

FEBRUARY 2013

# Boating INDUSTRY

CANADA

MARINE BUSINESS MATTERS

## IMPACT

**DAVE MAYHEW**  
OF THE BOAT WAREHOUSE

The Reinvention  
of **NADEN**  
**ALUMINUM**  
**BOATS**

**URGENT!**  
Electric Shock  
Drowning - ABYC

**Profile**  
**CANADIAN**  
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1 Quebec Drive Sequin, ON P2A 0B2

**PUBLISHER**  
Mark Collett  
markcollett@kerrwil.com  
250-706-0156

**MANAGING EDITOR**  
Andy Adams  
aadams@kerrwil.com

**EDITORIAL ASSISTANT**  
Terri Hodgson  
thodgson@kerrwil.com

**CONTRIBUTORS**  
Andy Adams, Terri Hodgson,  
John Morris, Matt Weinold

**Advertising sales**  
Greg Nicoll  
gnicoll@kerrwil.com  
416-620-9373  
John Armstrong  
johnarmstrong@kerrwil.com  
905-330-4837

Ian Gilson  
igilson@kerrwil.com  
905-719-5152  
Mary Nicoll  
mnicoll@kerrwil.com  
905-535-2866

**SALES ADMINISTRATION**  
Lynn Lortie  
lynnlortie@kerrwil.com  
705-527-7666 X221

**CIRCULATION**  
Elissa Campbell  
elissacampbell@kerrwil.com  
705-527-7666 X224

**ART DIRECTOR**  
Petra Dueck  
pdueck@kerrwil.com

**PRODUCTION MANAGER**  
Doug Blessin  
dougblessin@kerrwil.com

**WEBMASTER**  
Rory Green  
rorygreen@rogers.com

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**EAST COAST OFFICE**  
538 Elizabeth Street  
Midland, Ontario L4R 2A3  
Tel: 705-527-7666 Fax: 705-527-7662  
www.kerrwil.com

**WEST COAST OFFICE**  
2328 Stafford Avenue  
Port Coquitlam, BC V3C6K6

**PUBLISHER/COO** Mark Collett  
**VICE PRESIDENT** Greg Nicoll  
**CEO** John Kerr  
**DIRECTOR** Brad Marsh

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**BOATING INDUSTRY CANADA**  
538 Elizabeth Street, Midland, ON L4R 2A3  
Tel: 705-527-7666 Fax: 705-527-7662  
E-mail: elissacampbell@kerrwil.com

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*This Canadian commercial boat builder continues to be very successful with their outstanding designs and welded aluminum construction.*

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**On the Cover:**  
Dave Mayhew stands in the showroom at the Boat Warehouse in Kingston, Ontario.

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BY ANDY ADAMS

## Does the **Little Guy** Matter

**A QUESTION THAT I HAVE BEEN STRUGGLING WITH FOR SOME TIME** is that our industry has lost focus on the little guy. I believe, certainly through Canada's many and beautiful inland lakes areas, that the little guy is important.

First, people spend huge money to own a waterfront property on a lake or river, anywhere in this country. If the water and what you do with it were not important, you could save a fortune and just get some rural property on a concession road.

Boats are your access point to the water for fishing, water sports, traveling around the lake, maybe shopping, or visiting friends. You will likely need fuel for an engine and boats with engines need occasional service or repair, proper storage and so on.

For many reasons, the local marina is a very important support for the property owners on that lake. If the marina goes out of business, the property values may fall.

Read the Impact profile of Dave Mayhew and The Boat Warehouse on page 24 and you will quickly realize the competitive advantages that company realizes through volume product buying, top tier warranty support, national advertising and other business dimensions with which a local marina simply cannot compete.

I believe that if we could add it up, we would discover that 80% of Canada's boat owners are on lakes and rivers served by little marinas...or none at all. We can clearly see that some of these people are keen enough to seek out The Boat Warehouse, buy the boat of their dreams and will trailer it to their lake because the local marina either doesn't have a boat line to sell, or at best, they have a limited access to boats and motors at uncompetitive prices.

Should the cottager pay more for the privilege of buying from a local business?

Is it sensible for that cottager to invest in a nice new boat if warranty, service and storage are not easily available for their new investment?

It looks to me like marketing considerations have us ignoring 80% of the market while we all compete hard to sell to the 20% who are keen enough to seriously shop for a new boat. Those cottagers who have a boat as an accessory to the cottage might be impulse buyers of a nice new boat if one were locally available, but they are not "into it" enough to seek out the great new boat.

At least that's how I see it. Is this in our best interest as an industry; or, as cottage property owners for that matter?

The NMMA (National Marine Manufacturer's Association) recently reported that the U.S. recreational boating industry is seeing an estimated 10 percent increase in 2012 power boat sales. Early projections indicate the industry will see additional increases in 2013 by as much as 5-10 percent.

This level of growth in 2013 could benefit the industry through the development of exciting new boat designs. A new trend, that's contributing to increases in new boat sales is the creation of innovative, more versatile and accessible boats that appeal to a variety of interests and budgets and fall within the 15-26 foot range.

That's the sweet-spot; cottage size boats make up 96 percent of the 12.4 million registered boats in the U.S., and they are leading the industry out of the recession. But how does the industry bring those new designs to the 80% of boat owners?

Something to think about...

*Andy Adams - Editor*



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The capacity crowd of nearly 200 people enjoyed a delicious breakfast and a productive agenda.



# NMMA Canada Holds **State of the Recreational Boating Industry Breakfast**

## At the 2013 Toronto International Boat Show

**THE NMMA** State of the Canadian Recreational Boating Industry Breakfast sponsored by Boating Industry Canada Magazine and GE Capital took place on Tuesday, January 15th at the 2013 Toronto International Boat Show. The event was a success with a great turnout of a crowd of nearly 200.

The event was opened by Andy Adams, Editor of Boating Industry Canada. Andy addressed two major demographic shifts that will greatly impact the future of the marine industry and that marine industry professionals will want to be prepared as possible for these shifts.

He began by noting that Canada does indeed have the most sizable baby-boom

of all the G7 countries. The aging of the baby boom generation, many of whom are of Anglo-Saxon descent and who seem to have a natural love of the water and of boating, are fading in importance economically as they age.

Actually, the more important and persistent driver of Canada's changing demographics is the decrease in total fertility below the replacement rate of 2.1 children per woman.

The second factor is the considerable increase in life expectancy.

Adams presented this chart of data from Statistics Canada showing of the average age of Canadians from 1900 to the estimate of 2040.

More people living longer swells the

ranks of the nonworking population and changes the ratio of older non-working people relevant to working age people. This ratio is commonly referred to as the old age dependency ratio.

The crunch will be unprecedented in history, both in scope and in size.

In Canada by 2031 about one in four people will be over the age of 65. People over the age of 80 will be the fastest-growing segment of the older population, a group that relative to the year 2000 will have nearly doubled by 2026 and will quadruple by 2051.

