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Club management scheme boosts marina revenues

A boat club management system developed and tested by marina owners and operators could bring valuable new revenue streams to marinas, encourage more entry-level boaters and release more sophisticated first-time boat buyers to the market. And it's claimed to be nine times faster to implement and two-thirds cheaper to buy than the 'leading program' in the current market.

Boat Club Manager is a management system for marina operators who decide to own and manage a fleet of boats for rental purposes. Unlike traditional boat clubs where everyone shares their boats and the associated costs, in the new-style boat club everyone shares boat time, pays a one-time fee and monthly membership dues – year round. Members can use all the different boats and equipment in the fleet as often as they wish with none of the additional costs of owning a boat.

"It's like members of a golf club reserving tee time. But instead of tee time, you're reserving boat use time," says co-founder Bryan Church. "It's the simplest way for a marina to add a profit centre into their business. Additionally, if a marina already has a boat rental operation, 90% of the work has already been done to put a boat club in place and they can have income on a steady monthly basis rather than the hit and miss and seasonal income that a rental operation provides." Church notes that, from his experience, boat rental income is often lost due to bad weather, cancellations or broken equipment. But 'boat club' income remains consistent month after month even in the off-season.

Developing the system

Bryan and Eric Church and their team operate Bartlett Lake Marina, 17 miles north of Carefree in Arizona, USA. The Church family developed the marina 15 years ago aiming to create a 'true gem' for Arizona boaters in one of the few lakes

surrounding the Phoenix Metro area. They succeeded, but like many marinas throughout the USA as it approached its maximum number of available slips, new sales and profits levelled off. They turned to the rental business.

As this, in turn, took off it became increasingly difficult to manually manage the reservations, customer support and fleet reports. With well over 50 reservations being made each week, staff became overwhelmed

Above & below: the rental fleet at Bartlett Lake Marina is operated as a boat club in order to reap maximum profits.



with the manual task of running the operation. The primary issue was the sheer number of telephone calls. The Churches calculated that, on average, each reservation took three support calls: making, verifying, amending and/or cancelling the reservation. In a six month period that equated to 3,900 calls.

Enter the internet

Realising that over 75% of Americans have access to the internet, an internet based reservations system seemed a better option than frenzied staff. It also offered the customer more flexibility by introducing a 24/7 service that they could easily access from their home computer. It complemented the existing marina operation rather than replacing it and was put to the test under real marina conditions.

Between 15th May and 1st November last year the software processed over 850 completed reservations without a single error and, according to the Churches, total reservations to date exceed 1400. The entire software package and all updates are thoroughly tested on a private computer network before being released to active boat clubs and, as the software is web based, the latest updates are always available without the need to buy a 'new' version.

What you get

The Boat Club Manager package includes set-up, contracts and boat buying and insurance consultation. For an additional fee, customers can also receive on-site training at Bartlett Lake Boat Club, marketing and web design services. Everything is included to short-cut the customer's learning curve and accelerate start-up and, as off-site servers are used, programs can be accessed by management wherever there is internet access. The system is safeguarded from catastrophes like computer crashes and software failures.

Promoting boating

Boat clubs provide a valuable boost to the sport of boating and are particularly popular with entry-level boaters – often with young families – who may need to be convinced they will enjoy the activity before they invest in a boat. Good clubs also offer a variety of craft so that newcomers can determine which type and style best fits their needs. If they become

hooked, they eventually leave the club and buy their own boat as an 'intelligent' buyer likely to buy a more expensive boat than if they'd missed the club experience. "This means higher profits for the dealers since the boat they will be purchasing will likely not be an entry level boat," says Church. "Cross promotion can be done between the dealers and the marinas. Boat clubs can be used by dealers when a prospective buyer falls out of the deal for whatever reason. It is better to keep prospects interested in boating at any level rather than lose them to other activities."

Church points out that, at the other end of the scale, older people who may not want the responsibility of boat ownership can still take part in boating via the club system.

"As our society ages, it is important to have programmes that will make boating as accessible as possible," he argues.

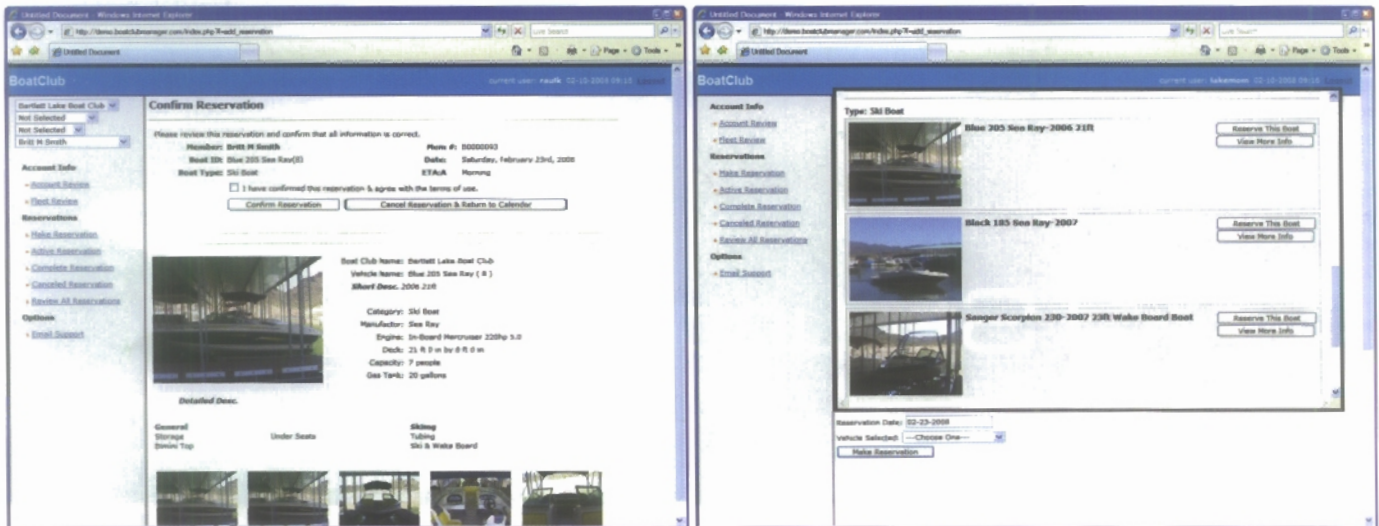
Profitability

Although the boat has to be purchased and maintained by the club, with several people contributing to the cost of the slip it is easy to see how profits mount up. For example, an average 20ft slip costs a marina member \$250 per month giving a gross annual profit of \$3,000. If the same slip has an average of 10 members, each paying an average monthly fee of \$265 (mid-way between the two tariffs Bartlett Boat Club charges for silver and platinum memberships), the gross yearly profit for the slip is \$31,800.

Additional income can also be derived from goods bought in the marina store. Bartlett Boat Club tracks all sales through Quick Books and, over the last six years, has found that each reservation equated to around \$50 spent in the store on food, beverages, fuel etc. With 850 completed reservations in six months, this equated to a further \$42,500 in gross sales for the period.

And, as boat club members leave the club and join the marina community, they are more likely to purchase a boat and moor it in the club's facility. Those additional revenues are hard to quantify but also increase marina profits.

Contact Boat Club Manager in the USA on email: bryan@bartlettlake.com



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