortable ergonomic handles and a special micro-rough Lasertip to help prevent slippage. The Lasertip consists of extremely rough laser-cut crevices, which "bite" into the screw head and hold it firmly. Stainless steel tools need to be stored separately from your carbon steel hand tools in their own containers and should only be used with stainless fasteners.

The Wera tools come with a plastic storage case for protection. There's no question that some care has to be taken with these tools, but it's these small steps that can differentiate your shop from others. These tools would make excellent safety rewards for your staff and they can also be promoted to the boating public as an essential component of an onboard tool kit.

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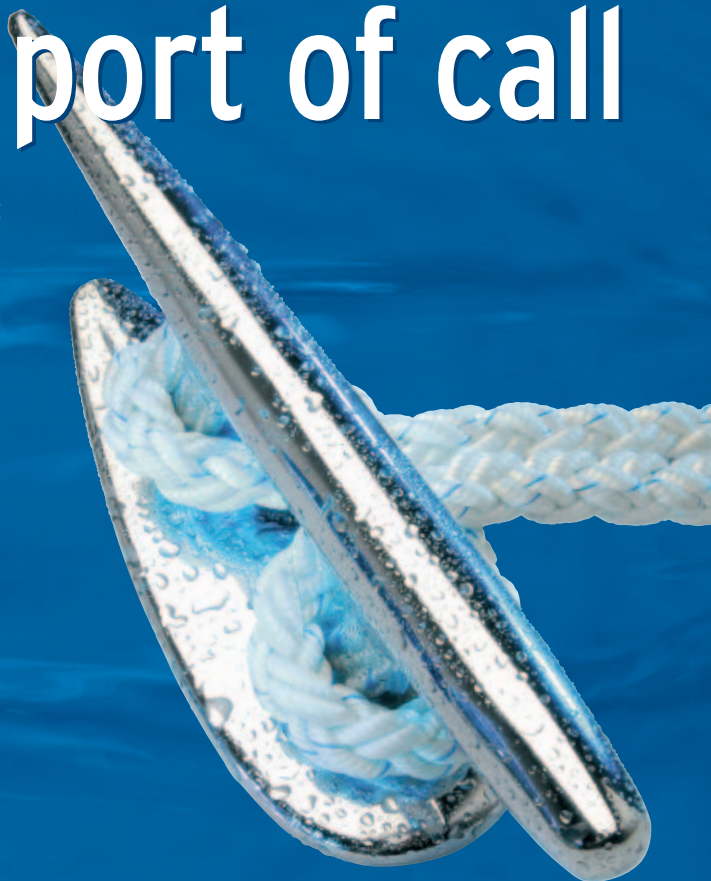
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Canadian Marine Industry Data: 2006-2007

BY ANDY ADAMS AND JOHN KERR

In the June 2007 issue of *Boating Industry Canada*, our parent company, Kerrwil Publications Limited presented a broad spectrum of important Canadian marine industry business data for the purpose of setting benchmarks, challenging the norms and promoting the Canadian market and its capabilities. Providing research and information to the industries we serve has been a driving principle behind the Kerrwil organization since it was founded in 1964.

Research data has never been more important. The Canadian market has proven to be a market for growth for many major US marine businesses as well as for some companies in Europe. Canada has done well this year but there is uncertainty about how to plan 2009.

We are now facing more sudden and more dramatic shifts in the business resulting from the transition to the global economy – predicted for so long and now coming into sharp focus.

Dramatic growth and development in India, China and throughout Russia has

been a powerful global economic stimulus and the relentless driver behind price rises in commodities of all kinds – especially for petroleum. This has created an attractive climate for speculators further driving prices up.

At the same time, the value of the US dollar has been declining. More recently, the American domestic sub-prime mortgage crisis has resulted in precipitous declines in US real estate values, particularly in Florida, Michigan and California – all major boating industry markets. The erosion in home values and rising mortgage foreclosure rates have made the American consumer feel less affluent while simultaneously causing a tightening in credit availability.

US government bail-outs for mortgage holders Fannie and Freddie, the (pending) purchases of Merrill Lynch by Bank of America and of Lehman Brothers by Barclay's Capital is not likely to be the end of the problems south of the border.

This has hit boat sales hard in America but the ripple effects are far-reaching.

TABLE 1: BOAT COVERS, CANVAS AND UPHOLSTERY

	2006	2007	% Change
Total Firms Reporting	452	423	
SALES (\$)			
Largest Sales Volume	30,000,000	28,750,000	
Smallest Sales Volume	125,000	135,000	
Average Sales Volume	1,075,734	1,043,654	
Median Sales Volume	15,062,500	14,442,500	
Total Sector Sales Volume	496,989,000	441,465,642	-11.17
EMPLOYEE SIZE			
Total Employees in Sector	1,637	1,575	
Largest Employee Size	150	135	
Smallest Employee Size	1	1	
Average Employee Size	3.54	3.23	
Median Employee Size	75.5	75.5	
Revenues per Employee (\$)	303,597	280,296	