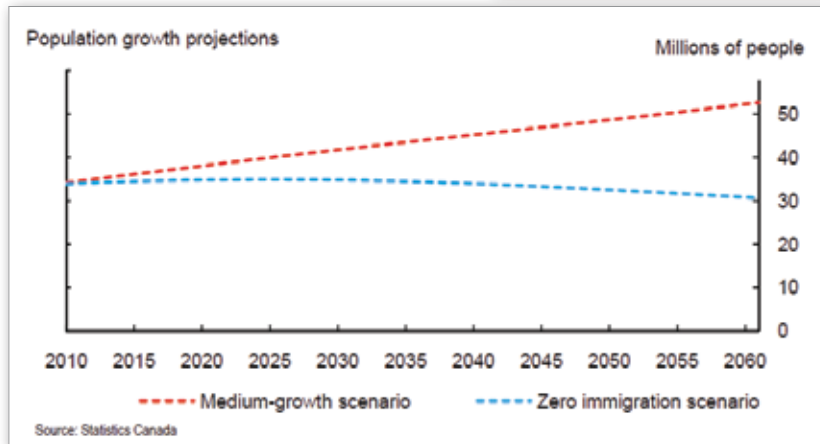
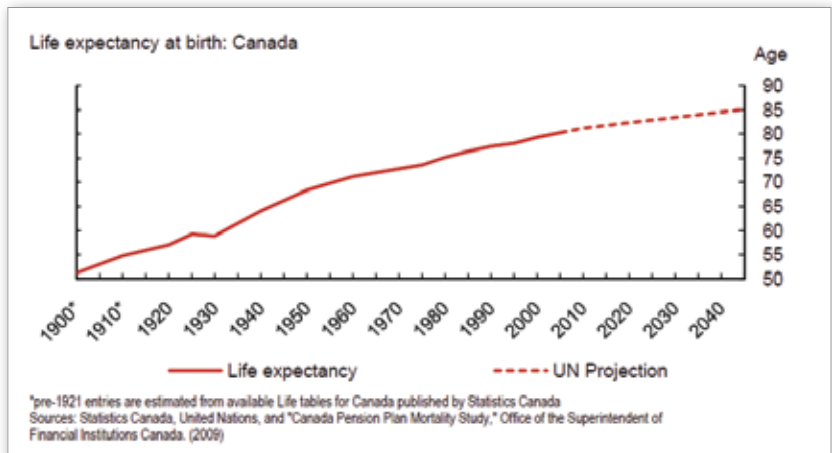
These are the people to whom we currently sell boats.

In the second chart Andy Adams presented, the audience saw a 50-year

TERRI HODGSON



Andy Adams, Managing Editor of Boating Industry Canada and Canadian Yachting magazines.



Donald Dubois,  
Chairman of the  
NMMA Canada  
Board of Directors  
and President of  
Princecraft Boats.

projection from Statistics Canada, showing what will happen to our population without immigration and with immigration.

In the Zero Immigration scenario, and considering the overlay of our aging population, the decline in population would surely create a severe economic downturn.

On the other hand, even with the government's Medium Growth scenario, (and the Government controls immigration of course) the Canadian population will grow from about 34 million to about 53 million over the coming 50 years.

The challenge is to attract all these new people into boating and that requires communication.

Adams recommended that the industry needs to make the best use of public communication channels like magazines on newsstands, mass events like the Toronto International Boat Show and outreach like the Discover Boating campaigns.

Being around the water and going boating is a special and somewhat unique aspect of life in Canada. We have to promote it!

Adams then introduced the next speakers.

Donald Dubois, Chairman of the NMMA Canada Board of Directors and President of Princecraft Boats delivered highlights from the second annual Canadian Statistical Abstract as well as the 2012 Economic Impact Study.

Sara Anghel, Executive Director of NMMA Canada together with Donald Dubois, Chairman of the NMMA Canada Board of Directors and President of Princecraft Boats, delivered highlights from the much-anticipated second annual Canadian Statistical Abstract as well as the 2012 Economic Impact Study.

Highlights from the 2012 (October 2011—September 2012) Canadian Statistical Abstract include:

- Boat ownership in Canada increased

in 2012 to 22.4% from 19.5% the previous year;

- New boat and outboard engine sales increased an estimated thirteen percent from October 2011 through September 2012 compared to the same period the previous year;
- The leading boat trend in Canada is aluminum pontoon boats, experiencing a 23 percent increase in sales. Another popular trend is sport jetboats, experiencing an increase in sales during this period by thirteen percent.
- Canadian manufacturers' exports of boats and engines picked up in 2011 to \$479 million, up 50 percent from the previous year, the first sign of significant growth in exports for the industry since 2009.

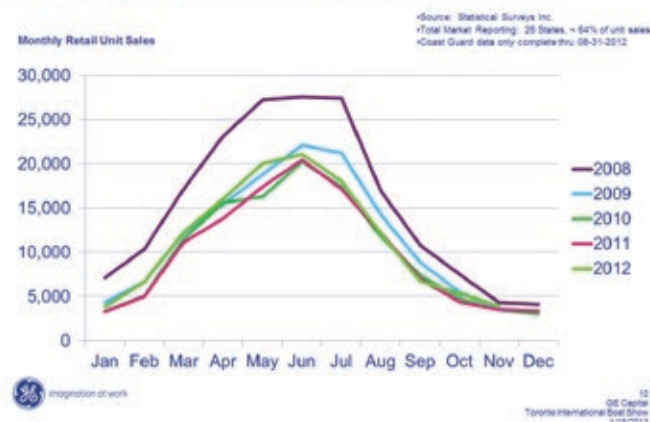
This valuable information was followed by John Peak, Managing Director Capital Markets for GE Capital. He delivered an excellent presentation containing pertinent data and trends for the recreational boating industry. ▶

John Peak, Managing Director Capital Markets for GE Capital shared a wide range of very pertinent data and trends for the recreational boating industry.



## US 2012 Registration Trends

Unit Registrations by Month (Up 9.4% YTD NOV 2012)



Sara Anghel of the NMMA introduce a surprise guest, Barry Devolin, Member of Parliament for the riding of Haliburton-Kawartha Lakes-Brock who touched on a number of important issues.



John Peak presented a sweeping array of information entitled "Global Impact on the Canadian Marine Industry". Few other organizations have the scope of information that GE Capital can share and Peak selected a few key nuggets.

He opened by stating that while the global economy is fairly healthy, the New Year is characterized by particularly high uncertainty, which is holding back corporate investment and hiring, notably in the US. There are three important elements of uncertainty:

1. US fiscal cliff: Last-minute deal reached on Dec 31st / Jan 1st has eliminated only a small part of the fiscal uncertainty, pushing most of it back by a couple of months, and delaying further decisive acceleration in investment and hiring.
2. Eurozone: Moving in the right direction, but the slow pace of progress leaves ample room for accidents as popular resistance to austerity increases; watch Italian elections in 1Q'2013.

3. Middle East: Tensions in the region have risen; a sudden disruption to oil supplies is a tail risk that could prove extremely damaging to global growth.

John Peak also provided information about China and their changing political and economic landscape. The sheer size of that economy can have far-reaching impact on the global economy.

The most important component of the American GDP is Personal Consumption (70+ %) and he suggested that the direction was positive with steady improvement in the employment figures. This has been driving US Consumption up for the past 11 consecutive quarters.

The US Housing market has also seen improvement and prices, while still not back to pre-recession levels in many localities, are stabilizing, giving Americans a renewed sense of confidence in the future.

Perhaps the most significant data came from GE's own resources. This showed that as of November 2012, marine unit shipments year to date were up a healthy 9.4%.

Overall, John Peak and GE Capital showed some very encouraging data and left the audience feeling that 2013 would be a year with solid growth potential in spite of the global uncertainty.

Sara Anghel of NMMA was pleased to introduce a surprise special guest, Barry Devolin, Member of Parliament for the riding of Haliburton-Kawartha Lakes-Brock. He touched on a number of important issues such as the economic relationship between Canada and the U.S and the need for the industry to be represented on Parliament Hill through the NMMA. He also spoke to the operation of the Trent Severn Waterway systems and the Rideau Canal, a topic that has been very important to many industry members and stakeholders.

Tracey Hart, Director of Marketing for Discover Boating, provided a marketing overview and discussed free tools and resources available for industry stakeholders on the Discover Boating

Tracey Hart, Director of Marketing for Discover Boating, provided a marketing overview on the success of the Welcome To The Water campaign.



Capping off the event, Chris Goulder, former president of Volvo Penta Canada was inducted into the NMMA Boating Hall of Fame.

website [www.discoverboating.ca/tools](http://www.discoverboating.ca/tools). The website boasts an updated homepage, new site navigation, a streamlined user experience and a redesigned Boat Selector Tool. Tracey discussed how Discover Boating's free resources can help grow dealer's business—from videos to include onto company websites to the Beginner's Guide to Boating to engage with potential customers.

