



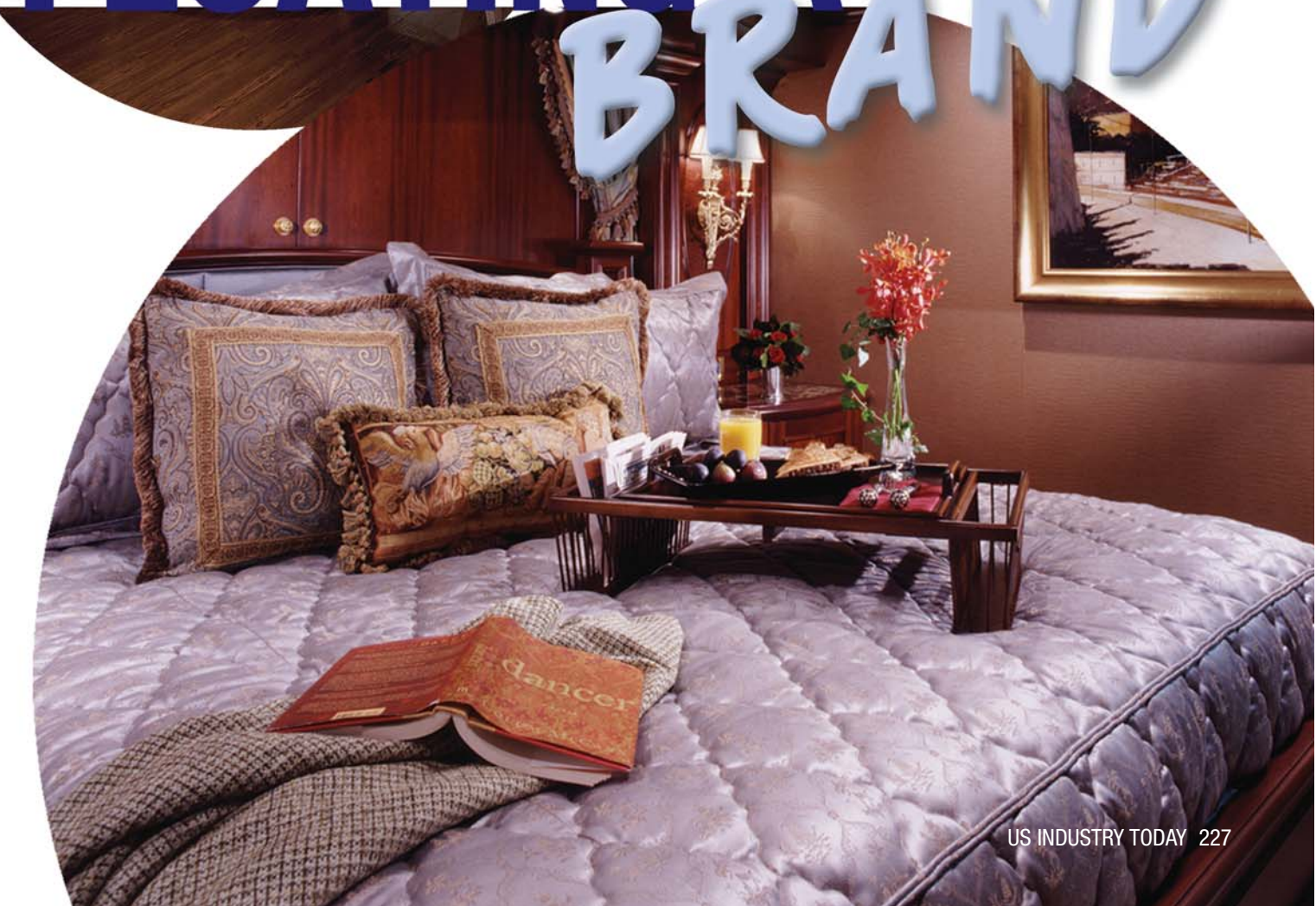
TRINITY YACHTS IS AN ELITE BUILDER OF CUSTOM SUPER YACHTS UP TO 330 FEET (100 METERS) IN LENGTH WITH AN EMPHASIS ON EUROPEAN QUALITY, STEEL AND ALUMINUM CONSTRUCTION. DAVID SOYKA GETS A SHAKE DOWN CRUISE ON THE IMPORTANCE OF BRANDING IN A HIGHLY SELECT MARKET NICHE DEFINED BY EQUAL PARTS ELEGANCE, ENGINEERING AND CUSTOMER SATISFACTION.

