

## Smooth Sailing

*By Brooke Knudson*

**Yacht manufacturer Gold Coast Yachts maintains the lead in the market by tapping a niche in the tourism industry.**

Not long after establishing Gold Coast Yachts in 1985 in St. Croix in the U.S. Virgin Islands (USVI), partners Rich Difede and Roger Hatfield became the leading yacht builder in the Caribbean and beyond. The company's unique and durable designs for multihull cruising vessels make the company an established leader in the field.

Several of Gold Coast Yachts' vessels, such as wave piercers and commercial sailing catamarans, have been used for commercial use in luxury resorts including the Hyatt Hotels in Grand Cayman, Aruba and Hawaii; the Atlantis and Four Seasons Resorts in the Bahamas; and the Ritz Carlton, Starwood and Rosewood properties in the Caribbean.

Difede and Hatfield met in St. Croix while working on various multihull repair projects and building their own racing and cruising boats. The two joined forces and put their expertise to work designing and building a trimaran for a local charter company. "We didn't create the company to be a boat builder, but rather as a charter operator which built its own equipment," Difede notes. Difede focused on business development while Hatfield used his yacht design expertise to grow the company into a full-scale yacht-manufacturing business.

Today, the company manufactures four types of vessels; the commercial sailing catamaran, cruising sailing catamaran, wave-piercing power catamaran and the displacement power catamaran.

### **QUALITY MANUFACTURING**

Each vessel built reflects Difede and Hatfield's experience gained from decades of composite vessel construction, ocean deliveries and racing.

Skilled in a variety of composite construction techniques, Gold Coast Yachts' primary manufacturing process is known as resin infusion.

The process, which the company incorporated in 2005, uses a vacuum to draw resin into a closed mold to produce hulls, decks, cabin roofs and secondary components using carbon fabrics and other core materials.

These various components are assembled after the hulls are completed, using epoxy resins. The surface of the vessel is then epoxy coated and primed with an industrial epoxy and polyurethane top-coat to ensure a high-quality, durable and watertight finish.

“We choose to build with more expensive epoxy resins because it creates a boat that’s more durable in terms of exposure to salt water,” Difede says.

## **MEETING THE DEMAND**

The demand for Gold Coast Yachts’ products has consistently outpaced the company’s ability to produce. The company can manufacture about five custom projects per year. “We are turning away as much business as we accept, which has kept prices firm,” Difede says.

Gold Coast Yachts’ management is reviewing various opportunities to further grow the company.

“We have transitioned from being a very small company with a labor-intensive manufacturing process into a higher tech building process with the capacity to build bigger and more complex vessels,” Difede explains. “The goal is to remain profitable while expanding our facilities and staffing to the next level through further investment, a merger or possibly even the sale of the company.”

Gold Coast Yachts still faces labor shortages challenges common in many small communities.

In addition, “We can’t pull in workers from out of state, so work force development becomes a huge factor,” he notes. “In partnership with the government of the Virgin Islands and the Workforce Investment Board, we continue to evolve an enviable core-competency training system for managing the career development of new and incumbent workers and future supervisors.”

“As our company grows, the government seeks to attract additional yacht manufacturing and repair companies, as well as other composite manufacturing companies to the territory because of the tax incentives, accessibility to land and sea, the strong emphasis on work force development and the work ethic of the people of the Virgin Islands.”

## **PROFILE**

Gold Coast Yachts, Inc.

[www.goldcoastyachts.com](http://www.goldcoastyachts.com)

2006 revenues: \$5 million

HQ: St. Croix, U.S. Virgin Islands

Employees: 43

Specialty: Yacht manufacturing

Rich Difede, president

“We use performance, passenger safety and usability as design parameters.”

Brooke Knudson, Smooth Sailing”, *U.S. Business Review*, May 2007, p. 130-131.