Concluding the session, Rick Layzell entertained the crowd with his energetic and thoughtful words inducting Chris Goulder into the NMMA Hall of Fame. Chris Goulder delivered a heartwarming thank you speech which ended with a standing ovation applauding his successes in the industry.

NMMA Canada and their partners, GE Capital and Boating Industry Canada magazine look forward to seeing an even larger crowd of attendees at next year's State of the Canadian Recreational Boating Industry Breakfast at the 2014 Toronto International Boat Show. ■



The NMMA speakers (from the left were) Rick Layzell, Chris Goulder NMMA Boating Hall of Fame recipient, Sara Anghel and Donald Dubois

The final stage. Checking the quality, adding the seats, the gunnels and transom.

# Naden Boats is Back!

## This Canadian Builder Is Enjoying Rapid Growth

BY BOATING INDUSTRY CANADA STAFF

**NADEN BOATS IS BACK.** Tough, durable, the darling of the cottage, fishing, lodge and hunt camp world, Naden was fondly known by boaters as one of Canada's great aluminum boat lines. However, in 2011, faced with a labour shortage and no heirs to keep the family business alive, Naden Boats was facing a plant closure.

Enter Andre Lamothe, owner of Temagami Marine located on Lake Temagami one of the most pristine boating areas in Northern Ontario.

When Naden was facing a closure, Lamothe was trying to address his own economic woes. Having endured the economic slump of 2008, abysmal boat sales and trying to address a serious boating skills shortage in Ontario, Lamothe envisioned that taking over the Naden Boats enterprise would provide him with a solution.

Lamothe needed a complimentary business to provide revenue as well as year round employment for skilled labourers in Northern Ontario. His plan was to build boats with 12 skilled boat builders and mechanics in the winter and then transfer half of the staff to run

the marina in the summer. When the marina closed in the fall, those same staff would return to Naden Boats where the plant would rev up production during the winter months.

With the extra revenue from Naden, Lamothe could afford to provide well paying employment year round and avoid having to search for skilled workers each summer to run his marina. The simplicity in the solution was the brilliance. It was a win-win situation.

During the 35 years Naden Boats were built in Vermillion Bay, Ontario they had healthy sales particularly to the lodges and camps in the northern parts of the country. It also had a healthy dealer network. Lamothe's plans were to increase the dealer network which proved to be more of a challenge than he had expected. While dealers liked the product and knew the Naden name they were reluctant or unable to take on a new boat line due to floor planning restrictions from other boating manufacturers. So Lamothe took a different tack.

First he created his own Naden Capital to help with financing and floor planning.

Then he started cold calling the smaller camps, lodges and dealers who knew the boat line and were willing to keep the Naden Boat line alive. The key was the quantity. Lamothe used a no pressure tactic letting the dealer determine the quantity of boats he wanted. If a dealer wanted to try only one boat, Lamothe agreed. His reasoning was that if the dealer sold one boat he'd return the following year looking for two—and that's how Lamothe would grow the business.

In smaller isolated communities Lamothe reached out to marinas on smaller lakes and to the local 'go to guy' for fixing engines and boats. It didn't matter to Lamothe if it was the local hardware store or gas station; if they wanted to leave a few boats in their lots for sale that was workable with no strings attached. Lamothe didn't want to pressure any dealer and if it required building his network dealer by dealer that was fine. His end goal was 75 dealers across Canada.

But how did Lamothe re-locate Naden Boats back to Temagami?

Temagami Marine had been one of

Naden Boats biggest dealers and liked and understood the boat. So, with the support of financial grants from Northern Ontario initiatives, Lamothe purchased Naden Boats and relocated the plant to an empty building on the Temagami Marine property.

Lamothe enticed Norm Paterson, who had run a local lodge for 19 years, out of retirement to be his plant manager. Together the two of them learned the boat manufacturing business and moved the plant to Temagami in December 2011. By February 2012 the first new Naden Boat was built and debuted at the Central Ontario Boat Show & Sale that same month.

But the path wasn't easy. Lamothe and Patterson had to overcome a number of hurdles.

The Vermillion operation was 14,000 square feet and the entire plant had to be re-jigged to fit into 6,000 square feet. New machinery had to be purchased and re-tooled, staff had to be hired and trained, and most importantly they had to find a way to clean the aluminum sheets and paint the boats that didn't involve harsh chemicals. Locating the plant within the pristine waters of Lake Temagami meant that they had to create an environmentally responsible method to manufacture the boats. They had to develop a solution to the etching process that didn't involve acid.

Soliciting advice from an assortment of chemical engineers and attending many manufacturing conferences, they created a unique process for coating and painting the boats.

Aluminum sheets measured to the thickness of 12 to 14 gauge are first cut by a Computer Numerical Controlled (CNC) router table. The CNC cuts the boat parts and drills holes for the rivets. The cut sheets are then sent to the pre-treatment and powder coating division.

Pinned on a conveyor belt they are cleaned of any oils and residues with an alkaline cleaning agent with a PH level somewhere between that of Milk of Magnesia and toothpaste. The colour powder is then sprayed on and hinges to the aluminum sheets via an electrostatic process. Once powdered coated, the sheets are baked in an infrared oven at 205°C for



**top:** Naden Aluminum Boat Manufacturing - Temagami, ON. **bottom:** Plant Manager Norm Paterson alongside Andre Lamothe President of Naden Boats.

ten minutes. The molecular bonding of the powder and the aluminum makes the finish durable and fade resistant.

Paterson likes to demonstrate the resilience of the newly coated hulls by scratching the sides of the boats with a coin—no damage.

Having a company with an environmental vision was very important for Lamothe and for Lake Temagami residents and cottagers. Finding an acid free etching process to clean the aluminum sheets and then developing a painting process that didn't involve using aluminum paint was the breakthrough. Naden Boats have created a marketing tagline 'All our boats are green, even the red ones!'

Other environmental initiatives including heating the plant in the winter time from the infrared oven. When a new geo-thermal technology is installed this summer, it will help cool the plant. Closing the plant doors to reduce noise pollution and keep the boating experience pristine for the Lake Temagami residents is another one of Lamothe's many goals.

All of the boat building is done in the

Naden Boats plant in Temagami from cutting the sheets, to riveting the keels and seats to painting on the decals, to quality control. Boats are either delivered by Lamothe or shipped on a partially loaded trailer that is making its way across Canada along the Trans Canada.

Currently there are six models. The smallest is the car toppable Naden Laker stretching 11' and weighing only 150 pounds. The largest is the 16' Canadian Big Laker that weighs in at 310 pounds and can be easily powered by a 40 hp engine. There are two 14' models, a 12', and another 16', the Big Fish that is slightly lighter (285 pounds) than the CBL and works well with a 35 hp engine.

In a smaller plant, it's easier to make customized adjustments that add to the value of the boat. For example all Naden boats are pre-wired for a bow light. The wiring is in hidden underneath the gunnels. Future plans include an 18' model, possibly in 2014.

So, Naden Boats is back in business, in fact, it never really went out of business—it merely changed hands.

[www.nadenboats.com](http://www.nadenboats.com) ■



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Nobel, Ontario – Fall 2012  
Water levels in the Shebeshekong Bay  
in Nobel (Georgian Bay near Parry  
Sound) have dropped dramatically.

# Great Lakes Water Levels Issue

## Addressed at 2012 Ontario Boating Conference

BY TERRI HODGSON

**AMONG MANY COMPELLING TOPICS** addressed at this year's Boating Ontario Conference in London, Ontario, the one issue that clearly dominated everyone's agenda was that of declining water levels in the Great Lakes.