Pictured above: The 157 ft. (47.9m) M/Y JANIE is capable of cruising at 18.5 knots. Its draft of 7 ft. 1 inch (2.16m) will allow it to navigate many areas of the Bahamas while maintaining her transatlantic capability;

below: one of the latest jewels in the crown of this luxury yacht builder is the 180 ft. (55m) M/Y MIA ELISE. This tri-deck motoryacht with a full displacement steel hull is the first of her type to be launched in 70 years in the US.



# FLOATING A BRAND



**“H**ERE’S THE DIFFERENCE BETWEEN commercial shipbuilding and private custom yacht building,” William Smith III, vice president of sales and marketing and a principal of Trinity Yachts, LLC explains. “For the Navy or for off-shore oil support companies, for example, they’re going to want a vessel that has a specified cruising range with the ability to accommodate a certain sized cargo capacity and number of personnel at the best price. That’s a set of objective criteria to which you can provide equally objective responses. For yacht owners, that all goes out the porthole. It’s purely subjective. We’re talking about something that they want, not that they need. It’s our job to interview them carefully to figure out exactly what it is they want and translate that into a reality. And that’s why this is a very different and a very difficult market.”

Smith likens building someone’s luxury yacht to building someone’s ideal second home; there is a pointed analogy to the land-based construction process. “How many people do you know who’ve built a custom home that say, ‘Gee that was a pleasant experience’? Yet that is what we’re trying to do here, to make the build process as pleasant and hassle-free as it can be. Some owners like to be more involved than others in the process. But whatever their level of involvement, we make sure that our clients know everything they need to know to make good decisions and to see that they get exactly what they want; or, if they’re not quite sure what they want, for us to help them figure that out. We want their first experience in yacht building will be so positive that they’ll automatically choose us to build their next boat.”

Next boat? The price range we’re talking about here starts somewhere around \$25 million at the smaller sized, 157-foot length vessels, to \$45 million for 185 feet, and upwards to \$70 million past



220 feet. Initial design can take anywhere from six months to a year, while actual construction runs an additional two to three years. After all that time and expense, someone would actually want to sell their yacht and start all over again?

Smith chuckles. “I always get that reaction from owners when we talk to them about resale considerations in designing and building their yachts. At first they can’t understand why we emphasize that they consider it. Yet the fact of the matter is that of our 13 current projects, eight are repeat clients. We’ve had nine clients build three or more yachts, and one who has built five. The fact is that there is very strong resale market for custom yachts.”

**DESIGN CONSIDERATIONS**

Accordingly, Smith says that resale is always emphasized during the design process, even if the client doesn’t envision it. “Of course, we’ll do whatever the client wants, but we’ll point out how, with a tweak or two, something could be modified to improve its market value – and when they do end up reselling because they want something bigger, we get thanked for it.”

He adds, “Here’s where this business isn’t at all like real estate. Once you’ve got that prime beach property or corner lot and built your dream house, you’re there. But our clients cruise in the Mediterranean and the Caribbean and Northern European waters, and when they find an anchorage they like, they can return there whenever they want. But it’s a lot easier to go to that same anchorage as soon as you move up to a newer and bigger boat than it is to tear down that custom home and give up living on that prime location for a couple of years while you build a new one.”

