



## Shared Values

Gary Reich

In April, I found myself at Teak Isle and Boat Outfitters in Ocoee, Fla., where I toured manufacturing facilities that span 200,000 square feet across four buildings. It was insanely interesting to watch sheets of King StarBoard, acrylic, Corian, aluminum and marine-grade plywood go through CNC machining before skilled craftspeople transformed the materials into stowage drawers, tackle stations, doors and other components critical to the boatbuilding trade and retail market.

Company owner Pat Brown and his son, Andrew, share many of the customer service values I learned as a young store clerk at Fawcett Boat Supplies in Annapolis, Md., back in the early '90s, and later as a part-time "genius" at the Apple Store. I have a passion for surprising and delighting customers that goes back almost 35 years, and it's not often that I see it in the marine industry the way I saw it at Teak Isle and Boat Outfitters.

Ever try to find a replacement part for an older boat — or even a relatively new model? It's not at all like heading to an auto parts store where you can buy or order virtually any component for your car, right down to the door handles. With boats, the process of identifying and sourcing small parts such as hinges, latches and interior components can be deeply frustrating. Even finding the right light bulb can be a challenge.

This was a big part of my job at Fawcett's: being able to recognize, identify and source what might seem like the most inconsequential component. I could find it in the store or order it from suppliers. Let me tell you, when you could look at a part and then pull it from a shelf and hand it to the customer, it was customer service solid gold.

Pat, Andrew and their team have re-created this experience virtually through their Boat Outfitters website, which supplies all sorts of parts, components and accessories. Hinges, latches, locks and other parts are displayed along with the hole measurements for fasteners and overall dimensions. Other components, such as storage drawers, tackle centers and glove boxes, can be ordered through the online store interface on a totally custom basis that makes replacing teak fittings easy. If you can't find what you need on the website, the company employs a platoon of salespeople who know their stuff and can point you in the right direction.

It's a refreshing change in an online-shopping world where you never know if your expectations will meet reality. On Page 42, you

can find out about Teak Isle, Boat Outfitters and their commitment to customer delight for OEM boatbuilders and retail customers alike.

Speaking of builders and boats, this month we also examine women working in the recreational boating industry, from engineers to service technicians to yacht finishers. It's always refreshing to see women doing jobs that, in some cases, have typically been done by men. Senior editor Eric Colby tells their stories starting on Page 36.

If you've been paying attention to our daily *Trade Only Today* reporting, you're likely aware of two pieces of litigation shaking up the boating industry. The first is a lawsuit brought against a number of brokerage outfits alleging that a particular boat-sale listing agreement included a non-negotiable 10% commission. The lawsuit contends that the buyer's broker and the seller's broker were both with the same company, resulting in the 10% commission being pocketed by a single firm: "But for the conspiracy among the Defendants, [Ya Mon Expeditions] would not have been forced to pay an inflated broker commission."

The litigation has the potential to upend the way boats are sold in the United States, coming on the heels of a landmark case against the real-estate industry that is poised to dismantle the way commissions are figured and paid. Check out Kim Kavin's reporting on the subject on Page 40.

Additionally, floorplans, financing and inventory practices were brought to light in another lawsuit filed by dealer Tommy's Boats against Malibu Boats. Its suit alleges that Malibu Boats and CEO Jack Springer "engaged in an elaborate scheme to overmanufacture and pump nearly \$100 million of its highest priced, highest margin, slow moving inventory into fifteen (15) Tommy's dealerships (collectively, "Tommy's") in order to artificially inflate Malibu's sales performance, artificially claim increased market share in the industry, and artificially inflate its stock value during an obvious downturn in the recreational powerboat industry."

On April 11, Malibu issued a statement promising to "vigorously defend itself" against Tommy's claims. The builder further stated that Tommy's, its former longtime dealer-partner, was "already mired in litigation over its default on its lending agreements."

That lawsuit has the potential to shine a bright light on the inventory and floorplan agreements that have been at the core of the boatbuilder-dealer relationship for decades. A full explainer starts on Page 18. ■

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