

Navigating Through a Recession: Lessons from the Boatyard

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“Hard saying, not knowing.”

— Old Maine expression

Introduction

This phrase echoes in my mind every time I read the morning headlines. Are we in a recession? If not, when will it hit? How deep will it go, and how long will it last? One thing is certain: economic uncertainty is at an all-time high. Whether you're an investor, builder, manufacturer, farmer, or service provider, the waters are choppy.

For those of us in the boatbuilding and boatyard industry, the impact of a recession is often swift and severe—we're usually the first ones in and the last ones out. I have often said that this industry with its seasonality, inherent risks and exposure to economic and atmospheric changes, tests one's resiliency. When I was asked to write about navigating a recession, my thoughts immediately returned to 2007–2009. Here's what I learned.

A Tale of Two Yards

In 2007, I acquired a second operation just five miles from our original yard and entered the boatbuilding business. The move increased leverage, strained cash flow, and brought together two very different cultures and customer bases. Enter the Great Recession. We had to unify our purpose, stabilize finances, and build a cohesive team fast.

Unifying Culture: Getting the Inside Right

Leadership is about providing direction, support, and confidence through honesty and transparency. Early on, a seasoned peer gave me a bumper sticker that still hangs in my office: “Attitude: the difference between an Ordeal and an Adventure.”

That mindset became our compass. We were further tested in March of 2008 with a devastating fire at the newly acquired operation that wiped out our offices, shops, molds and several million dollars in boats.

We reaffirmed our foundational commitments: job stability, financial responsibility, and a dedication to craftsmanship. Our mantra became: Fine Work, Fine Boats. We clarified our mission and built a culture around quality, trust, and long-term relationships—with both employees and customers. Management as a resource was our leadership philosophy.

Our simple Mission Statement was “Give A Damn”. Whether in reference to a customer, their boat, safety, the yards appearance, tool maintenance, efficiency, expenses, your coworker, the environment, the neighborhood, the community...



Customer Philosophy: Right Boats, Right People

We made a tough call early on in the recession: part ways with storage-only customers who just used the facilities as nothing more than a parking lot. We focused instead on those who valued a full-service experience or being at a facility that had this capacity—even if they didn’t have projects every year. This shift aligned with our year-round employment goals and long-term vision.

Understanding customer behavior is critical. During downturns, people reassess spending. We tailored services to meet evolving needs—offering phased improvement plans and flexible options. The goal was to build annuity-like workflows while respecting customer budgets. We encouraged direct communication between our technicians and customers.

Financial Responsibility: Build the Right Hull

Just as a well-designed hull helps a boat weather storms, a solid financial foundation helps a business endure economic turbulence. We focused on:

- Implementing cost controls where it didn't impact our product or services (from thermostat settings to breaker management to office supplies).
- Financial assessment monthly of our service, storage, and boat building operations as separate businesses.
- Managing accounts receivable and inventory tightly.
- Strengthening our "Community Bank" relationship (to be ready to refinance when rates moved down).

We also encouraged our crew to suggest cost-saving and revenue-generating ideas—because the best insights often come from the floor, not the office. If a new piece of equipment or tool was requested, they needed to justify how it would either increase revenue or reduce cost, enhance service, or improve safety.

Operational Efficiency: Streamline and Sustain

Recessions demand efficiency. We examined every aspect of our operations:

- Renegotiated supplier and vendor contracts
- Optimized staffing
- Improved inventory management
- Invested in technology to streamline workflows
- Renegotiated insurance

We reminded ourselves: there are only two ways to make money—increase revenue or reduce expenses. We did both with a commitment to keeping employee increases slightly ahead of inflation and industry averages.

Service and Workmanship: Focus on Value

In tough times, customers prioritize value. We emphasized the long-term benefits of proper maintenance and the quality of our workmanship based on recommendations from our crew on how we could ensure a customer's boating season was trouble-free.

This resulted in product offerings that continue today. We offer free vessel inspection services at the beginning of the winter storage season and provided customers a written account of what we deemed immediately necessary (safety-related) and future recommended services (maintenance-related). We consolidated certain winterization and commissioning services that increased efficiency and saved our customers money. Promotional packages and discounted project pricing targeted around the slower seasons

helped to increase workflow and level out revenues. We focused on three customer objectives always: exceptional service, exceptional communication, and attention to detail.



Community Engagement: Strength in Relationships

We deepened ties with the local boating community—hosting in-house events focused on boating safety and maintenance. This created skillset and dealership awareness within our communities. These relationships became lifelines, generating referrals and repeat business.

We enhanced our relationships with trusted subcontractors and provided dedicated space to service their primary customers. We gained incremental and beneficial services in return.

We became more involved with our Trade Associations, not less. There is strength in standing together and a meaningful benefit in sharing experiences and ideas with your peers. These friendships and network connections continue today.

We also enhanced our digital presence with a better website and active social media campaigns promoting our projects, dealerships, and skill sets. Visibility matters—especially when customers are searching online.

Diversification and Adaptability: Stay Nimble

Flexibility was key. We adjusted pricing, service offerings, and strategies based on customer feedback and market trends. Being nimble allowed us to seize opportunities others missed.

We got involved with the working waterfront—servicing high-hour commercial fishing boats, tour boats, research vessels, and patrol boats. We created separate pricing, laydown space, and yard policies for these accounts. They appreciated our reliability and the capabilities of our crew. Word got around. Subsequently, our commercial accounts increased to almost one-third of our annual service revenues. This became even more meaningful during COVID, when we were deemed an essential service and avoided shutdown.

Diversifying created new revenue streams and kept our team engaged.



Conclusion: You Can't Get There from Here

Is another old Downeast Maine saying. And you can't, unless you plan for it. Managing a boatyard—or any business—through a recession is no easy task. But it's also an opportunity to re-affirm your purpose, build resilience, and deepen relationships. Coming out of the 2008 recession, we had a solid foundation for growth and opportunity.

With the right culture, financial discipline, and customer focus, you can navigate even the roughest waters. Every wave eventually crashes—it's how you ride them that counts. Make it an adventure.