TABLE 2: BOAT COVERS EXCLUSIVELY

	2006	2007	% Change
Total Firms Reporting	212	198	
SALES (\$)			
Largest Sales Volume	1,989,000	2,800,567	
Smallest Sales Volume	125,000	135,000	
Average Sales Volume	1,445,261	1,579,545	
Median Sales Volume	1,057,000	1,467,784	
Total Sector Sales Volume	304,950,000	312,750,000	+2.56
EMPLOYEE SIZE			
Total Employees in Sector	789	737	
Largest Employee Size	8	9	
Smallest Employee Size	2	1	
Average Employee Size	3.74	3.53	
Median Employee Size	5	5	
Revenues per Employee (\$)	386,502	424,355	

TABLE 3: SAILMAKERS

	2006	2007	% Change
Total Firms Reporting	42	38	
SALES (\$)			
Largest Sales Volume	5,303,000	5,678,000	
Smallest Sales Volume	204,000	258,988	
Average Sales Volume	1,096,049	1,176,000	
Median Sales Volume	2,753,500	2,968,494	
Total Sector Sales Volume	44,938,000	44,688,000	-0.55
EMPLOYEE SIZE			
Total Employees in Sector	217	198	
Largest Employee Size	26	22	
Smallest Employee Size	1	1	
Average Employee Size	5.39	5.21	
Median Employee Size	13.5	11.5	
Revenues per Employee (\$)	1,069,952	1,176,000	



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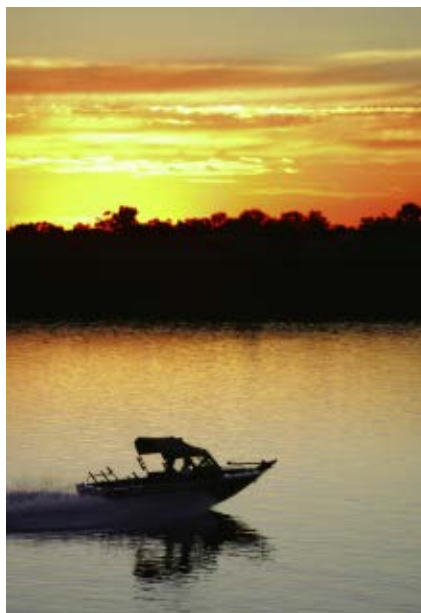
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In lockstep with the rapid escalation in retail gasoline prices, American consumers have turned away from powerful big vehicles like pickup trucks and sport utilities in search of more economical transportation. General Motors, Ford and Chrysler have all benefited greatly from booming sales in these highly profitable vehicles over the past five years but many of those vehicles were leased. The residual values of those vehicles as they come off lease are much lower than anticipated. As a result, General Motors is now getting out of leasing altogether and the market is flooded with bargain priced late-model used vehicles.

The US "big three" automakers are all doing badly, closing plants and laying off workers, especially in Michigan, home of "motor city" and also the second biggest US boat market. This drives declines in the marine industry that are sure to drag on nearby Canada.

Long term though, the demographics – especially the affluent baby boom generation that is approaching retirement age in North America – are expected to continue to deliver economic stimulus as will rising affluence in the new markets of India, Asia and Russia.

Making it even more challenging to

TABLE 4: BOAT DEALERS

	2006	2007	% Change
Total Firms Reporting	805	782	
SALES (\$)			
Largest Sales Volume	31,000,000	38,750,980	
Smallest Sales Volume	620,000	578,980	
Average Sales Volume	3,893,914	3,978,667	
Median Sales Volume	15,810,000	19,664,980	
Total Sector Sales Volume	3,286,966,049	3,111,317,594	-5.34
EMPLOYEE SIZE			
Total Employees in Sector	5,372	4,999	
Largest Employee Size	38	36	
Smallest Employee Size	1	2	
Average Employee Size	6.28	6.39	
Median Employee Size	19.5	19	
Revenues per Employee (\$)	4,083,188	3,978,667	

TABLE 5: BOAT EQUIPMENT & SUPPLIES

	2006	2007	% Change
Total Firms Reporting	616	609	
SALES (\$)			
Largest Sales Volume	24,835,500	24,563,450	
Smallest Sales Volume	219,000	257,780	
Average Sales Volume	5,137,000	4,987,657	
Median Sales Volume	12,527,250	12,410,615	
Total Sector Sales Volume	3,168,702,000	3,037,483,113	-4.14
EMPLOYEE SIZE			
Total Employees in Sector	5,979	5,430	
Largest Employee Size	250	239	
Smallest Employee Size	1	2	
Average Employee Size	9.70	8.92	
Median Employee Size	129.85	123.96	
Revenues per Employee (\$)	529,972	559,389	

TABLE 6: BOAT REPAIR

	2006	2007	% Change
Total Firms Reporting	376	322	
SALES (\$)			
Largest Sales Volume	12,105,000	11,456,732	
Smallest Sales Volume	192,000	176,000	
Average Sales Volume	900,339	899,567	
Median Sales Volume	6,148,500	5,816,366	
Total Sector Sales Volume	337,627,000	289,660,574	-14.20
EMPLOYEE SIZE			
Total Employees in Sector	1,403	1,223	
Largest Employee Size	50	39	
Smallest Employee Size	1	1	
Average Employee Size	3.74	3.80	
Median Employee Size	25.5	20	
Revenues per Employee (\$)	897,944	899,567	



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get an accurate "read" on the industry is that the decline in the value of the US dollar is making US products more affordable both at home and in the export market. So much so that some products made in China are watching its price advantages erode. The exchange rate shifts join with the effect of rising fuel prices that impact transportation and shipment of imported goods. North American manufacturers are seeing their products become more viable again.

