

pushing the boat out

When two mates wanted to get out on the water without backing a trailer, they came up with a world-beating concept. Now, Sealegs is the world's biggest manufacturer of amphibious boats.

STORY SUZANNE McFADDEN





IN A NUTSHELL

- Sealegs is the world's largest manufacturer of amphibious boats.
- Sealegs came about because the designers wanted an easier way to launch their own boats.
- They are now in 22 countries.

● Their target market: wealthy waterfront homeowners, commercial and rescue sectors.

● Sales are climbing: up 14 percent in the half-year to September 2009.

www.sealegs.com

hydraulic power-pack to drive the boat on land. The motor is installed under the seat, and can safely reach speeds of 10km/h down a boat ramp or beach into the water, and climb up a 25-degree slope.

It's not designed, however, to buzz down to the local fish and chip shop. For one, it's not licensed to drive on a public road; and the air-cooled inboard motor will last for about 10 minutes – or a kilometre – before it needs to rest and cool down again. More powerful outboard motors drive the boat across the water at a top speed of 65 km/h.

Once the boat proved to be seaworthy and met rigid safety requirements, the two men decided to share the innovation and create the Sealegs International company. McKee Wright and Bryham had been friends and colleagues since 1994, when they worked together at PC Direct (the groundbreaking New Zealand computer company that Bryham co-founded with Sharon Hunter).

The pair then became partners in e-commerce software company Exonet, which they later sold. Sealegs Corporation became a publicly listed company in late 2003, and started production of the first 12

boats in January 2004.

"It's been a really good ride. I don't think you have many business partnerships that span three successful companies, where you remain mates," McKee Wright says. "Maurice built the boat, and I built the company."

They were realistic from the start. "I call Sealegs a very fatalist company. We didn't want to storm the world with amphibious boats; we had no elaborate plan. It was meant to happen, and now it's all unfolding nicely."

A year after its launch, Sealegs International ventured offshore – first port of call, Australia. "At first, we struggled with the logistics of sending these boats across the Tasman. It was so different from the IT industry where you packaged up software in boxes; here we were down on our hands and knees lugging boats in and out of containers," McKee Wright says.

The company then decided to "go down the path of least resistance", marketing their boats in Asia, Europe and the United Kingdom, rather than the United States, where they knew it was tougher to get boats across the border. Their promotional play was simple and slick – world-record amphibious

crossings of Cook Strait, Sydney Harbour, the English Channel and the Straits of Malacca.

In February this year, with United States Coast Guard compliance behind them, Sealegs took its boats to a string of boat shows across the US, signalling the start of a major push in that part of the world.

"The US marine market is massive. It's quite amazing that their country has a boat show nearly every week of the year," says McKee Wright, fresh from the Seattle Boat Show, one of the largest in the US.

"I just love the enthusiasm of the American people when they see the boat: 'Wowee, that's cool!', with the big waving of their arms. Then when they find out we're from New Zealand, they're like, 'Those New Zealanders,

they come up with everything!' People who live on the beachfront pull their chequebooks out straight away."

The boat show introductions were also a chance for McKee Wright to speak with state fire and ecology departments about using their specially built aluminium boats for rapid-response craft.

"Our biggest sales platform will be from the commercial [and rescue] market. There are 3500 fire departments that are marine-based in the US – it's a massive market that we need to whittle away at," he says.

Sealegs' rescue craft are already used in Malaysia, which bought eight fire and rescue boats and two military, to be used both on the coast and on inland waterways.

"After we did the Malaysian speed record, we left the boat behind. And then I got a call asking if they could use it to help evacuate people in a snap flood. Next thing, I see in the newspaper the boat had been used to rescue a school full of children that no other vehicle could reach. Then they put in their order for more."

Police in Mumbai now have four Sealegs boats to patrol their waterways, stepping up their reconnaissance after terrorists used rubber dinghies to enter the city in the 2008 Mumbai bombings, killing 173 people.

In New Zealand, the coast guard at Whangaparaoa is using one for rapid-

response rescues, but Sealegs boats bought here are mainly for recreational use.

"The New Zealand market has been really encouraging. We thought that in a country with only four million people, sales would spike and then reach saturation, but that hasn't happened yet," McKee Wright says.

With the hefty cost of development, the company has struggled to post a profit. But sales continue to climb, up 14 percent to \$4.3 million in the half-year to September 2009, with another 30 boats on order, and a doubling in demand for rescue craft.

Their focus is now on proving the reliability and simplicity of the Sealegs boats, all built in two factories in Albany, on Auckland's North Shore. McKee Wright says the design opportunities are endless with their amphibious concept – the wheels could eventually be attached to any kind of floating craft. But for now, the company will concentrate on building up the product it has already developed.

"We're holding back on design now. But once the amphibious boat proves itself to be a really tangible business, then we will let other people build the boats," he says. "The opportunities are endless."

"It's so innovative. In my mind I see Sealegs one day in a New Zealand museum next to the Britten motorbike and Hamilton jet. I love being a Kiwi right now."



Maurice Bryham and David McKee Wright.

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