Smith points out that “most of our clients personally use the yachts maybe eight to 12 weeks a year. So it’s not usual to hire the yacht out on a charter basis. Not because these guys need the money, but it helps pay for the maintenance and keeps the crew working. So we’ll recommend things like helipads or elevators even if the client doesn’t want them, again much like in the case of resale because it’ll make the boat more marketable.”

It also helps contribute to Trinity’s now established reputation as a high-end yacht builder. “Most of our clients got interested in owning their own yacht through the experience they had in chartering a yacht. We’re now beginning to get clients who’ve chartered Trinity yachts and they come directly to us because they want something of the same quality.”

**NAME RECOGNITION**

Trinity is based in New Orleans, La. where it operates from a 38-acre shipyard in which yacht construction takes place totally under cover. Current plans are to expand to six outfitting buildings over the next few years, with more expansion possible on a site that at present totals over 200,000 square feet of fabrication area and

Pictured above: Trinity works with some of the world’s most renowned interior designers and an unexpected detail of bookmatched and inlaid marble can often be found within these stunning interiors;

right: Trinity Yachts, combines the skill and tradition in a shipyard with over 6 decades of experience, along with the latest technology in control, navigation and communications.



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84,000 square feet of outfitting area, all under roof.

“The market is definitely growing,” Smith comments. “Our clients are typically self-made entrepreneurs, the working wealthy who for the most part are ‘under-the-radar’ of the general public. Once upon a time yachting was exclusively for the wealthy classes. In our era of ‘Google-type millionaires’ there’s a broader depth of people exposed to the yachting lifestyle than there was 50 years ago. And with satellite communications, a business owner can conduct his affairs the same way he would if he were still in his office. Most times when these yachts come into dock, they have more and better electronics than the country they’re docking in. So, with all the accommodations of home and office, it’s very easy to mix business with a pleasure cruise.”

“Right now,” Smith notes, “we expect to be able to accommodate four to six projects per year at various stages of completion. It’s taken awhile and some tough times, but today we are exactly where we want to be in terms of brand recognition and reputation.”

Trinity was founded in 1988 as a separate business division of shipyard-owner and shipbuilder Halter Marine Inc. to diversify into marketing sophisticated boats to private owners. After merging with Friede Goldman in 1999, when the new board of directors decided yacht building didn’t fit into its overall core competencies, Trinity was purchased by John Dane, former Halter Marine CEO, Felix Sabates, owner and president of Victory Lane Enterprises, and Smith, who formerly performed the same duties for Halter Marine in overseeing yacht operations. The company’s name stems not from its three-fold ownership, but that Halter Marine was originally part of Trinity Industries before it was spun off and retained the original Trinity nameplate for the yacht building division.

And building the Trinity nameplate has been a key objective since its founding, which Smith says has finally realized in establishing

the company as not only a recognized brand, but the only American custom yacht building brand that can compete with its European competition.

Indeed, Smith points out that the company was started because “at the time, our research showed that about 60 percent of high-end luxury yacht owners were American. Yet, of the top 100 yachts in service, only a handful were built in the U.S., which was absurd. Here we are in the U.S. at the forefront of technology, we put a man on the moon in 10 years time, and yet there was no American-produced product viewed as comparable to European shipbuilders. So, we identified a market opportunity and went after it. In 1990 we were the only U.S. source for a 150-foot yacht. Even today we’re still only one of four shipyards in the states capable of making a yacht of that size or larger.”

Most recently this past March, Trinity launched a 180-foot (55 meters) tri-deck motor yacht with a full displacement steel hull, the first vessel of this kind made in the U.S. since 1935. Christened the MIA ELSE, the yacht is the first of the Trinity displacement series, capable of transatlantic passage and a maximum speed reaching 15 knots. It requires a crew of 12 to 14 and can accommodate a party of 12 in six spaciouly planned staterooms with en suite baths exquisitely finished in mahogany.