*Although it is true that many natural and person-made factors contribute to the record low water levels in the Great Lakes, what is becoming frighteningly clear is that the historical cyclical pattern that ensures water levels will return to average highs in time is no longer guaranteed.*

- Where is the water going?
- When is the water coming back?
- What is being done about it?

**Where is the water going?**

### NATURAL CAUSES

#### Wind, Storm Surges

- Short-term, temporary changes in levels
- Sustained high winds from one direction can push the water level up at one end of the lake and make the level drop by a corresponding amount at the opposite end. This is called wind set-up or storm surge.

#### Seasonal Fluctuations

The lakes are generally at their lowest levels in the winter months. Snowmelt and rainfall in the spring and early summer cause lake levels to rise. Evaporation from the lakes is typically minimal during

this period when the air above the lakes is warm and moist and the lakes are cold. The levels generally peak in the summer or early fall. After the peak is reached, usually in the early fall, evaporation and outflows begin to exceed the amount of water entering the lakes causing water levels to decline. In the fall and early winter, when the air above the lakes is cold and dry and the lakes are relatively warm, evaporation from the lakes is greatest. *The range of seasonal water level fluctuations on the Great Lakes averages about 12 to 18 inches from winter lows to summer highs.*

#### Hydrological Cycle

Water enters the Great Lakes Basin from the atmosphere as rain or snowfall. This precipitation can fall either directly on the lake surface or on the surrounding land, either percolating into the ground to recharge the groundwater table or running off to the lakes. Water flows out of the system through the Great Lakes Connecting Channels (St. Marys River, St. Clair River, Detroit River, Niagara River) and the St. Lawrence River to the Atlantic Ocean. Water also leaves the system from the land as evapotranspiration and from the water surface through evaporation. A small amount of water also leaves the system through diversions and consumptive uses (e.g. industrial uses, irrigation).

The Great Lakes Commission released a study which discovered that evaporation from the lake surface is a major factor in the hydrologic cycle of the Great Lakes.<sup>1</sup>

*David Sweetnam of Georgian Bay Forever observes that with 87,000 cubic feet of Great Lakes water evaporating every second ▶*



and the average rainfall being down over all of the lakes, evaporation is continually exceeding precipitation. Water is not being replenished.

### Post Glacial Rebound

Glacial Isostatic Adjustment or crustal movement, the rebounding of the earth's crust from the removed weight of the glaciers, does not largely influence the average water level in the lakes, but does affect how water levels are measured and experienced at different points around the lakes. Generally, the southern portions of the Great Lakes Basin are falling with time and the northern part of the basin is rising. As a result, local water levels are rising with time relative to average water levels in the southern portions of Lake Superior and Lakes Michigan-Huron, while local water levels are getting shallower with time relative to average, in the northern portions of Lake Superior and Lakes Michigan-Huron.

## HUMAN CAUSES

### Water level regulation

Water regulating structures are in place at the outlets of Lake Superior and Lake Ontario. Canada and the United States have no method of controlling flow in/out of Lake Erie.

### Channel modifications

Dredging, obstructions, infilling, armouring, ice and weed management, and ship wrecks.

### Shoreline modifications

Shorelines through passages such as the St. Clair River and Detroit Rivers, which historically were self-regulated, natural banks that

would ebb and flow with the water, are now largely hard, person-made structures that do not change with water levels. Erosion of these shores is no longer a factor in the natural regulation cycle.

### Diversions

Chicago diversion (91 m<sup>3</sup>/s out), Long Lake (45 m<sup>3</sup>/s in) and Agoki (113 m<sup>3</sup>/s in) diversions.

### Climate Change

Diminishing ice cover – 71 per cent decline over past 40 years

Loss of ice cover offers the opportunity of increased evaporation from the lakes during the winter months.

With some variations, water levels on Lakes Superior, Michigan and Huron have been below the long-term average for more than a decade. 7,000 years ago water levels in the Great Lakes were much lower than they are today. The real issue is that the lakes' natural ability to regulate themselves could now be compromised.

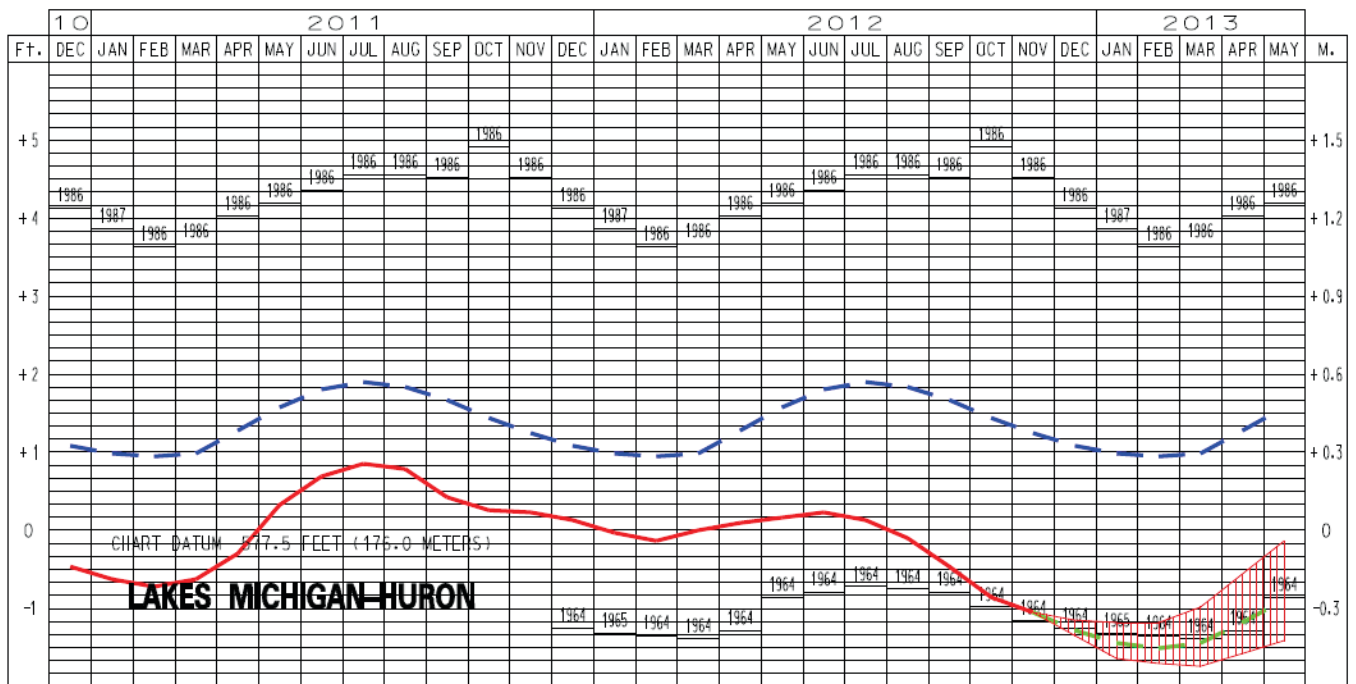
Currently, all of the Great Lakes are measuring below average water levels. Lakes Michigan-Huron have fluctuated considerably over the recorded history. Although the levels on Lakes Michigan-Huron during the 1960's were extremely low, and the drop in the 1930's resembled low levels we experienced from 1997 to 1999, today's levels on the same bodies of water are approaching new record lows. During the 1930's levels would stay down for about ten to twelve years before rising again. The current period of lows levels on Lakes Michigan-Huron has lasted 13 years. Without a period of above average supplies, levels cannot depend on the cycle's natural resilience to increase water in the lakes.

**Impact:** The Spring of 2013 expects to welcome record low levels in Lakes Michigan-Huron and one prediction estimates ▶



Already low water levels (August 2012) dropped even further this fall (October 2012) and that look set to reach the all-time ever recorded low. Water intakes for cottages in Macey Bay sit high and dry and already extended docks sit useless because there isn't any water close enough to make further lengthening possible.