Perhaps we are facing the start of global market equalization – a process likely to result in tremendous complication where trends are difficult to predict and where a climate of uncertainty becomes the norm.

It can be argued that in such a complicated global marketplace, history is less likely to repeat itself than ever

before, but businesses still need benchmarks to judge their past performance and current position. Planning for the future has never been harder.

This report covers the Canadian marine industry data for 2006 and 2007.

It gives you the big picture. Choose your own market segment and compare your numbers to the industry. This will help you establish some important trends in your planning.

continued on page 28

TABLE 7: MARINAS

	2006	2007	% Change
Total Firms Reporting	2,123	2,197	
SALES (\$)			
Largest Sales Volume	18,158,000	21,345,678	
Smallest Sales Volume	241,000	256,760	
Average Sales Volume	795,670	767,543	
Median Sales Volume	9,199,500	10,801,219	
Total Sector Sales Volume	1,689,207,410	1,686,291,971	-0.17
EMPLOYEE SIZE			
Total Employees in Sector	4,981	4,878	
Largest Employee Size	75	71	
Smallest Employee Size	1	2	
Average Employee Size	5.56	2.22	
Median Employee Size	38.00	36.50	
Revenues per Employee (\$)	339,130	345,693	

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For Canadian enquiries, please contact John Kerr at johnkerr@kerrwil.com.

Sea-Doo Puts the “Brakes” on Canada’s Booming PWC Market

BY CRAIG NICHOLSON, THE INTREPID COTTAGER

This could be the year your personal watercraft customers start thinking seriously about replacing their machines. Why? Because the Sea-Doo 2009 GTX Limited iS 255 and RXT iS 255 personal watercraft (PWC) are destined to transform the way we have fun on the water forever.

Want to stop? Apply the world’s first PWC on-water brake. Rough water? Adjust the marine industry’s only PWC suspension system. Back up? Squeeze the brake lever for reverse and keep both hands on the handlebars for greater control. Fire it up? These Sea-Doo’s stay still until I pressed the throttle, because start-ups always in neutral. Looking for confidence-inspiring control? A powerful brain acts as guardian angel to optimize and control your ride in every condition.

Sound like hyperbole? Not according to Sea-Doo. They’ve embarked on a radical new direction that they hope will absolutely rock the PWC market and wow consumers. And many industry observers are already speculating how Sea-Doo’s revolutionary new PWC technologies could migrate to mainstream boating.

So what’s all the fuss? The new-from-the-water-up BRP claims the 2009 GTX Limited and RXT iS models bring control, performance, comfort and safety to previously unheard of levels, instantly making everyone that climbs aboard a better rider. So discover the future, starting with iControl, that guardian angel mentioned earlier.

iControl is a powerful brain that works behind the scenes to constantly monitor riding variables and systems, manage and control the ride experience, and seamlessly integrate and optimize all technologies. In short, iControl does all

the work so you can relax and enjoy your ride. iControl is the unsung hero that enables Sea-Doo’s major breakthrough innovations.

iControl supports a myriad of new functions including Intelligent Throttle Control (iTc), the first cableless, fully electronic finger throttle for improved response and fuel efficiency. iControl also provides a GPS speedo for super accurate readings, cruise control and a slow idle mode for traveling through no wake zones.

Now take a look at the Intelligent Braking and Reverse system, iBR for short...and boy, does it ever work! Riding these new machines at the BRP introduction in Texas, I found that iBR delivers on-demand stopping, slowing and obstacle avoidance. When I squeezed the new brake lever mounted on the left handlebar, iBR brought my Sea-Doo to a controlled stop at least 100 feet sooner than any other PWC I’ve ridden. What’s more, iBR acts progressively, so the more I squeezed, the more stopping force iControl applied. And unlike land vehicles where jamming on the brakes can cause spinouts or skidding, the Sea-Doo held straight and true to a full stop. Another iBR safety feature is automatic throttle override, so if I inad-



Hood, handlebars, seat and foot wells are suspended above the hull by front and rear arms and a centre Fox shock for 6 inches of travel.

vertently squeezed both levers at once, brake cancels throttle. Then there’s reverse.

No more taking your hand off the handlebars to grope for a side lever! These new Sea-Doo’s always start in and return to neutral; so from neutral, I just squeezed the brake lever for two seconds to select reverse, applied throttle and steered where I wanted to go. It was as easy as backing into a parking space with my car!

As a multi-powersports enthusiast, I’ve grown accustomed to good suspension on my snowmobile and ATV. Not so on the water, where travel could be hard on my body parts and often caused me



Speed Ties are a new integrated and retractable system for mooring lines located fore and aft.

On the fly buttons for VTS and iS on left handlebar; Cruise and Slow Idle Mode on right handlebar. Gauge tilts in synch with handlebars and also note new fuel filler location on left deck.

to avoid PWC riding on windy days. Enter Intelligent Suspension or iS.

iS significantly modifies wave impacts. Sea-Doo has designed an ingenious new deck that's suspended above the hull by front and rear suspension arms and a centre-mounted Fox shock. This allows a full six inches of cushioning between the seat, handlebars and foot wells, and the waves. Best of all, iControl allows iS to be either rider-adjustable on the fly at the push of a button or to automatically adjust to rider weight and changing water conditions.

