



Grasping the opportunity

BY LIZ WALZ

After seizing upon numerous opportunities presented by the downturn, boat seat manufacturer Springfield Marine Co. is well positioned for a market rebound.

the company says its increased capacity will allow it to be more responsive to changes in demand.

Targeting new markets

About a year ago, Springfield Marine decided to pursue another new opportunity: the RV market. By targeting that sector, it has been able to acquire new customers that are helping to ease the pain of the downturn.

Yet another new market Springfield has entered is the saltwater boat sector. In the past, the majority of the company's business came from the bass boat and pontoon boat markets. However, during the downturn, despite the need for staff cutbacks, the company continued to invest in research and development, creating a new saltwater product line. Then, earlier this year, it hired Danny Sweeney as its director of sales and marketing and Gary Smith as its national sales manager to help lead this new project. The initiative is based at the company's headquarters in Nixa, Mo., just outside of Springfield.

While Springfield Marine is best known as a boat seat pedestal and hardware manufacturer, it also produces a line of boat seats. In fact, this is another area in which it's expanding, increasing the total number of SKUs by offering more high-end seats for the saltwater market and mid-range seats for the freshwater market.

The results of these investments are already starting to show themselves. While January and February were slow months, orders started flowing in this March and, in April, the phone didn't stop ringing.

"Business has picked up quite a bit faster than expected," Sweeney says. "At an OEM level, we're seeing 25- to 35-percent increases."

But the U.S. OEM segment isn't the only bright spot for the company. Caroline says Springfield has picked up market share around the world during the recession. The aftermarket has also helped offset the drop in U.S. OEM sales in recent years. In particular, orders have continued in a steady stream from big box stores like Bass Pro Shops. As a result, while the ratio of the company's OEM to aftermarket business used to be 70/30, now it's closer to 60/40.

The company says part of its success in today's market comes back to its ability to deliver products that offer both value and quality. And like other marine businesses that have successfully navigated the downturn, Springfield Marine Co. has openly embraced new strategies, investing where it counts in order to position the company for the future. ♣

When the downturn hit the marine industry, Springfield Marine Co. owners Garnett and Caroline Carnahan didn't panic. Having run the company since it was founded in 1952, Garnett understood that the marine industry goes through cycles, and the executives instead focused on looking for areas of opportunity.

Investing in expansion

The most significant opportunity they decided to pursue was moving to a new factory, which at 350,000 square feet and more than 200 employees is double the size of the original one. The new factory is located about 35 miles north of Shanghai in Qidong, Jiangsu, China, not far from the company's former factory. Its larger size means increased capacity and the ability to conduct more production processes in-house.

"We have our own permanent in-house foundry, stainless-steel department, welding department, light assembly, engineering staff, CNC department, plastic injection - we do pretty much everything," explains Garnett.

Springfield Marine's ability to manufacture almost all of its own components, as well as the owners' involvement in both the company's U.S. and Chinese operations - they live half the year in each country - are among the characteristics that set this business apart.

"Most companies manufacturing in China have partnerships with trading companies through which different components come together," says Caroline. "We buy the pure raw materials, it comes out of the factory as finished goods and we ship it directly to the U.S."

Like many marine industry manufacturers, Springfield Marine has experienced some shortages as it ramps up production at its new facility. However, in the long-term,



By taking advantage of the downturn to relocate to a larger factory, Springfield Marine Co. was able to prepare for future growth.



By diversifying into the RV and saltwater markets, Springfield Marine has seen significant growth so far this year.