Water levels for the previous year and the current year to date are shown as a solid line on the hydrographs. A projection for the next six months is given as a dashed line. This projection is based on the present condition of the lake basin and anticipated future weather. The shaded area shows a range of possible levels over the next six months dependent upon weather variations. Current and projected levels (solid and dashed lines) can be compared with the 1918-2011 average levels (dotted line) and extreme levels (shown as bars with their year of occurrence).

that as many as 18 per cent of available boat slips in Lakes Michigan-Huron will be unusable due to low water levels. The economic impact of this issue is enormous, including marinas having to dredge new access routes (which is not only costly but also difficult and time consuming as permits are not readily issued if protected plant and wildlife have habitats in the area) or even closing, water intakes that have to be relocated, loss of wetlands/fisheries (and) wells that have to be re-sited to name a few. Freighters navigating the waters of the Great Lakes are being made less efficient due to having to use the same energy to carry lighter loads of goods because, fully loaded, their hulls are too deep and are running aground.

### WHEN IS THE WATER COMING BACK?

The Department of Fisheries and Oceans Canada publishes a monthly bulletin on current and future Great Lakes Water Levels that can be accessed at [http://www.waterlevels.gc.ca/CE&A/bulletin\\_e.html](http://www.waterlevels.gc.ca/CE&A/bulletin_e.html). Environment Canada produces a monthly newsletter called LEVELnews which describes the current state and future state of water levels for the Great Lakes and St. Lawrence River <http://www.ec.gc.ca/eau-water/default.asp?lang=En&n=F6F3D96B-1>. Unless a sustained period of abnormally wet conditions occur, the six month forecast predicts that Lakes Michigan-Huron will reach new record lows by Spring 2013. According to the historical water level cycle the lakes will slowly begin to increase levels from that point. However, if human interference begins to outweigh natural factors affecting fluctuation it remains in question as to whether charted normal levels will be reached.

### WHAT IS BEING DONE ABOUT IT?

The peer reviewed second report "Lake Superior Regulation: Addressing Uncertainty in Upper Great Lakes Water levels" was published March 2012. The report reviewed the regulation plan for the control structures in the St. Marys River at Sault Ste. Marie. The report recommended a new Lake Superior Regulation Plan that incorporates the concept of balancing Lake Superior and Lake Michigan-Huron levels of the existing plan, but is more robust during plausible extreme climatic conditions. The recommendations also call for improved scientific understanding of hydroclimate processes in the Great Lakes basin, the application of an adaptive management strategy to address future extreme water levels, and it recommends against further study of multi-lake regulation at this time. The Study's analysis concluded that adaptive management has an important role to play in addressing the risks of future extremes in water levels, particularly given the limits of Lake Superior regulation and the high costs and impacts associated with restoration structures and additional multi-lake regulation. The IJC recently completed an in-depth public consultation process and will now prepare a final report for submission to the Canadian and U.S. governments recommending an appropriate course of action that considers the entire Great Lakes-St. Lawrence River Basin.<sup>3</sup>

While the government undertakes further studies to understand and address this issue, the general public grows increasingly impatient as they watch the water continue to abate and the economic and recreational impact increase. Although it is understandably difficult to attribute the loss of water to any

one cause, it is impossible to argue with marina owners who have less slips available to their boaters or with water-access cottagers who can no longer boat in to their properties or with waterfront property owners paying waterfront tax rates for what is, in some areas, becoming merely water-view property.

In January of this year mayors of Midland, Penetanguishene, Tiny and Tay (all in Simcoe County on Georgian Bay) have come together to ask the government for disaster relief funding. Their message is clear, "If nothing is to be done about falling water levels in Georgian Bay, then someone should at least take responsibility for the marinas, municipalities and property owners affected by the phenomenon."<sup>4</sup> The mayors liken the issue to a slow-occurring disaster and state that because the International Joint Commission (IJC) decided against the use of major engineering projects to manage water flow, such as dams and other structures, cost and the potential for environmental damage weighed heavily against intervention. Because of this decision the mayors decided to shift focus from the causes of the water levels to ways to address the damage that is ensuing. As the economic impact worsens, the sense of urgency is increasing.

Clearly this is a complex, bi-national issue that has both natural and human-imposed factors affecting the outcome. With the debate ramping up as to 'where, when and what', public confidence surrounding the handling/outcome of water levels would be bolstered by knowing what to expect in terms of a solution in both the shortterm and longterm. ■

## SOLUTIONS

### MULTI-LAKE REGULATION - Georgian Bay Forever

Addresses the ecological and economic concerns of both low water levels and high levels. A proper system of regulation would provide the tools needed to ensure variations in water levels – which are necessary to ensure healthy ecosystems.

### RESTORATION - International Upper Great Lakes Study (IUGLS)

"Restoration implies a permanent increase in the Lake Michigan-Huron levels, relative to what they would otherwise be, to compensate for the lowering of lake levels due to the episodic dredging and channel enlargement in the St. Clair River over the past 100 years. Each past channel enlargement resulted in a temporary increase in the outflow from Lake Michigan-Huron for several years afterwards and resulted in a long-term lowering of water level differences between Lake Michigan-Huron and Lake Erie. Restoration would return these differences in lake levels to what they would have been without the dredging."<sup>5</sup>

### RESTORATION/REGULATION - Canada / US Governments

With multiple studies completed on this issue the governments in power need to begin implementing short-term and long-term restoration and regulation. A balanced solution will protect the ecosystems as well as local economies and communities, it will consider all of the variables and be optimized for expected conditions.

1. <http://www.glc.org/living/pdf/natural.pdf>
2. David Sweetnam, Executive Director, Georgian Bay Forever - [www.georgianbayforever.org](http://www.georgianbayforever.org)
3. Aaron Thompson, P.Eng, Environment Canada - [www.ec.gc.ca](http://www.ec.gc.ca)
4. <http://www.simcoe.com/news/article/1569561--mayors-seek-help-with-slow-occurring-disaster>
5. International Upper Great Lakes Study. Options for Restoring Lake Michigan-Huron Water Levels: An Exploratory Analysis May 26, 2011

# ATTENTION MARINA OPERATORS

## Did you know that...

Any of your staff operating a VHF radio at your marina must have a valid VHF license?

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If you cannot locate a local Squadron please contact Lynn Lortie at [lynnlortie@kerrwil.com](mailto:lynnlortie@kerrwil.com)

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# Kick-Ass Canadian Commercial Competitor

BY ANDY ADAMS

John Armstrong (left) and Bob Clark give a sense of scale to the Alexandria FD, VA FireStorm 50 due for delivery Fall of 2013.

**I FEEL GOOD TELLING YOU** about the continued success of MetalCraft Marine. These guys are just a kick-ass Canadian commercial competitor on the North American work boat scene. Their shop is up to 130 employees and the MetalCraft Marine order book is full for the next 2 years.

MetalCraft Marine specializes in welded aluminum commercial vessels from the mid-20 foot range up to 70 feet or more. They are particularly well known for their Firestorm fire boats, but they have a whole book of designs for specialized requirements like US homeland security, drug interdiction and rescue.

Their long-range Interceptor model can hit 41 knots, has an amazing electronics suite and for a 35 footer, has

finish requirements that are just out of this world. This is a boat that accommodates a crew of 5, has space for a boarding party of up to 10 and it's becoming very popular for drug interdiction use.

At the present time, virtually all of the production of MetalCraft Marine in Kingston, Ontario and Cape Vincent, New York is going to the United States. Contracts Manager Bob Clark showed us through the facility and talked about the business.

He had nothing but admiration for his American clientele. They know exactly what they want, the specifications are tightly written, clear and can be followed with precision. The US buyers include federal and state governments and municipal organizations like police,

fire and rescue. They are preparing to buy the best.