For me, the benefit was a more comfortable and controlled ride. Impacts aren't totally eliminated, but they sure are dramatically reduced! iS also improved

performance, because the jet intake is in more constant contact with the water, ensuring more continual thrust. iS will enable more people to ride more comfortably, with less fatigue. Additional benefits are that older owners should gain many additional years of PWC riding thanks to iBR, and passengers will really

feel a whole lot more secure.

All this innovation needed a proper home, so Sea-Doo designers and engineers developed their next generation S3 hull. I found this new hull really improved my ride experience. Being able to lean in further on the corners made me feel more in synch with the PWC



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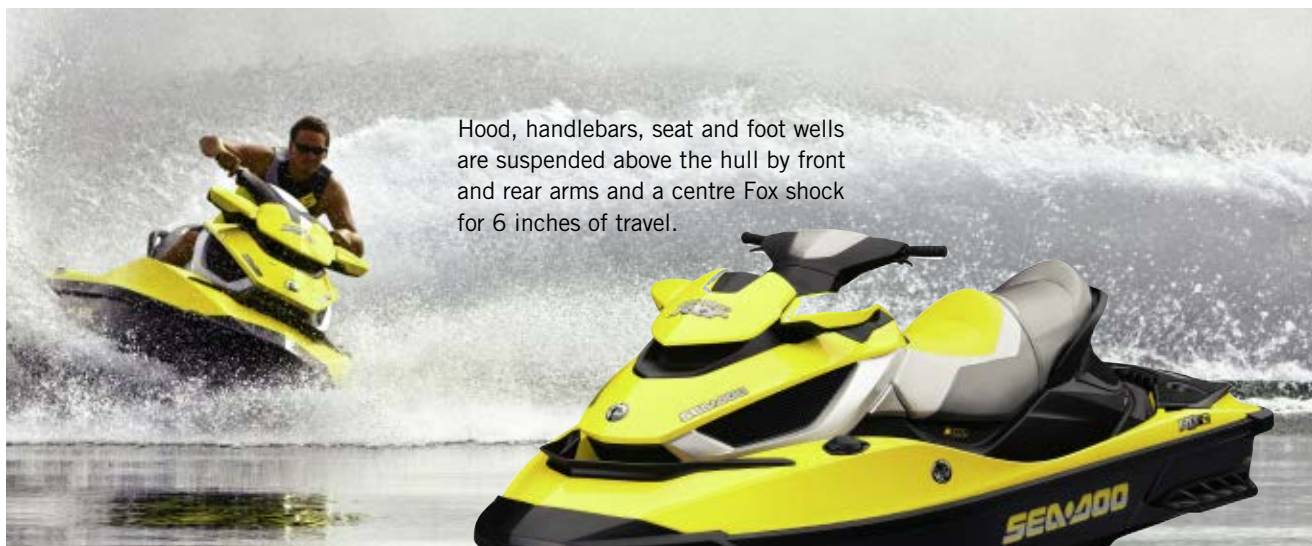
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Hood, handlebars, seat and foot wells are suspended above the hull by front and rear arms and a centre Fox shock for 6 inches of travel.



iS rear suspension arm is visible at the back of the PWC.

and more in control.

S3 stands for stepped, stable and strong and it helps optimize the benefits of iS. While I don't pretend to understand the physics, apparently the stepped areas create low pressure zones that keep the hull glued to the water for less bounce and better cornering. Before iS even kicks in, the improved stability provided by the S3 also makes for a smoother ride. The S3 features a new ribbed construction and molding process that adds substantial strength and durability, while being almost 50 pounds lighter than similar previous models.

If you're like me, by this point all these new technologies begin to boggle the mind. The Sea-Doo 2009 GTX

Limited iS 255 and RXT iS 255 also debut a totally new deck. Besides its distinctively BRP design cues, the new deck design delivers many nifty new convenience features. BRP claims improved tilt steering, with handlebars and info centre gauges raising or lowering together, so the rider can always see the displays.

Next, add in such amenities as Speed Ties which are built-in retractable fore and aft mooring lines; a new hinged seat that always remains secured; a larger rear swim platform with great new grab handles; a relocated fuel filler that is accessible while seated and without removing the trailering cover; and a front mounted splash deflector that kept me dry when I previously wouldn't have been and you can see the effort BRP has put into these new machines.

My only reservation is reduced storage capacity, although for most folks it's probably adequate and well worth the trade-off for an all-around superior PWC.

As an avid PWC rider, I felt the innovations on the Sea-Doo 2009 GTX Limited iS 255 and RXT iS 255 were a dream come true. I especially think they will appeal to many first-time riders and trailer boaters because these Sea-Doos are the safest, most comfortable and most user-friendly PWCs BRP has ever offered. Yes, all these new tech-

nologies are pricey in year one. But, as these features expand across the Sea-Doo watercraft line-up in future model years, they will become both de rigueur and more affordable.

