



This wheel is based on the original design and has been used on all heritage models since.

A GRAND EVOLUTION

At 50, Grand Banks has recreated itself many times, without losing the boat's basic appeal

By Reagan Hayes

In the early 1970s while Don Moeller and his family went to their usual fishing resort in the North channel of Lake Huron, a most unusual thing happened.

Young Don Moeller saw Spray, a boat like no other, and told his sister he would, one day, own that boat. It was owned by Kalamazoo professors who cruised every summer, and would cross Moeller's path each year at the resort.

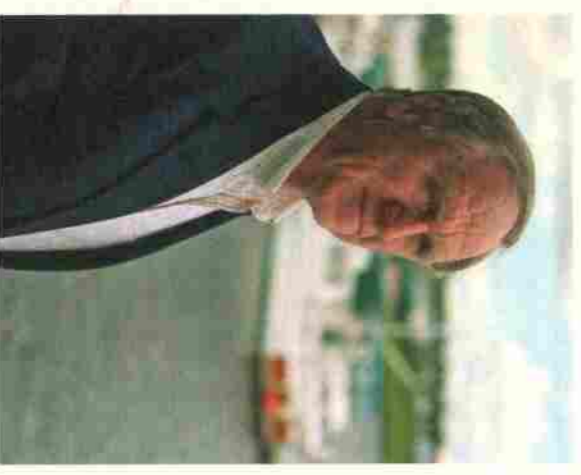
When Moeller was older and married he eventually quit going on his childhood fishing trip. But he never forgot Spray.

In February 1996 he was flipping through a copy of Lakeland Boating when, "Lo and behold, there was a picture of Spray for sale." Moeller said. It was about 10 p.m., but he was so excited he couldn't wait until morning to respond to the ad. He called that night, but the 91-year-old owner told him someone was already looking at the vessel.

Moeller wanted to see it anyway. He and his wife drove all night to get to the boat that he had admired as a young man. As luck would have it, the other buyer's deal fell through. The owner told Moeller he was next in line, even though a potential buyer in Florida was willing to pay \$15,000 over list price. But the owner wanted Spray to stay in the Great Lakes.

Moeller jumped on the opportunity, and still owns Spray today.

The boat that so inspired Moeller was the inspiration for four decades of yacht building at Grand Banks. The en-



Bob Livingston, chairman and CEO.

suing line of boats captured the imagination of boaters, and has earned the yacht builder respect and admiration through its 50 years of production.

Started with a single contract

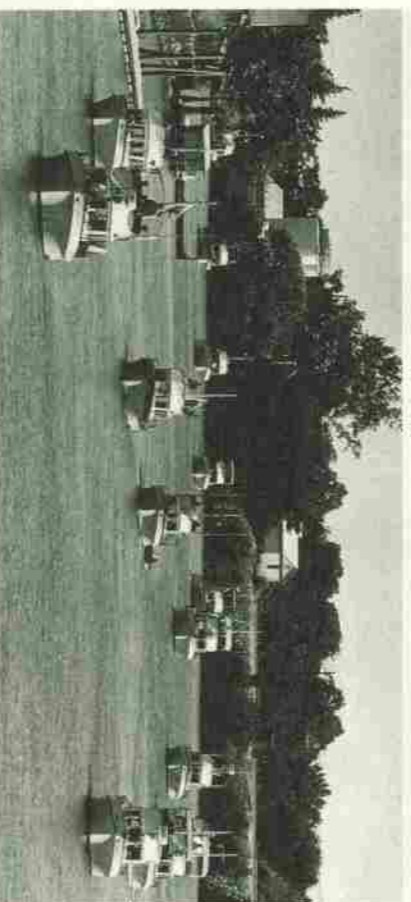
The family that launched a small boat-building company in Hong Kong with a single contract might not have imagined the company, half a century later, as a lucrative and successful yacht builder.

Grand Banks Yachts Ltd. has seen some changes in the last five decades, including a new name (it was launched as American Marine) and new owners. It evolved from building sailboats in the early days to yachts as large as 72 feet today. Spray was the forerunner to the 36-foot GB36.