The market seems to be performance driven not cost driven and you have to believe that MetalCraft Marine is outperforming the other bidders on these projects. When a city like Miami buys one of the Firestorm fire boats from MetalCraft Marine and then follows up with an order for two more, you know they're pleased.

Much of the work is done in Kingston, Ontario and is part of that city's working waterfront. To say the facilities are not glamorous is sure to bring a chorus of laughter from the MetalCraft staff. The design department, (clearly one of the best in the business) is stuffed into an unfinished loft area in one of the



Key West Pilots Association,  
FL Kingston 36 Pilot Boat  
delivered January 2013.



Port of Houston, TX FireStorm 70  
due for delivery late Fall 2013.



Jacksonville's FireStorm 70 at speed.

construction buildings.

The facilities are a rabbit's warren of docks, buildings and muddy grounds, but you start to realize the magic when you stand there and watch what's happening.

We visited in the middle of a weekday afternoon and the place was a hive of activity, yet our photos barely show any people working. Everybody was inside the boats running welders, fitting pieces, drilling holes and getting on with it.

All the workers are senior people, know exactly what they're doing and they've done it before. Each person goes quietly and quickly about their work with little apparent supervision, but at impressively high level of quality.

MetalCraft Marine's high-speed patrol, fire / rescue and work boats are

built to military spec and the re-orders keep coming in because the boats really deliver in the field.

One of the most difficult designs to build is the model that can be launched or retrieved by a 225' ship equipped with a hydraulic ramp that is just 12 feet wide—while the ship is running at 17 knots!

The MetalCraft Marine design facility is one of the elements that sets this builder ahead of the competition. Each boat will have at least some custom features and often the changing specs for onboard equipment and crew will significantly alter the performance, so the designs usually need to be adjusted to meet spec.

Really, almost every MetalCraft Marine vessel should be viewed as a custom build, but the performance deliverables

can't be compromised. Performance is what they are best known for.

For fun, you should visit their website and drill down to "Fireboats" or other specific models to see videos of the boats in action. One of my favourites is the "crash stop" where the pilot of a MetalCraft Marine boat traveling at high speed, throws the jet drives into full reverse and stops the boat in about 100'. Stunning!

Have a look yourself - <http://metalcraft-marine.com/html/marina.html>

The company has just delivered their first Diesel Electric Patrol Boat to the Annapolis Harbormaster. Also, MetalCraft Marine was awarded the prestigious "Boat of the Year" from WorkBoat Magazine. Congratulations to MetalCraft Marine! Keep up the great work. ■



What are the odds that at least one of these boats has a wiring problem?

# Electric Shock Drowning Can Strike Your Customers

BY MATT WEINOLD, ABYC TECHNICAL STANDARDS SPECIALIST

**ELECTRIC SHOCK DROWNING (ESD)** is a term that makes those of us that are familiar with the term, cringe with anxiety. For those out there that have not heard the term, it's time to learn and pass on the message. Simply put, ESD occurs when a person in fresh water encounters stray AC current being leaked from a boat or other shore side power source. The current is attempting to return to its source and finds the human body to be a better conductor than the fresh water he/she is immersed in causing skeletal muscular paralysis and rendering the victim unable to help him/herself and subsequently drowning. Imagine climbing into a bath tub with a hair dryer floating in it. Real people, kids and adults, are killed by ESD every year.

In most cases there is no evidence that a problem exists prior to entering the water, or after an incident has occurred. If enough current is in the water, electrocution occurs, yet no burn marks are left behind as are seen in other electrocutions. The current leakage may also be intermittent, such as when the fault occurs only as an onboard air conditioner cycles on and off.

Two separate incidents at Lake of the Ozarks in Missouri involved two children and one adult, while another child was killed swimming near houseboats on Cherokee Lake in Tennessee. These four deaths occurred during the week of Fourth of July and brought this year's death toll to seven,

already equaling last year's total. The biggest issue raised with these tragedies is that readily available and affordable means of prevention exists, starting with proper wiring practices. Boats have complex wiring systems that need to be maintained by qualified technicians. Likewise on the dock side, large amounts of wiring is exposed to a harsh marine environment and then relied upon to supply massive amounts of power to vessels. The slightest oversight can have catastrophic repercussions.

In response to the recent tragedies the American Boat and Yacht Council (ABYC) has held two webinars and seen unprecedented participation from members, outside media and other interested parties.

Kevin Ritz of Cruising Essentials shared the tragedy of his son's death with the largest listening audience ABYC has seen to date (over 700 registrations) and brought to the forefront this deadly threat. Now, an ABYC instructor and vigil advocate for safe marine electrical systems, Kevin discussed in detail, the hows, whens and whys his and similar losses occurred and how they could have been prevented. This webinar is free for a limited time and is a must watch for anyone involved in boating or around docks.

"I was able to include a couple of up-coming marine techs in this webinar, and they walked away with eyes wide open. It's up

ABYC

*"I was able to include a couple of up-coming marine techs in this webinar, and they walked away with eyes wide open. It's up to us all to help the public understand and recognize the potential dangers of ESD, and how to prevent this from happening..."*

to us all to help the public understand and recognize the potential dangers of ESD, and how to prevent this from happening..."

The overwhelmingly positive response from Kevin's webinar prompted the ABYC to team up with The Association of Marina Industries (AMI) to produce a follow up from the perspective of marina operators. Application engineer, Chris Dolan from Eaton, addressed what waterfront property owners, dock managers, and other marina operators could contribute to the cause, from ground fault protection and best practices to current leakage monitoring systems and leakage grouping. To wrap up this webinar, Chris is joined by Gary Loftis of Maffett Loftis Engineering, to have a roundtable discussion on various issues surrounding the subject.

ABYC's 52nd supplement of marine standards was released on the 1st of August, 2012. The updated E-11 AC and DC Electrical Systems on Boats makes the installation of an Equipment Leakage Circuit Interrupter (ELCI) a requirement on all new boats containing AC systems starting on January 1, 2013. This device senses the leakage of current and trips, blocking harmful current from proceeding into the vessel. Additionally, ABYC certified technicians are encouraging the installation of these devices on all vessels with AC systems.

An additional measure that ABYC is taking to help facilitate electrical safety at marinas is to develop a product that will quickly and easily identify vessels that are leaking current into the water. An inline ELCI pigtail is currently in the development stage and will be promoted to technicians, marina operators, waterfront property owners as a low cost way to quickly and easily determine whether a boat is leaking current. The intent is to create marina policies that each boat plugged into a dockside power pedestal will be checked each year. "Every boat, every year will save lives," says John Adey, President of ABYC. There are already plans to get these devices in the hands of state Departments of Natural Resources for testing at public and transient dockages. It can be used by non-technical people using basic instructions to determine potential health risks at the docks.

ABYC's webinars, Electric Shock Drowning...The Invisible Killer Parts 1 & 2 are free to view by members by visiting <http://www.abycinc.org/educationprograms/multimedia.cfm> or by finding the links on our Facebook page: [facebook.com/abycinc](https://www.facebook.com/abycinc). A DVD will also be made available at ABYC's Ship Store on our website.

The ABYC has a new website. Visit the Multimedia Resources page <http://www.abycinc.org/educationprograms/> ■



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# It's the Little Things

The entire root of the problem is that you don't know what you don't know.

BY JOHN MORRIS

**WHY DID THAT DEAL FALL THROUGH?** Or worse yet, why did that potential buyer not show up for their appointment? Or worst of all, why did the person who could buy that boat, *not* call.