Craig Nicholson is a powersports writer and cottager who rides his Sea-Doo GTX about 2,500 kilometres each summer and tows with a Triton Trailer. Craig is the author of "Canada's Best Snowmobiling — Your Ultimate Ride Guide". His syndicated column "The Intrepid Snowmobiler" appears in newspapers throughout North America. He also hosts "The Intrepid Snowmobiler on Radio" and appears regularly on Snowmobiler Television. For more info, click www.intrepidssnowmobiler.com



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The Good Luck of Jerry Huck

“I must be one of the luckiest guys in the business,” Jerry (Gerald Huck) told me when we met this summer. “Family succession is a big issue for many marina owners and I had three daughters, two of them married husbands in the marine business and they bought the business out when I wanted to retire. They get along very well and the business has never done better than under their leadership.”

Jerry had the goal of retiring at age 55 and he has basically fulfilled his ambition except that he is far from retired. Some years he is more busy than ever, being involved in local and provincial politics, special boat industry projects and never being far from Ed

BY ANDY ADAMS

Huck Marine.

Boating Industry Canada wanted to feature Jerry Huck in an Impact article for two reasons; he has long been a marine industry leader and because he is both an original founder and also a relentless supporter of the Ontario Marine Operators Association, OMOA.

Oh, and he has a very successful marina that has grown into an on-the-water, full service marine business with few equals. That's great background for sure. Here is a fast trip through the last century and a quarter.

In 1889 his grandfather Fred Huck was a blacksmith and started building boats. Like many people, the Huck family were pioneers in their area, did a wide range of work including cottage lay-ups and anything that earned them a living. The Thousand Islands area in Lake Ontario is one of the premiere boating areas in the world and in the eighteen and nineteen hundreds, it developed as the summer playground of the wealthy from New York and beyond.

The business formally became Ed Huck Marine under Jerry's father, Ed Huck. At first it was set up as a service only facility. Ed Huck was an excellent technician and Jerry's mother ran a tourist business next door called Scenic

Lodge and Cabins.

Of Ed Huck's five children, four were sons and three joined the business; Robert ran the lodge with his mother. Jerry and Morris worked at the marina.

As young men, Jerry and his brother Morris raced A and B Hydro and A and B Stock Utility boats from 1957 to 1962. The marina had become an OMC dealer in 1957 and took on the Arkansas Traveler boat line as their first line of boats. The business was growing.

But, in 1962 the marina burned down. Jerry was playing hockey in Syracuse. He had broken his ankle and so he had some time off and went to Florida for his first vacation ever. At the business, they had a deep freeze and they believe that it overheated and started the fire while they were away. The place was leveled.

Looking at the situation, Ed Huck decided that he would retire after that fire and the boys took over the marina business. While their father had been focused on the service work, it was Jerry who had the vision to see where the marina could grow. Jerry realized that people would need a place to keep their boats.

"The suppliers were good to us. OMC was supporting us as we re-built and we sold 140 engines that first year. We went on to great success with OMC and we had our mother's business at the Scenic Lodge and Cabins to fall back on, if things got tough. That really helped," Jerry explained.

But things went well. Maybe some of Jerry's luck was working. They went to Florida again and in

1968 they became one of the first marinas in Canada to set up a dry slip system. They had seen it in Florida and brought the idea home.

"We still have the original 21 foot forklift truck that we bought back in '68," Jerry laughed.

The biggest thing they did was to develop the marina. It was all man-made. At that time, another businessman owed Jerry's father \$1800 for gasoline he had purchased hauling sand and doing dredging in the area. The man's business went bankrupt and to recover

his debt, Ed Huck had the fellow dredge out the marina.

Things were going well. They had a bright young man named Peter Johnston working at the marina when a sad thing happened in 1992. Morris's son was killed in an accident just after Christmas; after that, Morris decided he wanted to leave the business.

Although still a student at McGill University, Peter Johnston was offered the opportunity to buy out Morris's shares. Along the way, Peter also became Jerry's first son-in-law when he married Jerry's daughter Jody.

Jerry and his wife Becky had three daughters; Jody, Laura and Heather.

Another young man, coincidentally the same age as Peter, was Scott MacCrimmon. He had become Cameron Wardlaw's right hand man at Skyline Marina and it happened that he was dating Jerry's other daughter Heather. Scott's father was a top executive with Time magazine and they a place in the Thousand Islands area. Early on, Scott had worked at Gordon's Marine in Gananoque and then later for Grew Boats before going to work at Skyline. Scott eventually married Heather and he and Peter have now fully bought out Jerry's interest in the marina.

There is no succession plan for luck like that!

Looking back, from 1975 to 1996 Jerry was president and co-owner of Ed Huck Marine Ltd. But he did a lot more than just that.

"I was maybe one of the youngest people to be involved in the OMOA," Jerry told us.

He was a founding member of the Ontario Marina Operators Association and served as president in 1974/75. Although still fairly young, Jerry was getting a lot of board experience. Back in 1965 he was a founding member of the Thousand Islands Chamber of Commerce and went on to become president in 1978.

In the marine business from 1976 to 1980, Jerry was a Dealer Advisory Council Member for OMC and then flowed right into being a St. Lawrence Islands Parks Commission board mem-

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IMPACT

ber from 1980 to 1985. Then, from 1988 to 1993 he was on the Thousand Islands Antique Boat Museum board of directors.

His dedication to local and municipal causes is significant. In 1988 he was a Thousand Islands Bridge Authority Council member and co-chairperson for the boat parade at the 50th Anniversary of the Thousand Islands Bridge.

