

Yachts at the Cutting Edge: Gold Coast Yachts Inc. Company Profile

By Sharon Nelton

Who hasn't dreamed it at least once? You pull up stakes and head for the Caribbean. Surrounded by blue skies, white sand, and a turquoise sea, you spend the rest of your life in shorts, doing work that you love and making a decent living at it.

Richard A. Difede and Roger Hatfield are living just such a dream. They are the founders and majority stockholders of Gold Coast Yachts, Inc., a 25-employee company specializing in the design and manufacture of multihull sailboats and "wave-piercing" power catamarans, ranging from 40 to 65 feet, for commercial uses such as charters and ferries. Located on the north coast of St. Croix, in the U.S. Virgin Islands, Gold Coast builds about five boats a year for clients around the world at prices ranging from \$100,000 to 450,000.

"Most boat builders build boats for the recreational market," Difede says. "We build boats for people who want to take other people onto the water." They chose multihull boats over monohulls, Difede says, because "a multihull moves people better. It moves them more comfortably, it moves them quickly, and it moves them at lower cost."

Seventeen years ago, with a yen to go surfing and sailing and a bachelor's degree in geography from Rutgers University, Difede, born in New Jersey, took off for the Virgin Islands.

The following year, Hatfield and his wife, Cynthia, who had run a home-decorating business together, set sail for St. Thomas in a boat that Roger had built in the back yard of their Washington, D.C., home. Their vessel was a trimaran, a sailboat with three hulls, designed by multihull pioneer Jim Brown.

It was just the beginning of the movement toward multihulls, Hatfield recalls. His own father, a naval architect, was "horrified," he says. "It was not proper yachting." The Hatfields cruised the Caribbean for two years and eventually settled in St. Croix.

Hatfield and Difede, who had both been earning a living by doing repairs on multihulls, met through a mutual friend in 1979 and have been a team ever since. They incorporated Gold Coast Yachts in 1985, and by 1987, they had two company-built boats in operation as day charters and had begun to build for others.

Hurricane Hugo interrupted the dream in September 1989, destroying not only their charter operation but also boats under construction-including a commercial passenger boat that had by America's Cup champion Dennis Connor.

Gold Coast was without telephone or electrical service for the next five months, Difede recalls, but "we said, |We're building Dennis Connor's boat. Nothing is going to stop us from getting this boat done in a reasonable time."

Difede got on a plane to the mainland, where he ordered supplies to help employees with their personal needs and also obtained generators and materials to run the plant. Connor's boat was finished in February 1990--only 30 days late.

They haven't revived the charter service, but sales in manufacturing have increased about 8 percent annually and are expected to grow 15 to 18 percent in the fiscal year ending next June 30. The business has been "fairly recession-resistant," says Difede.

As Gold Coast's chief designer, Hatfield keeps the company ahead of the curve on technology and product development. Difede, Gold Coast's president, oversees administration.

It wasn't until the company had reached about 20 employees, Difede says, "that I began to recognize that the real power in the organization now is in the employee base. It's not in management." As a company grows, he says, "management has to learn to delegate, learn to empower, and allow the decision-making process to percolate through the organization from top to bottom and bottom up."

The two partners take seriously a commitment to integrate their business into the community. "This company could not have gotten off the ground 'and survived without the tax benefits that were made available through the Industrial Development Commission," Difede says. The commission is set up to attract businesses to the U.S. Virgin Islands through incentives such as exemptions or partial exemptions on excise taxes, customs duties, and taxes on property and corporate income. For their part, Difede and Hatfield set up an apprenticeship program in boat building in the local school system. Most of their local employees have been hired from the program.

By 1995 the two men hope to achieve a long-held goal of establishing an inter-island ferry system in the Virgin Islands. But Difede says, "I think the game for us here is not how big we can get, but it's how profitable and how enjoyable we can make what we do for the effort expended." That might mean increasing the company's annual sales range, currently \$1.5 million to \$2 million, to a level of \$3 million to \$5 million, but probably not more.

Whatever Gold Coast does, time and trends are on its side. Says Hatfield: Intimately, the world seems to be moving toward multihulls very quickly in all realms, whether it's commercial or passenger or cruising or racing."

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