

# FUTURE OF BOATING INDUSTRY

some ideas

Boat Program Annual Seminar

Tampere, March 23<sup>rd</sup> 2011

## Crisis is “just” a change

- We are facing fast and deep cultural, political and and economical changes
- Change is a pain in the ass
- A big change is a big pain....
- and we perceive the change as a “crisis”

Financial crisis, toxic papers?

No, the real problem today is the loss of global competitiveness of the “old world” (Eu + USA)

As they say in the USA:

The markets are up,  
but the jobs are down

## World Top 10 Countries by GDP 2010-2015

		GDP T \$ 2010	rank	growth 2011 %	GDP T \$ 2015	rank
1	USA	14,4	1	2	17,7	1
2	China	8,8	2	10	15,4	2
3	Japan	4,1	3	2	4,9	4
4	India	3,7	4	10	6,3	3
5	Germany	2,8	5	2	3,1	6
6	UK	2,1	6	2	2,3	9
7	Russia	2,1	7	5	3,6	5
8	France	2,1	8	2	2,4	8
9	Brazil	2	9	6	2,8	7
10	Italy	1,7	10	1	1,9	10

## BRIC in 2015:

- of Top 10 GDP: close to 50%
- of Top 10 GDP 2010 to 2015 growth : 70 – 80%!

Question: why do new cars from a boxy Scandinavian maker look like this?



## Change facts

- World is polarizing to “Old World” and BRIC
- Ageing population in the Old World (US and Eu baby boom)
- Change of values in the Old World
- Emerging values in BRIC?
  - Old world pattern?
  - New (unseen) values
  - BRIC disparity

but, as they say...

“Problem is not a problem,  
absence of reaction to a  
problem is a problem.”

**Solution = global competitiveness**

- Creativity and innovation
- New technologies
- Speed, reactivity and adaptability

## GLOBAL ? Only 7 important countries...

- Japan
- China
- India
- Russia
- USA
- Brazil
- EU

EU , our country, is the only one which is:

Multi-national  
Multi-ethnic  
Multi-lingual  
Multi-cultural

**= richer, more creative**

New values?

May be we just need to  
reinstall the old ones...

**Virtues**

**Prudence**

**Justice**

**Temperance**

**Courage**

## Sins:

Lust  
Gluttony  
Greed

**Sloth** = discouragement = failure to use talents or gifts

Anger  
Envy  
Pride

## Change : what is it about?

- Value – money is gold (again)
- Less overstatement, more true needs
- Attention to fossil fuel consumption and the environment (202020)
- Globally accepted styling and products , market polarization (old vs BRIC)
- Comfort is king
- European baby boom
- Reliability
- Service(s)



## First 30 1980 vs 2010



## Boating "Issues"

- Industry is losing customers
- Powerboats represent most of the growth
- Sailors are ageing
- Newcomers have doubts:
  - Value – at purchase and during use (fuel consumption)
  - Inadequate comfort
  - Technical problems and issues
  - Product complexity, handling

## Today's Markets - Estimate

Power: 4,5 B Eu appr.

Sail: 1,2 B Eu appr.

Ratio: 3,75 : 1

Trend: Increasing

## Boating industry: where do we stand?

- In 3 years half of the turnover was lost
- In 3 years cumulative EBIT fell 6 times
- Industry is reshaping fast: companies with no debt, investment capacity, good development, brand and sales network are gaining terrain
- Mid-air is getting thin
- Small companies cannot compete on production efficiency, R&D, branding and marketing

## Sail

- 2 companies make money, other struggle
- Top 6 companies represent 60% of the market
- No important growth on the horizon
- Reliable well established brands have advantage

## Power

- 2 companies make money, other struggle
- Top 9 companies represent 60% of the market
- Growth on the horizon mainly BRIC
- Gaining market share vs. sail
- Reliable well established brands have advantage

## New Products Axioms

- Concept
- Design
- Engineering
- Industrialization
- Marketing

## The Greenline Example



## Greenline 33

- New generation of motoryachts based on :
  - Comfort
  - Value
  - Low environment impact
- Hybrid technology co-developed by Seaway, started in 2003
- Philosophy and design in 2007
- Tank testing, prototype field testing 2008
- Superdisplacement Hull, hybrid technology protected 2008

## Greenline 33

- World's first Hybrid Solar Production Yacht, currently largest hybrid fleet worldwide
- Over 3 M Eu invested during 2008 and 2009
- Technology developed with VW Marine , Iskra Avtoelektrika, Bisol and Kokam
- Introduced in September 2009 (Amsterdam), production start January 2010
- Over 180 sold (150 launched) – currently best selling motoryacht of 10 m or over worldwide
- Reducing environmental impact of boating  
by up to 75%

## Greenline owners

- European baby-boomers
- Young families
  - 40% ex sailors,
  - 40% ex powerboaters,
  - 20% newcomers
- Well received in Europe, Australia and USA

## Greenline 33 Awards

European Boat of the Year 2010  
HISWA Dutch Boat of the Year 2010  
Slovenian Boat of the Year 2009  
Croatian Boat of the Year 2010  
Slovenian Award for Environment 2009  
Swedish Environmental Boat of the Year 2010  
Nominated for European Award for Environment, 2010  
Nominated for Norwegian Environment Award, 2010  
Project presented at World EXPO , Shanghai 2010  
PBO Green Award, England 2010  
Golden Award for Innovation, 2010  
Nautical Design Award, Italy 2010  
Motor Yacht of the Year, England 2011  
UIM Environmental Award, France 2011  
Powerboat of the Year, USA 2011  
Finnish Boat of the Year, 2011

Greenline 40 - launch June 2011





Le Boat TUI 15 m, launch February 2011





## Small companies...

- Have a tough time to compete
- And hence cannot grow....
- Can hide in (small) niches

## Solutions:

- Create product industrialization platforms
- Create Purchase groups (national or international)
- Create R&D platforms (national or international)
- Create Marketing and Sales network platforms
- The synergies initiated and managed by national boatbuilders association
- Could work in areas with no predominant builder in place

TIME OF CHANGE means

*a challenge and an opportunity*

*especially for the fast, creative,  
reactive, innovative and intelligent*

THE RACE IS ON!

Thank You!

Japex Jakopin, Seaway