"We released 20,000 balloons at the event," Jerry told us with obvious pride, "and we had 1,800 boats take part in the parade."

Much of this was selfless giving to the community but he was smart and energetic when it came to opportunities as well.

Under the Mike Harris government in 1985, they applied for and got a \$244,000 grant for expansion and growth of the marina as part of the BILD Ontario program. Later, in 1997 the Ontario Ministry of Tourism and Recreation ran the Destinations East pro-

continued on page 27



A view of the recently renovated Scenic Lodge, now part of the marina complex.



Jerry Huck



Scott MacCrimmon



Peter Johnston

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Ad Nauseam

Answering Your Advertising and Marketing Questions

BY JOHN MORRIS

QUESTION: Can we use the 'R' word yet? Perhaps not, but it appears that the economy is going to be a bit tight for a while. My first reaction is to batten the hatches, cut my advertising and ride out the storm. Yet part of me is uncomfortable with that. Any thoughts?

Optimist Wannabe, Ontario

Yes, I have thoughts of hanging out on a Bahamian out island sipping rum punch, but that won't help us here. Let's suppose for a minute that there will be a downturn. Sales may slow down and a candidate place to reduce expenditures is advertising. It's not the only line item that you could reduce – cutting staff, lowering the heat or air conditioning, trading in the Lexus for a Yaris; all are ways to conserve dollars. While any of these means reduce your expenditures in the short run, will they help you in the long run?

If your potential customer base is reduced by 10, even 15%, that still leaves 85% of yesterday's total. So, is this the time to withdraw your message while your competition stays the course and cashes in a bit now and more over the long term thanks to a consistent presence? It certainly is not – the answer is to get smarter and reduce your overall spend by being more cost effectively.

Some of the guidance comes from your own customer and prospect demographics. Look at your customer base and potential market. Is it made up of young worried professionals fretting about the immediate future or is it early retirees (accepting that stunning golden package as their company dumps them) who are all pumped to snag that huge boat they've always dreamed of now that they have time and money to play?

So let's consider how we can reach those lovely folks with money. In Ad Age the other day I say an interesting column on this very topic noting that the wealthy are still reading however they are abandoning TV for online. Here's their take:

"Well-off readers say they read print publications just as much now as they did five years ago, according to the latest survey of affluent readers by Ipsos Mendelsohn.

"Respondents making more than \$100,000 annually said their average hours online had grown to 22.1 each week from 10.7, while the time they said they spent watching TV sunk to

18.6 hours from 23.7.

There seems to be a general consensus that says online is capturing an additional \$5 billion a year every year. Before you throw your budget into the web, try a bit and see how it works for your particular business.

Using print, web, radio or outdoor is your determination but do continue to market your brand and your product. In the downturn that seems to be sneaking our way, you need to be smarter than ever in your media choices.

If you're looking for an analysis of whether or not to advertise in a recession, have a look at www.mactech.com:16080/adsales/recession_marketing/. They have some charts

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QUESTION: You hear a lot about ‘Best Practices’ but we have always maintained a small town approach to customer service. Are we missing something?

Old-Fashioned Dealer, Manitoba

The term ‘Best Practices’ has the potential to be an instant throwaway, but my reading of typical lists shows that once in a while there’s a gem hidden in the list of baloney ideas. And if the buzzy business buzzword nature of the term is off putting, why not replace the heading with ‘Potentially Good Ideas.’

A recent list that came across my desk

included sending customers a framed photo within 48 hours after their purchase; appointing a head delivery captain – a seasoned and certified technician – as the customer’s main contact for the first 30 days after the sale; and/or stocking the refrigerator with branded bottled water.

Since a lot of these ideas come from south of the border where customer service is a little more effusive, sometimes these good ideas seem a bit cloying. On the other hand some may immediately resonate as an idea that will simplify life for both you and your customer. Some, like the bottled water, might be just a little risky in some places where drinking tap water is declining in political correctness.

Your best bet for good service may come from dissecting the customer transaction, reviewing the process and optimizing it to generate happy dance customers who will broadcast your positive reputation loud and clear. ●

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continued from page 24

gram to help the market attract more US boaters and Ed Huck Marine got another grant of \$8,750.

That is nothing compared to the success he had from 1998 to 2004 on the Ontario Casino Corp., and Ontario Lottery and Gaming Corporation Board of Directors when he lead the bid to establish the Thousand Islands Charity Casino, now located in Gananoque. That brings substantial revenues to the area.

Jerry's wife Becky wrote a regular column for Power Boating magazine called "Boating with Becky" and Jerry knew Bill Taylor well. Jerry was instrumental in bringing the Poker Run to the Thousand Islands fourteen years ago.

Plainly, Jerry loves the action, loves the people and is devoted to his area and his family. I first met Jerry about 10 years ago when he volunteered his boat, his time and his knowledge to take our camera crew around his area while shooting a TV segment about the Antique Boat Museum.

He looks the same today and he is just as sharp.

Through his efforts at the OMOA, Jerry has won the OMOA President's award in 1985, the

W. J. Robertson Award in 1988 and the OMOA Business Improvement Award in 1989.

Around the same time in 1988, they took on the Sea-Doo.