The once privately held company eked through hardships during the gas



Vintage 36CL

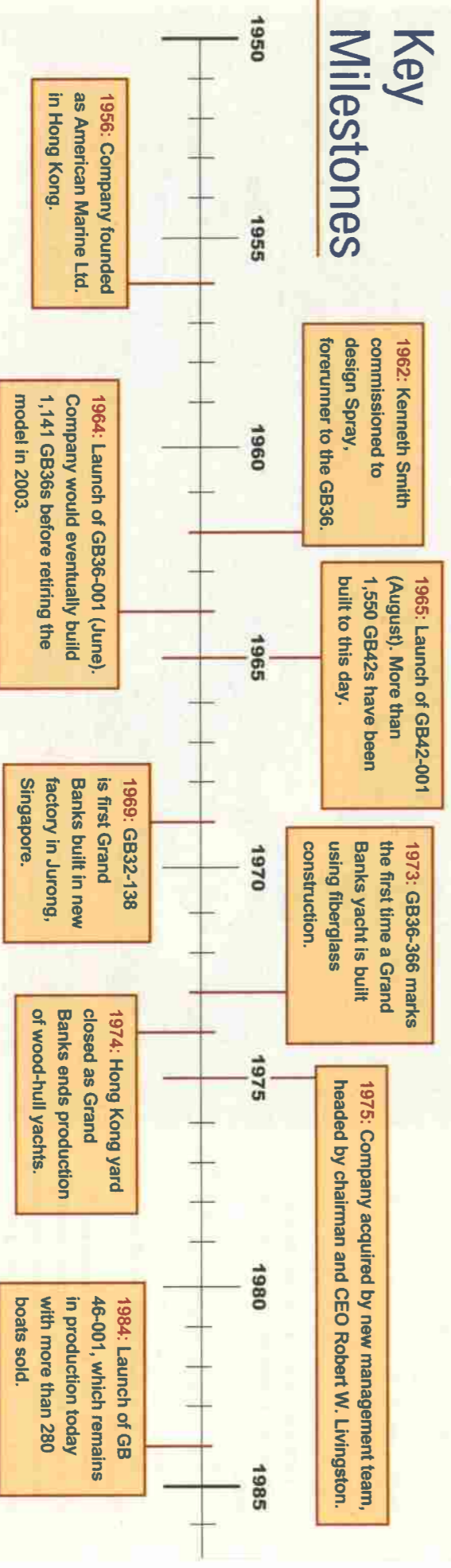


Vintage rendezvous: There are dozens of rendezvous held worldwide each year.



Grand Banks built more than 1560 42-foot heritage models, believed by many to be the most successful production boat in its class.

Key Milestones



crises of the 1970s and, in 1987, it went public, trading on Singapore's stock exchange. The company is still based in Singapore.

Company officials kept up with quickly changing technology, while maintaining the original look and feel of the traditional wooden models. As a result, Grand Banks has produced about 5,000 hulls throughout the years, according to Grand Banks marketing director David Hensel.

History

The company was launched in Hong Kong's Junk Bay by Robert Newton and his sons, Whit and John in 1956. The elder Newton had already settled in Hong Kong while overseeing a Coca Cola plant. At the same time, Whit and John built boats while John attended the University of California at Berkeley.

They began their company with one contract to build a sailboat, Hensel said. Through word-of-mouth, the family secured additional contracts to build custom sailboats. Early on, they enlisted noted marine architects for their designs, including Ray Hunt, Sparkman & Stephens and William Garden. After launching a powerboat called Chaneyman, the Newtons in 1962 commissioned Ken Smith to design a trawler yacht called Spray. Introduced in 1963 this Rhode-Island-built yacht would become the prototype for the models of Grand Banks for decades to come.

"It was something you could take at a pretty good speed, or slow down and take through heavy seas," said Bob Phillips, the West Coast regional sales manager who has worked for Grand Banks for 35 years.

The hull proved to be a success, and spinoffs were subsequently launched. "The original Spray is still alive and well on Lake Michigan," Phillips said. "And [owner Don Moeller] is still driving it around."

One difference between those early Sprays and today's Grand Banks boats was the absence of a flybridge, which became one of the company's trademarks, Phillips said, but otherwise the look was maintained.

"Ken Smith is dead now, but we kept his legacy alive in that everything we built around that was an extrapolation

of his original work," Phillips said. American Marine's presence in Hong Kong was also unique in a market that, in those days, hadn't seen much of this type of boatbuilding in East Asia.