Worse even than that is that they *did* call, but they didn't get to you, or someone else. Perhaps they coveted, let's say, a 2005 Sea Ray 290 Sundancer that you had in the listings on your website. Let's also say they had spent a considerable amount of time working the internet and had concluded that was the boat they wanted and could afford. They called, but they never made the right contact, so they didn't buy the Sea Ray. Instead they purchased a 2008 Regal 2565 Window Express from somewhere else, but you had no idea that they did that, until I just told you because you didn't even know they were thinking about your listing—something went wrong in the very long set of circumstances that need to line up for a sale to take place.

So what went wrong? A number of consultants are out there with the insight, although they don't really know either. All that is clear is that in our industry most of us do not follow the best caller handling practices resulting in huge inefficiencies wherein potential customers fall down the cracks between the dock boards.

**We are experiencing a higher than normal call volume**

If you are like me, having spent a lot of time on the phone with cable, utility or any company, you are well aware that penetrating the phone wall can be a challenge. Even booking your car's service appointment can be a frustration, so it's easy to believe that the customers trying to reach you are faring equally poorly.

Dr. John Mlinarcik, President, PCS-Global and a self-titled Call Coach works in the auto industry and has also addressed boating groups since the similarities far outweigh the differences. PCS offers a range of tools and services designed to improve sales communication techniques that, based on 20 million phone calls recorded over a decade, Mlinarcik contends will significantly improve sales outcomes.

According to the research Mlinarcik quotes, a shocking 40% of incoming sales calls to car dealerships never reach the intended party or even someone who can handle the call. The sad part is that, according to his stats, today 90% people call *after* they have done a huge amount of online research and are ready to go beyond just browsing. But then 50% of people who are transferred to

voicemail never leave a message.

The number one reason, according to Mlinarcik is that when they do call and speak to someone they are told the boat is "already sold" and they go away.

The unfortunate part is that his research also shows that in the car business 86% of people who inquire about a particular car end up purchasing a different car anyhow. If they are told the boat they thought they wanted is gone, you lose them but if you can find a way to engage them in a different model, you may win them over. I'm not going to do what Mlinarcik coaches here—teaching how to retain those calls even when the target boat isn't available—but learning that technique sounds like a pretty fine idea.

PCS-Global and others, also offer specific telephone call coaching that includes immediate monitoring and dissection so that mistakes can be detected and corrected. Their reel of phone calls gone bad is hilarious, in a heartbreaking kind of way. It doesn't take much to lose a potential customer, although being transferred from person to person to person ranks as a particularly glaring and common method.

The auto business is more closely followed than the boat business, so we can score some advice for free. Let's look at



TERRI HODGSON



A boat show display like this by custom builder Tuff Marine is a big expense. Don't let the follow up calls go to voice mail.

the whole process. J.D. Ney, a Canadian analyst with JD Power has charted where potential customers fall out of the sales process. Please note these results are based on new vehicle sales as opposed to boat sales.

#### After which sales gate are shoppers abandoning the process?



Source: J.D. Power and Associates 2012 Consumer Retail Experience Study

So in that business, even after the potential buyer is in the door, 37% don't stick beyond the product presentation. That seems like an ideal place to improve. You have them in your space—what does it take to win them over? Better presentations with better facts? Less pushiness? Better environment? These are just some of the possibilities—Sales is a rough sport, as we all know.

I might have thought that once they get as far as a test drive, chances would improve and let's hope they do in the

boat business, but in the car business a further 31% say bye-bye after a ride.

But on further investigation, the reasons are not what they appear but are rather some little things. The JD Power study says that while many shoppers reject the deal on price or the suitability of the car to their needs, nearly one in five (18%) say that they rejected a dealer based on customer treatment issues, such as the 'staff was rude', the 'dealer was too busy', and the 'staff applied too much pressure.'

On the phone, at the showroom the whole team has to be on its game to avoid the pitfalls. These are dangers that may never surface, so it's up to you to sort through your process to make sure you've trapped and eliminated the bugs.

You invest money and other resources to attract customers and even when that works, the list of things that can go wrong makes it astonishing that they often go right. Hire the right people to answer your phones and put a system in place that works. Consider the dealership's face to the world and who says what.

Invest in coaching as the pros suggest, perhaps. By attending to the little things, you can increase your success rate and get the most out of the large efforts you have already made. ■

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# DAVE MAYHEW

## The Boat Warehouse

STORY AND PHOTOS BY ANDY ADAMS

**WHEN THE BOAT WAREHOUSE** in Kingston, Ontario first opened, industry veterans said things like; a flash in the pan, a bunch of kids, they'll learn you can't make money by giving boats away, they're ruining the market...they won't last.

If you walked into the Toronto International Boat Show in January 2013, the first thing you'd see was a Four Winns family stern drive runabout with a big \$17,499 sign (including trailer) in the main aisle.

Is it a consumer come on? Intimidation? Or, is The Boat Warehouse continuing to give boats away?


Read on and you can be the judge. Dave Mayhew and his team at The Boat Warehouse have won awards year after year, been

the world's number one Four Winns dealer six times (including during the US boom times) and they typically sell over 100 boats in just nine days at the Toronto International Boat Show.

Seems the skeptics were wrong.

Dave Mayhew is a boat dealer, not a marina operator who sells boats and that puts his business into the same league as other key brand dealers.

There are very few real boat dealers in Canada. But, when you read about The Boat Warehouse, we think you will see that their unique business strategies set them apart from other dealers, explaining the track record of the awards The Boat Warehouse has earned.



Dave Mayhew at his desk  
in the offices above his  
Kingston, Ontario showroom.

## **BOATING INDUSTRY CANADA (BIC):**

So, Dave how did you get into the boat business?

### **DAVE MAYHEW (DM):**

After being in the car business for 8 years, I decided I wanted a career change. I was presented with an opportunity to manage a newly purchased local marine dealership, Paris Marine.

After 2 years in the changing economic times Paris Marine scaled back and closed the Kingston location

In the 2 years I worked for Paris Marine, I recognized the potential to bring more sophistication to the boating industry through the knowledge gained in the car industry.

It was a vision to me that somebody could take this business and really run with it; Kingston had several mom-and-pop type operators then, but nobody came from a sales and marketing force into the boat business.

At the time Paris Marine closed I was 28 years of age and was already thinking of a way I could get into the business. This happened to be in 1989 / 1990 and it was a brutal economic time for the boating industry; many dealers were closing their doors and finance companies were taking some big hits. It was at this time that I applied for credit with a major inventory finance company.

I will never forget my first meeting with Bill Blight who held an upper management position with the finance company. It was he who gave me my start. Bill was coming to Kingston for a hockey tournament with his kids. We met and talked for an hour and a half. After our conversation, he picked up the phone and said, "I want to do something for this guy" (me - Dave Mayhew).

I was fortunate that I had my house paid for and I was able to put my house up as collateral for \$150,000.

So, \$150,000 became my original line of credit in the boat business.

Could anyone do today what I did that back then? Absolutely not. Timing is everything. The industry was at an all-time low, the finance business wasn't as tight and they were looking for new business.

So, I put my house on the line and we started with a \$150,000 line of credit. Which, as you can appreciate back then, didn't buy us a lot of boats!

Our first line was with Bryant fiberglass boats and we were one of the initial Tracker dealers in Canada. Obviously, we had to flip our inventory very quickly to keep our line of credit going!

Again, timing is everything. Three months into opening my business here, the dealership next door decided to close. They were a large dealer and had been in business many years. The owner had over \$1 million worth of inventory held by the finance company with whom I had just signed

Many of the boats were Bayliners. In the tough economic times, the finance company was being offered \$.50 on the dollar and they were going to take a huge hit.

I saw an opportunity to approach the finance company and offered to sell the boats on my floor plan for a commission rate as opposed to them selling the boats at \$.40 or \$.50 ▶

## **BACKGROUND**

Dave Mayhew was born in Ottawa. His family was relocated to Kingston where Dave was raised and educated. Boating in Lake Ontario became a regular pastime in his teenage days.

Dave told us, "I love boating, but I can't say that was the reason I got into this business. I got into the boating business because it presented a unique opportunity."