"Sea-Doo has put more people into boating than anything house. It's put families out on the water and when it comes to boating, families all go together," Jerry said.

What he neglected to mention is that at the same time as I was there interviewing him, Ed Huck Marine won the Regional PAC Dealer of the Year award from Sea-Doo and BRP.

I guess he sees that as a victory for Peter and Scott but, it is plainly a continuation of his vision for the marina. Most successful dealers and Ed Huck is certainly a successful Sea-Doo dealer, not only sell lots of units, they also have a much higher ratio of Parts Accessories and Clothing sales / unit than many competitors. PAC is an area that many dealers overlook while plainly it is an integral part of Ed Huck's core business.

Today, Ed Huck Marine has a substantial dealership with Sea-Doo, Cobalt, Boston Whaler, Hunt, Mercury and MerCruiser. They have the original marina and new slip space behind a floating breakwater. The Scenic Lodge house, built before Fred Huck arrived in 1889, has been totally renovated and now serves as a meeting place for the marina staff and clients.

The business has a focus on serving the generational Thousand Island area cottage owners but also has grown into an internationally connected yacht brokerage under Scott and Peter's guidance.

It is interesting to note that they just expanded the service building and the marina now has seven technicians. Ed Huck's dedication to service still applies!

In spite of all his other accomplishments, Jerry sees his role in the OMOA as a highlight. He speaks of the association with great pride.

"There is no other organization like it, even in the US," Jerry said. "Most places, everyone is a loner. I think Al Donaldson is a great communicator and the conference is outstanding. The

OMOA does more for the little guy. Little marinas need to come to the conference. That's where they can meet to exchange problems and solutions, to learn about issues like water lot leases and to get the support a small business owner needs to succeed."

"You just can't do it all yourself," he said.

But, it is true that at the OMOA Conference (coming November 30 in London, Ontario) is unique in the business and even non-member marinas are welcome. Check for details at www.omoa.com.

Maybe you will have the good luck to meet Jerry Huck in person there!

[RESOURCE DIRECTORY]

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continued from page 16

During 2006 and 2007, the overall Canadian marine industry was off 7.5% but it's interesting to note that revenue per employee was only off about 1% suggesting that fewer people are being more productive. While the total sector sales volume among boat dealers was off 5.3%, revenue per employee was basically flat, again suggesting greater efficiencies in the face of falling sales. Some segments like sailmakers were statistically flat. The sailing market may be less affected by sudden trend shifts. Also, sailors may be more affluent.

Total sector sales volumes for Canadian boatbuilders, on the other hand, was down a whopping 29%. This is a dramatic number and almost exactly reflects the percentage change in the exchange value between the US and the Canadian dollar.

While Canadian-built boats became more expensive in the US, American boats have become less expensive resulting in increased sales in Canada and beyond. Brunswick Corp., for example, has suffered precipitous declines in their US home market but globally, the company is only off 6%, balanced by tremendous growth in new export markets.

Sudden and dramatic changes seem to be the norm today and the best defense is going to be the knowledge your company has by watching both the industry research data and by carefully tracking your own progress.

Good luck for 2009! ●



TABLE 8: BOAT BUILDERS

	2006	2007	% Change
Total Firms Reporting	160	133	
SALES (\$)			
Largest Sales Volume	118,816,000	96,538,000	
Smallest Sales Volume	329,000	187,555	
Average Sales Volume	7,077,050	6,047,339	
Median Sales Volume	3,055,000	48,362,778	
Total Sector Sales Volume	1,132,328,000	804,296,117	-28.97
EMPLOYEE SIZE			
Total Employees in Sector	3,222	2,545	
Largest Employee Size	250	178	
Smallest Employee Size	1	1	
Average Employee Size	20.1	19.1	
Median Employee Size	125.5	89.5	
Revenues per Employee (\$)	351,436	315,983	

TABLE 9: DOCK BUILDERS

	2006	2007	% Change
Total Firms Reporting	123	98	
SALES (\$)			
Largest Sales Volume	35,000,000	32,175,000	
Smallest Sales Volume	267,000	245,000	
Average Sales Volume	2,515,553	2,312,980	
Median Sales Volume	17,633,500	16,210,000	
Total Sector Sales Volume	301,870,000	226,672,040	-24.91
EMPLOYEE SIZE			
Total Employees in Sector	1,052	978	
Largest Employee Size	120	98	
Smallest Employee Size	1	1	
Average Employee Size	9	10	
Median Employee Size	61	50	
Revenues per Employee (\$)	286,949	231,771	

TABLE 10: OVERALL

	2006	2007	% Change
Total Firms Reporting	4,909	4,800	
SALES (\$)			
Largest Sales Volume	118,816,000	96,538,000	
Smallest Sales Volume	125,000	135,000	
Average Sales Volume	2,192,621	2,073,880	
Median Sales Volume	59,470,500	48,336,500	
Total Sector Sales Volume	10,763,577,459	9,954,625,051	-7.51
EMPLOYEE SIZE			
Total Employees in Sector	24,652	22,563	
Largest Employee Size	250	178	
Smallest Employee Size	1	1	
Average Employee Size	5.02	4.70	
Median Employee Size	125.5	89.5	
Revenues per Employee (\$)	436,621	441,185	

INDUSTRY NEWS

Princecraft's Leader Marcel Dubois Announces His Retirement

At the annual Princecraft dealer meeting held in August at the Hilton Lac-Leamy hotel in Gatineau, Quebec, Marcel Dubois announced his retirement. Dubois has been a driving force in the Canadian marine industry and the leader of Princecraft boats since the early 1980s.

