

DOWN THE DRIVEWAY AND INTO THE WATER

Builder of an amphibious RIB with motorized wheels aims to expand its North American market

By Rich Armstrong / Managing Editor

Amid a down market of epic proportions, the manufacturer of one of the most unusual vessels around is rumbling into the North American recreational market. Sealegs is an amphibious RIB with three motorized, retractable hydraulic wheels that allow the owner to steer and drive the boat onto a beach, up a launch ramp, into a garage or over surprisingly rough terrain.

New Zealand entrepreneur Maurice Bryham, who founded Sealegs Corp. and designed the boat, introduced the first recreational model into the U.S. market last June and hired Jon Hoflich, 31, former commanding officer of the Coast Guard cutter *Chandeleur*, as a vice president in charge of the North American market.

In March 2010, six years after the Kiwi company was formed, Sealegs turned a profit for the first time and the publicly traded company saw its share price spike on the New Zealand stock market. In September, Sealegs launched its 500th boat, which Hoflich says is a testament to the company's early investment in engineering and its consistent, efficient production procedure. (A new boat can be built and launched in about eight weeks.) The company recently received an investment of \$9 million (N.Z.) — \$6.745 million (U.S.) — to expand globally.

"We're looking to expand North American sales offices in locations where Sealegs amphibious craft bring a significant value-add to the recreational boater," Hoflich says.

He has initially targeted the Seattle and Chicago markets for the terrestrial boat because of a high number of waterfront homes that have limited access to the water. The plan is to sell direct to consumers in certain markets while developing a geographically strategic dealer network in the United States and the Caribbean.

"We're looking for dealers who have a history of working with waterfront and near waterfront clientele



The unique Sealegs RIB can be driven on a beach, up a launch ramp or over other terrain.

in high-net-worth environments," Hoflich says. "In these cases, we're looking for an established dealer that has a proven history of solid customer service and attention to detail."

Sealegs recently hired Scott Dyer as North American sales manager to further increase market share in the high-end waterfront and megayacht markets. Dyer was the East Coast sales manager for Protector Boats for five years and formerly worked at Hinckley Yachts.

For product awareness in North America, Sealegs has initiated a multifaceted approach that incorporates boat shows, private luxury events, magazine advertising, direct mail and the "Sealegs Experience," where models are demonstrated at select locations.

"During these demonstrations, people come to truly appreciate how life-changing this boat can be," Hoflich says.

He spent last summer and fall working with local yacht clubs and marinas to target "high-net-worth attendance" through direct mail, local newspapers, owner referrals and other leads.

Before Dyer's hiring, Hoflich showed the RIB at fall boat shows, including Newport, R.I. — where it was named best new powerboat under 30 feet — Fort Lauderdale, Boston, and Annapolis, Md. He also plans to exhibit at winter shows in Miami and Seattle.

Hoflich says carting Sealegs models around the country is paying off. "We're hitting a tipping point for awareness," says Hoflich, who with Dyer is based in Boston.

The boat was chosen for a 2010 Best of What's New Award from Popular Science magazine in the recreation category. It was featured in the December issue.

The 500-boat mark answers the toughest question Hoflich fields from potential customers: How can a boat with retractable wheels be dependable in the long term? "It signifies we build a reliable boat," Hoflich says.

He points to the single-piece 5mm 5083 marine-grade aluminum hull, with seven longitudinal stringers and 12mm keel plate, and heavy-duty six-chamber Hypalon 866 tubing as evidence. And given its New Zealand heritage, 95 percent of Sealegs RIBs are used in salt water. The boats come with a standard worldwide three-year warranty.

This is not a gimmicky toy, he says; it's the right boat for the right person, particularly people with waterfront property. About 90 percent of his customers live on the water and buy a Sealegs as a second boat.

"This is a game-changer," Hoflich says. "It's what I call non-agenda boating because most of my customers are still working and time is a major factor. Regardless of the tides, they can get out to the 16 inches of water necessary and quickly be on plane and run-



With the wheels retracted, the boat tops out at 40 to 48 mph with a standard 150-hp Evinrude E-TEC.

ning.” With a standard 150-hp Evinrude E-TEC, the boats top out from 40 to 48 mph.

