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## Custom boatmaker refloated by customer

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Entrepreneur Jeb Griffith is plotting a course for growth after taking the helm of SkipperLiner, a custom houseboat and commercial passenger boat maker in La Crosse, Wis.

Griffith was a loyal SkipperLiner customer before he acquired the company in November 2010, having owned at least seven of its houseboats and one of its commercial passenger ships over the preceding two decades.

But the acquisition initially had little to do with building premium boats. Instead, Griffith was more interested in the company's 6 acres of Mississippi riverfront property.

Plans changed, however, after Griffith and his son, Pete Griffith, got a closer look at SkipperLiner's boat-building operation, which had shut down in April 2010 amid financial difficulties. That came as remaining employees worked with a buyer to complete a boat left halfway done when production stopped.

"The longer we were around, the more we fell in love with the business," Pete Griffith said. "We're all boaters and we really enjoy the boating lifestyle, so that helped as well."

Jeb Griffith, 73, grew up boating on the Mississippi and claims to have "swamp water" in his blood. He also has quite an entrepreneurial touch, having launched and sold companies that make library automation software and composite softball bats. He also owns Locknet Inc., a network security services company now headquartered in the SkipperLiner building.

The boat company was facing a bank sale, Jeb Griffith said, when he negotiated a deal to acquire its assets. The previous owner had filed for voluntary debt amortization, a bankruptcy alternative unique to Wisconsin.

The decision to restart SkipperLiner's production has meant continuing work for 16 manufacturing and four front-office employees, including designers and engineers, some with a decade or more of experience. SkipperLiner was profitable last year on sales between \$5 million and \$10 million, according to the Griffiths.

SkipperLiner builds custom houseboats and yachts up to 120 feet long and U.S. Coast Guard-certified passenger vessels up to 200 feet long. The company has built more than 1,000 boats since its 1971 founding.

SkipperLiners have a reputation for durability, with owners keeping them 20 years or longer in some cases, the Griffiths said. Steel hulls add to the boats' longevity and enable year-round use, making them popular with "live-aboards."

In hopes of boosting business, SkipperLiner is working to reconnect with past customers and doing research to identify leisure and commercial prospects, the Griffiths said. That research offers an optimistic view of the market, finding that 45 percent of leisure boat owners recently considering buying a bigger boat. Separate research points to a turnaround in the slower commercial market, with resorts, cruise lines and other tourist-related industries expecting stronger business.

Seeking to build international sales, the company is pursuing a business plan to reach potential customers in Asia and other parts of the world.

One challenge is helping potential commercial customers get financing in the face of tighter credit and higher down payments, which Jeb Griffith said can come to 30 percent on a \$3 million or \$4 million passenger cruise vessel. SkipperLiner offers



Jeb Griffith is the new owner of the SkipperLiner, a boat-manufacturing operation on French Island near La Crosse, Wis.

consulting to help commercial buyers design flexible layouts aimed generating revenue beyond ticket sales.

Recent SkipperLiner customers include Tom Vavra, a Blooming Prairie farmer and businessman who last June took delivery of the 72-foot houseboat Tommy Girl, which he uses to entertain on the St. Croix and Mississippi rivers, from Stillwater to Dubuque, Iowa. Vavra said he had confidence in the company in part because experienced employees were still there.

"They weren't starting from scratch," Vavra said. "We designed ours from the ground up, and they were great people to work with. We've had a good time on it. We think it's a great product."

James Mistretta, president of Diamond Development, bought a three-deck, 105-foot passenger vessel from SkipperLiner that will moor a resort he is developing near Lake Charles, La.

"Everybody down here has just fallen in love with the boat," which arrived in November, Mistretta said. "I've been real pleased, it's a real professional operation."

**The expert says:** Dileep Rao, president of InterFinance Corp. in Golden Valley and professor of entrepreneurship at Florida International University, said Jeb Griffith meets one of the prime requirements of a business leader -- knowing the customer's unmet needs -- because of his experience as a longtime boater and SkipperLiner customer.

A critical question, Rao said, is how the company can address the issue of helping customers get financing. "Do they need to form an alliance with a leasing company and find a new way to sell the boats?" he asked.

The Griffiths are on the right track in looking into international markets such as Asia and perhaps Latin America. Questions arising then include whether they have expertise they can leverage to reach the Asian market, Rao said.

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