Dubois was with Alcan Aluminum that first purchased Springbok boats and then Princecraft in the 1970s as part of a strategic plan to broaden its business into products that used aluminum. Later, when the marine business experienced a collapse in 1982, Alcan dispatched Dubois back to his home in Quebec's Eastern Townships to rescue the company.

With changing corporate strategies, Alcan decided to sell Princecraft again in 1985. To protect the business and the employees, Marcel Dubois and Princecraft's Production Manager Jacques Daneault stepped forward and bought the company personally.

Only a few years later, in another major strategic shift in the marine industry, marine engine companies began buying up boat companies to ensure their engines were on the most "transoms". To avoid being left behind in this changing market, Dubois and Daneault sold Princecraft to OMC in 1990, assuring their brand of a key market position and a supply of Johnson and Evinrude engines. But, after little more than a decade, OMC filed for bankruptcy and again, the company and its people were

threatened. Incredibly, Marcel Dubois and Jacques Daneault bought Princecraft back for the second time in March 2001, saving the company but still needing an engine partner.

Honoring Marcel Dubois at the dealer meeting, Brunswick Chairman and Chief Executive Officer, Dusty McCoy addressed the crowd and told the story of how Marcel got McCoy's home phone number and called him personally to offer Brunswick the opportunity to buy Princecraft as a new corporate partner for Mercury engines.

It was a typically bold move and McCoy described how he was very impressed by the logic and ideas put forward by Dubois. Although the two men had never met before, Brunswick did buy Princecraft. Dubois and McCoy became close friends as they ran the Princecraft business and McCoy explained that the ideas Marcel Dubois had shared with him helped to shape the future Brunswick corporate development strategy for boats.

Marcel Dubois also was a board member of the former Allied Boating Association and later a founder of the Canadian Marine Manufacturers Association (CMMMA).

At the 2008 dealer meeting, in an amusing turn of events, Dubois announced his successor. He had been asked to recruit and train Princecraft's new leader and although the two men are not related, Marcel Dubois introduced the Princecraft dealers to Donald Dubois, the new president of the company.

Boating Industry Canada wishes Marcel Dubois well in his retirement and continued success for Donald Dubois as the new Princecraft president.



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EPA Tightens Engine Standards on Surf and Turf

Catalytic Converters Will Be the Norm

YOU READ ABOUT THIS in the last issue of *Boating Industry Canada*; "Is There A 'Cat' In Your Future?"

Now, from lawn mowers and weed trimmers, to personal watercraft and speedboats, gas-powered engines will soon contribute to healthier and cleaner air for Americans because the Environmental Protection Agency (EPA) has set strict new standards for gas-powered lawn equipment and marine engines. The regulations will take effect starting in 2010.

When fully implemented, the rule will yield annual emission reductions across the US of 600,000 tons of hydrocarbons, 130,000 tons of nitrogen oxide (NOx), 5,500 tons of direct particulate matter, and 1.5 million tons of carbon monoxide (CO). EPA expects the new standards to save approximately 190 million gallons of gasoline each year.

The rule kicks into gear in 2011 for lawn and garden equipment of 25 horsepower or less. For a full range of gas-powered personal watercraft and inboard and outboard engines, the rule powers up in 2010.

To meet the new exhaust emission standards, manufacturers will likely employ catalytic converters for the first time in many small watercraft and lawn and garden equipment. After rigorous analysis and work with stakeholders, EPA determined this strategy was feasible and safe. This regulation also includes the first national standards for boats powered by stern-drive or inboard engines, and carbon monoxide standards for gasoline-powered engines used in recreational watercraft.

Non-road, gasoline-powered engines, such as those used in lawn and garden equipment, will see an additional 35 percent reduction in smog-forming hydrocarbon (HC) and NOx emis-

sions. These cuts go beyond the 60 percent reduction that saw final implementation two years ago under an earlier rulemaking. The updated engines will also achieve a 45 percent reduction in fuel evaporative emissions.

Recreational watercraft powered by gasoline engines will incur a 70 percent reduction in HC and NOx emissions, a 20 percent reduction in CO and a 70 percent reduction in fuel evaporative emissions.

The new regulations mean gasoline outboard, personal watercraft and stern drive inboard engine manufacturers will basically be required to meet California emission standards. This will also be the first time gasoline marine engines will be required to meet a carbon monoxide standard. For boat builders, these new emission regulations will require the fuel system to meet both permeation and diurnal emission reductions.

"Because the EPA has allowed sufficient time for compliance, boat builders will have the time and resources necessary to redesign their vessels to meet these new standards," said John McKnight, director of environmental and safety compliance for the National Marine Manufacturers Association. "Because there is no reporting or certification requirement for boat manufacturers, they will only be required to install certified equipment in their vessels and affix a standard label that states that the vessel is in compliance with EPA regulations for the specific model year."

www.epa.gov/otaq/equip-ld.htm

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* Discover Boating Canada, The Economic Impact of Recreational Boating in Canada, 2006 Summary Report