He started in the car business at 19 right out of college and became a sales manager at the age of 23 at a Jaguar Jeep dealership in Kingston.

It was a great experience in managing and, more importantly, he learned how to sell two different brands of car to two different types of buyers, the Jaguar customer and the off-roading Jeep customer.

He saw an opportunity in the boat business that he never saw in the car industry. Selling a recreational product to a customer who wants (as opposed to needs) the product makes the sales process more enjoyable.

We share his responses here to some key questions.



*Dave Mayhew told us, “Truckloads are coming, every single day. It’s unbelievable.” Well on December 18th, this was what we saw!*

on the dollar. It was a mutually advantageous agreement. I sold all of their boats and my floor plan grew from the initial \$150,000 to \$1.2 million.

Even with a \$1.2 million floor plan the boat business was tough so to make ends meet I sold furniture out of one side of the business and boats out of the other. I did that for two years until the business picked up around 1993 / 1994 and then we became a full-fledged marine business.

It was in 1993 that The Boat Warehouse first took on Four Winns.

In 1993 we signed up with Four Winns and committed to 2 or 3 truckloads of boats. Four Winns was not building the vast lineup they have today, so we ordered a bunch of 18 and 19 foot boats and they arrived in April or May. Every week Four Winns would call us and ask how many we had sold. Week after week we would reply that we hadn’t sold any.

I found out later that they were concerned about their decision to sign me on as a dealer. This concern would change in August when all the boats were sold.

From that time they referred to me as Mr. August.

**BIC:** *Have you always been a Four Winns dealer since then?*

**DM:** Absolutely. Product lines are important to the success of the dealership. You need to establish the right relationship with your manufacturer, because it brings you warranty support, rebates and programs that help move the product.

In my opinion if you have too many lines, you’re just another dealer to the manufacturer.

If you have just a few relationships, you become important to the manufacturer. Your whole world changes, right from sales programs to warranty programs to taking care of the customer. Everything changes.

This was shot on December 18, 2012 and look at the 2013 inventory in stock already!



I came out of the car business. The car business taught me everything I know, everything I needed to know, to be in retail. We didn't have a choice to deal with different manufacturers. Your only choice in the car business was to become really good at what you did with that manufacturer.

You had to belong to their programs.

**BIC:** What about signing up for multiple lines? Can't you get the best of all worlds?

**DM:** We have seen dealers that have that have tried to carry multiple lines but now, the manufacturers are starting to pull away.

In my opinion, it is difficult for multiline dealers to be aware of what is going on with all their brands and their competitors. They don't have the ability to keep up with the marketing, warranty and sales programs.

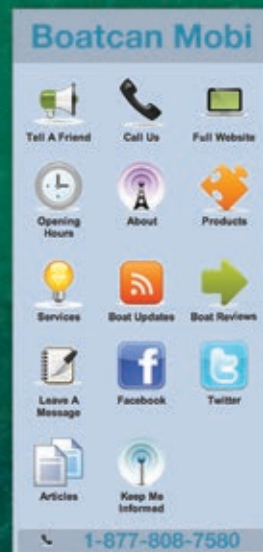
When somebody walks into our showroom and asks us about Four Winns, we know everything about that boat. My sales representatives know the brand inside-out; we have been selling it for years.

**BIC:** How does that benefit your sales people?

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The Boat Warehouse stocks the new Four Winns sport boats, giving them more unique products to sell and lifting them out of the more price competitive segments.

**DM:** Our salespeople are confident about Four Winns and Lowe because of their familiarity after years of selling both of these brands.

**BIC:** But didn't the big boat market really slow down?

**DM:** Yes. We changed gears and we changed gears very quickly. I realized that I needed to pick up our sales by changing our focus away from big boats. So, just a few years ago, we expanded with Lowe and we became the Master Dealer for Ontario.

Our Lowe sales surpassed our expectations, making us the World's Largest Lowe Dealer for these past two years.

**BIC:** What was driving that spectacular increase?

**DM:** Timing was everything. We expanded at the right time, when the aluminum and pontoon boat business was on the increase.

We have been fortunate that our relationship with the factory enables us to communicate models and features that we require to gain market share in the Ontario market. We have been successful in determining the price point and the models we considered would be strong sellers.

For example, we approached Lowe and suggested that they build a 21 foot tri-toon pontoon boat that would give consumers the option to ski or wake board behind at a price point below \$20 000. This model was so successful that Lowe went national with that boat the next year.

**BIC:** What benefits do you gain when you hit those numbers and can't a regular marina take advantage of that tri-toon model?

**DM:** Any dealer can take advantage of any model. The problem is without volume purchasing it is more difficult to reach a competitive price point.

**BIC:** OK, but it looks like there's no margin left at your prices.

**DM:** Again, volume buying allows us to meet our margins, benefitting the consumer with a very competitive price point.

**BIC:** So, are your sales people being more like consultants?

**DM:** Selling has changed for us. We used to be able to close deals very quickly. The process of selling has changed a lot in the past 5 years. It has become much more of a relationship. The relationship is established through the consumer confidence that is established. The customer has to be confident that you are selling them what they really need and want. That's the key.

**BIC:** Is that the main difference from small marinas?

**DM:** No—The volume of inventory we stock attracts the consumer and instills confidence in the consumer that we can provide them with the boat that best suits their needs. We sell people what we know they need. When a customer walks into our yard and sees the amount of inventory, they know we are in the business of selling boats.

**BIC:** When we talk about volume, how many boats are you really talking about?

**DM:** The Boat Warehouse sold over 400 new units this past year.

**BIC:** That's a tremendous volume and Kingston is not that big an urban area!

**DM:** We are in a great area with literally hundreds of small lakes to the north from Ottawa to Lake Ontario and the





This may look like a warehouse but it's really a showroom for demos and new non-currents. The ambience assures people that they're getting a deal!

*I came out of the car business. The car business taught me everything I know, everything I needed to know, to be in retail. We didn't have a choice to deal with different manufacturers. Your only choice in the car business was to become really good at what you did with that manufacturer.*

Thousand Islands too. Our brands give us the opportunity to reach a large market in Ontario.

**BIC:** *How do so many customers find you?*

**DM:** Initially the Trader magazines in Ontario had the most impact for us.

We would run a double-page ad in the middle of the magazine, 52-weeks a year regardless of how business was even in slower times when our competitors were cutting back.

People would walk into the Toronto Boat Show with that double-page ad and could easily identify us.

Obviously, the internet is now the major marketing tool for customers to research our company and boat inventory.

**BIC:** *How important is the Toronto Boat Show to The Boat Warehouse?*

**DM:** The Toronto Boat Show requires months of planning. There are only two things that really take years off my life. One is the first time that I drive under the Exhibition Place arches and the other is the May long weekend.

The boat show represents 20 to 25% of our entire year sales sometimes. The preparation that goes into it; pricing, ordering boats, set up and tear down—unbelievable.

**BIC:** *What if there was no boat show, would you still find those buyers?*

**DM:** No—The Boat Warehouse is very successful in front of the consumer's face. My sales staff shines at the show when they are in the heart of the competition.

The industry needs the boat shows. It's a great environment for the consumer. They can see so many different units all in one place. Ten years ago consumers commented that sometimes the volume of product was overwhelming.

Today with the Internet it is not as confusing. The consumer has researched the brands and models of boats they are interested in before they attend the show. They don't wander around anymore like deer in the headlights.

Most consumers today with the help of the Internet know what they're going to look for and the boat show is the perfect venue to make a proper buying decision.

**BIC:** *Well Dave, clearly you are focused on the science of selling, but you spent more time talking with passion about the boats themselves and your input into design, equipment and marketing. That combination of being a boat enthusiast with exciting pricing should continue to be irresistible to your customers. We wish you continued good luck! ■*



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