

BUSINESS

From Genoa City to Dubai: A Wisconsin builder of high-end, custom wooden boats makes the jump to international markets



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A Genoa City builder of custom, wooden power boats is testing the international marketplace with a new partnership with a boat dealer a half a world away.

Grand Craft Boats CEO Patrick Gallagher in April reached an agreement to be represented by SF Yachts, a custom yacht brokerage based in Dubai. Its market territory includes the Gulf States and the Maldives and Seychelles island chains in the Indian Ocean.

That may seem a long and somewhat unlikely jump, especially for a company whose flagship, all-mahogany boat has historically filled a high-end niche on inland lakes. It's also unusual because Grand Craft, despite a history that dates to 1979, is in many ways a startup company.

Gallagher and his wife, Rose, bought the company in 2021 and moved it and some of the key employees from Holland, Michigan to a new 20,000-square-foot building in Genoa City to have it closer to their Lake Geneva home.

A year later, Grand Craft employees completed the first boat, a 26-foot mahogany speedboat called The Burnham. That boat was built in Grand Craft's traditional way with layers of mahogany planking forming the hull topped with a high-gloss finish layer.

Since then Gallagher and his team have tweaked construction to reduce the cost and time involved in building a fully planked hull. The big break with tradition: a switch to marine plywood for the underlayers that not only saves time, but improves the consistency of the finish layer, Gallagher said.

The result is a very retro-looking boat with a lower-maintenance hull, and modern touches like a 430 horsepower marine-modified Corvette engine and bowthrusters.

The company has now built and sold five Burnhams, which have a base price of \$479,000. Two more boats are under construction.

International customers are a key

Gallagher said he recognized soon after buying the business that he would need to tap international buyers

"If we're solely focused on just the American market, and the American market goes into a recession or a depression, we have nowhere else to sell our boats," he said.

Gallagher connected with SF Yachts CEO Francesco Pitea through mutual connections in Dubai, where Gallagher worked in advertising in the 1990s.

Pitea said Grand Craft's boats fit the company's effort to expand its offerings of unique, high-end boats and superyachts as it works to build up a still-young yachting market in the countries of the Gulf Cooperation Council, or GCC.

"We see Grand Craft as something unique and we believe that there is a market — not a huge market obviously, it is a niche market. And we represent this niche market in the GCC," Pitea said.

More: Grand Craft Boats customers included Robert Redford, Kid Rock and Jennifer Lopez.

Cracking a new market with a radical departure from tradition

Pitea said Grand Craft's Burnham isn't particularly well suited to the salt water and blistering heat of the Persian Gulf. However, another boat that Grand Craft is only now beginning to produce holds more promise in the region.

That's the Winchester, which Grand Craft advertises as "the most luxurious handcrafted wooden water limousine."

The boat, like the Burnham, first went into production four decades ago, but with a different target market - resorts that use the boats as water taxis and tour boats.

The boats, available in lengths from 32 to 40 feet, have ample seating under a fixed canopy and a cabin for overnight stays. The look is iconic, one that has become part of the identity of places like Little Palm Island Resort & Spa, an exclusive destination in the Florida Keys that is accessible only by boat or seaplane.

When management at Little Palm Island decided the time had come to retire the resort's two Winchesters, there was little question that they would be replaced with Winchesters, said Sophia Yen, the resort's vice president of development.

"We wanted to keep the tradition going as it is one of the biggest reasons why guest keep returning to Little Palm," she said. "The look of the boat is perfect for the brand."

There will be a significant difference, though: The new boats will be finished in wood and have the appearance of the original boats, but they'll have fiberglass hulls made by a company in Florida. That break with Grand Craft tradition was made in recognition that boats with wood hulls are just too hard to maintain in the tropics, Yen said.

Little Palm Island's first Winchester is under construction now, and the company is working with the U.S. Coast Guard to get the agency's certification of seaworthiness, a painstaking but important consideration for boats designed to transport hotel guest and tourists, Gallagher said. The Winchester's base price is \$789,000.

"It being U.S. Coast Guard certified is a real feather in our cap," he said. "And once we've built the first one, the subsequent units will become much swifter to build. I mean, you've just gotten past all that learning curve and you're not needing to address it ever again — it's a one and done kind of thing."

The combination of classic design and modern materials makes Pitea think the Winchester is ideally suited for luxury vacation destinations like the Seychelles and Maldives, and those being developed in the Persian Gulf.

"It is a perfect boat for a high-end resort," Pitea said.

Gallagher is laying plans to introduce additional models, but he won't reboot all of Grand Craft's former lines. The market, he said, has changed and Grand Craft customers aren't interested in the runabouts that were a big part of the old company.

"I want to make sure that our product line stays in touch with the market. and that's why those other models under 26 feet are kind of retired and part of the history books now," Gallagher said. "They're beautiful looking boats that served the market well, but there's just not a market really for them."