Sealegs customer Jim Bicknell, 57, has a home north of Cape Cod Bay in Duxbury, Mass., which is known for its 10-plus-foot tidal range. Bicknell says he keeps his primary boat, a 2008 World Cat 32, on a mooring and can only use it about three hours on the top of every tide.

Bicknell took delivery of a 20-foot Sealegs last May. Now he goes out whenever it's convenient. “This takes the tides completely out of play,” he says, and he has found himself taking family and friends out about four times a week for fishing or a swim.

“I've used my Sealegs more in the past month,” he said during the summer, “than I used my other boat all of last year.”

Another customer, Jerry Wyner of Boston and Martha's Vineyard, Mass., says he's a longtime sailor and active 85-year-old who sailed extensively with his wife, Genevieve, aboard their Hunter 54. “Genevieve used to be my active helmsman in any weather,” Wyner says.

Her advancing age made sailing impractical, however, and they sold the boat. “She was getting to the point where she missed going out on a boat,” Wyner says.

With the 23-foot Sealegs he keeps in his garage, Wyner can drop the boat to the floor so his wife can easily climb aboard. Then they can drive right into Mattakesett Bay, at the southern end of Katama Bay on Martha's Vineyard, and over the shallows and the shifting sandbar to deep water. “My wife said, ‘This is the answer to everything.’” Wyner says.

That's the market Hoflich is targeting — the well-off, seasoned and dedicated boater looking for a boat that serves a purpose none other can. It retails fully rigged at \$85,000 for the 20-footer and \$112,000 for the 23-footer. “We're selling to people who have done well, despite the economy, and are able to not curb their expenses on luxury items,” Hoflich says. “We're selling to people with high-value waterfront properties with limited water access.”

Ninety percent of Sealegs' customers live on the water and use the RIB as a second boat.

Hoflich says it's becoming clear that once he has a Sealegs owner in a local community, the inevitable curious looks and questions come from neighbors. “You can easily see four or five more sales stemming from the original boat in the same season,” he says.

The boat's rugged design and innovations were derived from the military, which comprises about 10 to

15 percent of the company's market. The three key markets, Hoflich says, are waterfront homeowners, the military and megayachts. Hoflich plans to particularly target the megayacht market in the near future. He also wants to give future advertising a “family lifestyle” theme.

The all-wheel-drive terrain system incorporates motorized aircraft-type wheels with four-ply tires and stainless-steel hubs powered by a 24-hp Honda 4-stroke engine that can drive the boat on land as fast as 6 mph in forward or reverse. Marineized hydraulic cylinders raise and lower the wheels. The use of hydraulics over an electric setup is the key to long-term endurance, Hoflich says. “More than half the people who demo a boat buy a boat,” he says. “Typically about two weeks later.”

To help convince skeptics that a Sealegs boat can dramatically expand customers' on-water options, he's recruiting “ambassadors” — passionate Sealegs owners who are willing to give potential buyers a sea trial (and earn a small commission). “It's a de facto owners club,” Hoflich says. “It seems when they buy the boat, they become advocates for it.”

As he attempts to build business in this country, Hoflich says he has a three-pronged plan for success. “Build awareness, earn credibility for the vessel and deliver excellent customer service.”

For dealership inquiries, contact Hoflich at (617) 273-8454 or e-mail johnh@sealegs.com.

For sales inquiries, contact Dyer at the same number or e-mail scotttd@sealegs.com.

For great performance AND protection YEAR ROUND!

9 **DOUBLE** the corrosion prevention and more than **FOUR** times the fuel system cleaning of Regular STA-BIL®

Introducing NEW 10 oz. and Gallon sizes!

9 **Delivers SUPERIOR Corrosion Protection and Fuel System Cleaning** compared to other marine fuel additives*

9 **Designed for use at EVERY FILL UP for YEAR-ROUND** protection from the damaging effects of Ethanol

9 **Stock and merchandise over the entire boating season, for increased sales and profits — and happy customers!**



*Results based on Independent Lab NACE Corrosion Testing, Nov 2007

GoldEagleCo. 4400 S. Kildare Chicago, IL 60632 www.sta-bil.com 800-621-1251