

Kiwi with wings

New Zealand-based Stabicraft has been a success story both here and in its native country. Scott Thomas took a visit to the Stabi factory in NZ's deep south and found out what's behind the Kiwi boating icon.

Invercargill is a smallish town on the southern most tip of New Zealand's South Island. Considering its isolated location, it's a surprisingly bustling town full of industry, and home to Stabicraft, a boat brand synonymous with uniquely designed and seaworthy boats. Stabicraft is a name familiar in Australian boating circles too, having established a firm presence around this country from Sydney to Broome, and everywhere in between.

Marine Business visited NZ recently and took the opportunity to drop by Stabicraft's factory and throw a few questions about the Kiwi boat company at managing director Paul Adams.

Adams and Bruce Dickens established Stabicraft in 1987 and built the first Stabicraft in a makeshift workshop. The workshop later moved to a rental factory before Adams purchased the Bluff Road premises where Stabi stands today. The company currently employs about 65 staff, 40 on the factory floor with another four staff working on design.

Stabicraft's instantly recognisable design, which features airtight pontoons, is designed to create a virtually unsinkable hull. The safety and rough sea handling characteristics inherent to Stabis has gained the brand the respect of rescue groups, Customs, United Nations and a whole swag of commercial applications. But it's this same reputation for seaworthiness that has caught the eye of serious fishos here in Australia and elsewhere around the world.

Stabicraft's complete range features 22 different boat models, with any one hull potentially sharing three or four different styles.

Exporting

A large world map dotted with different coloured pins sits on the wall of Adams' office. Some of the pins represent established dealers, others potential export markets. Australia has many pins evenly spread across the map. The rest of the world has its fair share, too. Adams shows his enthusiasm for Stabicraft's success in Alaska and talked about plans to further push the brand in this part of the world.

Here in Australia, his dealers number 14, which equals the number of dealers in New Zealand.

So how does a company with such a strong export market survive in this isolated part of



the world? Are there issues with skilled staff and logistics?

Adams said an apprenticeship scheme combined with a strong industrial workforce in the area ensure skilled staff are always on hand.

"Invercargill is an industrial town, we've got smeltworks, we've got a number of meatworks, and quite a strong fishing industry... so there's a lot of services that feed the needs of the area," said Adams.

"Southland in general is an industrial area - there's a lot of engineering and sheet metal, and to back that up we have 10 apprentices."

"Through our national marine industries association body we do a boat building apprenticeship scheme. We have local evening classes and they go away for block courses."

Invercargill's remote location doesn't seem to hinder logistic either.

"Logistics are typically not too bad, if we've got something going to Australia it usually goes out of Dunedin," he said.

"Depending on what services are on at the time, there are also some services out of Invercargill.

"Once you have a logistics base set up, everything runs smoothly."

Australian market

Stabicraft started exporting to Australia in 1994 and has since employed a full-time Australian sales manager, Leon Johnston. Johnston was appointed Stabicraft's first Australian sales manager after successfully running his own boat dealerships on the South Island.

Adams said the major differences between Australian and New Zealand boat sales were in the models sold and specifications with the final product.

"Australians typically like their boats more specced up than New Zealanders," said Adams.

"New Zealanders say 'I don't necessarily need paint and all the frills, I just want to go fishing'."

"That may have been driven by some major Australian brands who've given people the expectation of a flashy paint job, where in NZ they don't necessarily have that expectation."

Adams said the most popular models in Australia have been in the midrange: "The 509s

BELOW: Stabicraft's factory floor in New Zealand's Invercargill.

RIGHT: Stabicraft MD Paul Adams.

BELOW RIGHT: Stabi's Invercargill headquarters.



have done well, the SuperCab range has sold well - in fact that complete range has sold well in Australia."

Economy

It's fair to say New Zealand's economy isn't immune from the current crisis. Doom and gloom headlines in national Newspapers were just as prevalent as they are in Australia, as it is across the rest of the world. How does Stabicraft see its position in the market and opportunity to push through the difficult times ahead?

"We've got a lot of initiatives in place to deal with it. It's all about people's confidence, dealers' confidence," said Adams.

"We have very good working relationships with our dealer network and that is an absolute must. We have to make sure they get through and weather the storm as well as us."

"This year is going to be a trying year and we certainly hope we won't be tied up in any of it. There's definitely uncertainty out there."

Adams sees a possible trend to smaller, affordable boats during the downturn.



"I definitely think there are people saying 'I really want a boat, but instead of saying I will spend \$30,000, I will just spend \$20,000 and I'll be happy with that, it won't be quite as big as what I wanted but it will do the job', I think that's probably a fair analogy."

Across the ditch

Stabicraft is a well-respected and popular boat brand for Kiwi fishos.

"We are the largest trailer boat manufacturer, in numbers at least, I don't know about dollars," said Adams.

"And we're certainly interested in growing the business more, the focus has always been on growing the business."

Competition is fierce amongst New Zealand's high number of quality boat manufacturers.

"There's a number of players out there at all different levels. It's just as competitive as Australia. Imagine West Australia, there's lots of boat builders over there. And for a small population there's actually lots of boat builders in New Zealand," said Adams.

"So I'd imagine it's somewhat like: 'I've got a welder, I can build a boat and the next thing we're in business'. We started from such a small business too - small workshop, two guys, a

couple of welders, and away we went, so you can't knock that."

On the day *Marine Business* visited Stabicraft, New Zealand exchange rates dropped below US 50 cents. Being heavily involved in exports, this was good news for Stabicraft: "There's certainly some exchange rate benefit at the moment - if we didn't have the low exchange rate it would be tough."

The massive influx of US imported boats also dried up with the crashing dollar. Stabicraft has been through several cycles and has not become complacent with shifts in currency.

Adams sees New Zealand's boating industry as a crucial part of the local economy.

"I definitely think it is, we're only a small part of the overall economy, but there's a lot of superyacht manufacturers here. I think New Zealand is seen as a forward thinking nation when it comes to boats. I think a lot of that has come down from the Americas Cup."

The future

Stabicraft had just announced an Australian Customs contract for nine 659 Supercabs while *Marine Business* was on site. In this climate, that's a big win for a small town business. So what's next?

"The only thing would be some sort of possibility of satellite operations in the US," said Adams.

"Getting fully built boats up there can be difficult. Anything that doesn't fit in our container can get very expensive at the moment."

"That would be the only possibility - a knock down or semi-knock down to suit the Alaskan market."

Stabicraft has also signaled the possibility of further exports to commercial operations on the East Coast of the US. Judging from its success so far, this strategy of diversifying, even during an unpredictable climate, could well pay off.