"At the time there was nothing in Junk Bay; it was the first significant boatbuilding presence," Hensel said. "They didn't know what to make of a company which called itself American Marine... but it grew and grew and employed more and more people, and attracted more boatbuilders to Junk Bay."

In 1974, however, the company made an operational decision to shut down the Hong Kong yard, which built its wooden models. Everything was retrenched to the Singapore factory, opened in 1968. The move was part of a secret business plan that would shock the industry and even some diehard customers.

The surprise change

When Grand Banks moved operations, the company — known for its wooden boats — was secretly building molds to produce fiberglass boats.

"We did it without telling the industry or the public," Phillips said. "We kept it all a secret because when we made the switch and released it, it was like overnight. Boom. We've now got fiberglass Grand Banks."

Phillips said some customers were disappointed. "Some people out there thought Grand Banks would be built out of wood forever." When the company built its wooden 42GB, two were sold in the state of Florida. The following year, they sold 18.

But the new fiberglass models caught on. There were still some disgruntled consumers but because fiberglass is more forgiving, most younger boaters were ecstatic, Phillips said.

Even the majority of the diehard wooden boat fans were eventually won over, Phillips said, because the company took excruciating pains to keep the look and feel of the boats identical to the wooden versions. Other trademarks remained intact — and still do — such as using teak interior detailing and flooring for example, despite rising costs of resources.

"If you parked the wooden boat next

to a fiberglass, you could not tell the difference, and we did that on purpose," Phillips said.

One of the painstaking details was keeping identical plank lines that looked wooden, Phillips said.

"That first crunch in the '70s — where the automobile industry caught a cold, the boatbuilding industry caught pneumonia," Phillips said. "Guys that used to drive their Rolls Royces around parked them in the garage and got a little VW to drive to look like they cared about the fuel shortage, when there was none."

The crisis caused financial issues for Grand Banks, and the company had to cut back production and reduce its number of employees. The company then listed \$4 million in sales and \$6 million in losses.

Phillips, at the time, was managing a few dealerships and had 22 boats in inventory. "Nobody was buying, and we were overbuilding," he said. "It was a tough time."

Then in 1975 the company went through a restructuring process, and control was passed to a group of investors headed up by Bob Livingston, the existing chairman and CEO. Livingston was crucial in turning the



72 Aleutian RP going for a sea trial in Singapore. This Aleutian Series is Grand Banks' successful re-entry into the raised pilothouse, bluewater cruiser market. Hull #3 just recently completed the Grand Tour to Alaska, as far as Glacier Bay.

"We didn't abandon that for 40 years," Phillips said. "We can make it look like a wooden boat, and 90 percent of boatbuilders out there look at it and say, 'Are you nuts?' It's very difficult to manufacture, to make the boat look like it has wooden plank lines. You look at it as an outsider and say, 'No big deal' — It's a very big deal."

A company in trouble

The switch to fiberglass coordinated not only with the plant move, but with the company's passing to new management after near bankruptcy.

Grand Banks suffered a big blow during the first gas crisis in the 1970s, especially since it was still manufacturing an increasing volume of boats out of wood, Phillips said.

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Phillips and Livingston, who had come on board in the early 1970s, stayed after the company changeover. The new philosophy was: "Let's go back to basics and stop expanding at the rate which we were expanding. He [Livingston] put the production rate back at what we could manage," Phillips said. During the early 1970s, production topped out at nearly 350 boats a year.

When the Hong Kong yard was shut down, production naturally went down, Phillips said, and the Singapore yard production was cut back from several hundred boats a year to fewer than 100, Phillips said.

"What happens is, either a company will go through something like this, go under like a furnace, and either you come out a molten blob of ash and there's nothing left, or you come out a hardened block of steel and become better," Phillips said. "I think we came out steel."

That's because the company has kept its focus on building "good, honest boats," Phillips said. Livingston has brought his son, Rob, on board as vice president to help run operations and continue the legacy.

However, Phillips said quality is only half the equation. The other half is having loyal owners who take pride in ownership.

"That's what's helped keep our legacy alive," Phillips said. "That, I'd like to take credit for, but I don't think we can. That's why I think we're a lucky boatbuilding company. Thank you Grand Banks owners."

