

Clarion Boats finds safe harbour in recession among rich clients

By John Campbell
Community Press

Campbellford – The water has turned choppy for a lot of businesses as a result of the recession, swamping many an enterprise along the way, but not so Clarion Boats. The Campbellford company is doing just fine catering to a well-heeled clientele.

Changing course over the last two years helped. Owner/founder Dwight Boyd explained how at the recent Trent Hills Economic Development Summit.

A cabinet maker by trade, Boyd started out restoring antique and classic wooden boats as a hobby but as word spread about the quality of his work, he turned it into a livelihood and established Clarion Boats in 1982.

“Within a short period of time, we found ourselves overwhelmed and we had to expand our small shop at home,” he said. Fortune intervened when a former marina on Front Street North became available three years later and Clarion had a new home. Since then it’s grown from 3,000 square feet of working space to 9,000 square feet.

“Our market is very niche,” Boyd said, made up of clients with “a specific interest (who) have a certain level of affluence (and) typically own recreational property (with) a boathouse.”

Interest in wooden boats, which all but disappeared in the 1950s when fibreglass boats “took over the market,” revived in the early 1980s. “There was a recognition (of) the beauty, the quality and the craftsmanship that went into some of these old boats,” Boyd said, and that led to “a restoration frenzy.” It lasted for 15 years or so, during which “every barn was picked over ... (and) fence rows were cleaned out,” yielding “some gems,” he said.

“People would come to our shop with a wreck and a cheque. Those were the good old days.”

But far fewer wooden boats were manufactured in mass than cars – in the tens of thousands, not millions – and the restoration market shrivelled.

“All the good quality jobs had been done, with few exceptions,” Boyd said, leaving maintenance and repair as the principal source of business.

“It’s more difficult to make a living when you’re just doing the smaller jobs,” he said.

“We saw that coming, back in the early, mid-‘80s and ... knew we were going to have to change.”

Clarion began building wooden boats – “a contemporary reinterpretation of a classic era” – for people who are “not interested in owning an antique wooden boat” but are interested in having something that is “unique ... (and) will enhance their lifestyle and ... make their neighbour down the lake envious.”

Steve Killing, a well-known designer of yachts, sailboats, and powerboats, was hired and he came up with a runabout reminiscent of race boats in the 1930s. “It was going to be the most beautiful boat of its type ever built and forgive me for saying so, it was,” Boyd said. However, he had failed to do any market research and sales of the craft never took off. His company had yet to establish a credibility among prospective customers that it would be around for years to come to service what it sold.

“We took our lumps and we learned our lessons,” Boyd said

Clarion turned to making “custom one-offs,” in which he and Killing would work with a client to make a craft that stood out from the others. It was a lengthy process, lasting anywhere from 12 to 24 months, depending on the size of the boat and the complexity of the project.

While that was happening, the “market dynamics” began changing, and today’s “younger money” is interested only in “instant gratification,” Boyd said.

So a year or so ago Clarion turned its attention to “spec building,” the very market it had once abandoned, but this time it did its research.

“We focused on a couple of designs that we feel have the broadest appeal across North America,” Boyd said. It’s a market that remains very much niche but Clarion over the years has built up such “an excellent reputation in the wooden boat community” that its name carries weight.

“We don’t sell a commodity,” Boyd said, “we sell a lifestyle ... We sell image and we appeal to egos: Mine’s bigger than yours, mine’s faster than yours, mine costs more than yours, and that goes a long way in our market.”

As well as being able to boast about the excellence of its boats’ design and craftsmanship, and the service it provides, Clarion can also trumpet the “value retention” of its boats.

“The few boats that have changed hands over the years that we have built have, in every case, sold for more than they cost originally,” Boyd said. That makes them an asset, if not an investment.

Whenever there is an economic downturn, “typically it is the middle class that pulls in its horns” when it comes to “discretionary spending,” he said, and the fact is, “you don’t need a wooden boat.”

The “high end market,” on the other hand, isn’t as concerned about the recession, being “a little less susceptible to the vagaries and fluctuations of the marketplace,” Boyd said, “so we still feel good about going into this and doing our new boat sales.”

To remain successful, Clarion no longer sells directly to clients exclusively but has begun “cultivating dealers” who purchase its boats and handles sales and marketing.

“It allows us to stay focused on what we do best, and that’s build boats.”

Boyd said his company doesn’t need “high volume” to sustain itself. If it issues eight to 10 invoices a year, “we’re okay ... we can survive this recession.”

His advice to his peers at the summit is to maintain “a positive attitude. This headache will pass.”

He said the municipality’s “most important asset is lifestyle” when it comes to economic development and attracting new business to Trent Hills. It’s what drew him to the area, he said.

“I came here in 1975 for a visit and what kept me here was the beauty of the countryside, the warmth of the people, and the lifestyle that this community afforded us,” he said. “We have a slice of heaven and that is what we can sell.”