All was not, however, smooth sailing, due in large part to client perception. “A large part of this business focuses on fit and finish. Engineering is important, of course, but the analogy is to the jewelry business. If you need something to tell time, you can get a Seiko or a Casio and one brand works as perfectly well as another. You can also pay \$20,000 for a Rolex. It tells time just like the Seiko or the Casio, but we’re not talking about watches anymore, we’re talking about high-end jewelry where the look and quality and prestige of the piece is what you’re paying for.”



represents value. And the fact that we are the only American company able to provide European quality is definitely in our favor.”

This is not to say that pricing is totally ignored. “What makes us very attractive in this market right now is the exchange rate, which means it a better deal to build in America. Given the time leads to build a boat, three years ago you could have contracted for a boat that you thought was going to cost 50 million euros that in 2005 is now costing you 70 million Euros, so there’s some sticker shock,” Smith says.

One way Trinity both economizes and improves the all-important look of materials is a highly computerized production process. “We’re the only shipbuilder in the U.S. that uses this process,” Smith explains. “What it does is not only provide pre-cut parts that the laborer just has to assemble, but it also stencils the part to indicated exactly where the welds and additional cuts or bends are supposed to go. That lends to a precision that not only eliminates a lot of man-hours, but makes everything fit better with less welding, which means less heat is needed to connect parts and less chance of damaging the material. Which means fewer gaps that have to be filled by even more welding, resulting in less distortion of the material.”



**Atlantic Coast Yacht Painting Inc.** began work for Trinity Yachts LLC. in 1989 on its first motor yacht LEDA.

Since then we have done the fairing and painting on 12 yachts for Trinity and continue to supply our unique eye-catching exterior finish to its newer models. All the yachts built at Trinity use an AWL GRIP paint system.

Trinity has come a long way in the yacht building business; Atlantic Coast has been integral to that success. We are grateful for this enduring relationship and plan to continue making Trinity yachts the best in America.

Working on yachts in Ft. Lauderdale, Fla., since the 1970s, Atlantic Coast has expanded into Europe, Asia, the Caribbean, and throughout America.



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**BEYOND EXPECTATIONS**

However, just saying you’re now making Rolex-quality is not the same thing as being immediately perceived as on par with Rolex. “We’re talking about a relatively small network of yacht owners and enthusiasts capable of affording this kind of product. Word of mouth is what makes your reputation, and slick brochures or clever marketing campaigns aren’t going to offset that. What we aimed to do when we started this business, and we now have achieved, is when someone is on a boat and tells the owner, ‘Hey nice boat, I should get one of these, what was your experience with the builder?’ What the owner says next is critical to our success. And today the owners are saying exactly what we intended for them to say: ‘It succeeded beyond my expectations’.”

One thing Trinity had to overcome was the general perception that Europeans provide better engineering. “It’s the same sort of mystique that BMW or Mercedes of precision craftsmanship that’s not easily overcome. It’s taken us awhile to build that reputation, and there is a definite learning curve that comes with it. And that learning curve affects profitability. But, today, we’ve effectively positioned Trinity so that if someone comes to us who is obviously shopping only price, we’ll decline the business. We’ll point him in the right direction and offer some advice, but we’re not interested in clients who are focusing primarily on getting the cheapest yacht. I’m not knocking that, but it’s not our market niche. The void we identified, and the void we fill, is someone looking for so-called European quality at a price that

**CONTROLLING DESTINY**

Smith adds, “While pre-cutting is becoming pretty common, we can’t always rely on distributors to provide the level of quality we want. By doing it ourselves, we’re more in control of our destiny.”

Another way to control its destiny is to provide all design and engineering work in-house. “We’ll work with the owner’s architect if they want, but in most cases we prefer to use our own naval architects and engineers, which are the best in the business. And it’s part of the reason why clients come to Trinity in the first place. This gets back to the notion of ‘no-surprise’ and making the build process as pleasant as possible. We’ve brought together all the elements required to design, engineer, construct and deliver true custom world-class yachts to specific customer requirements under one roof, operating all-year ‘round.’”

The one exception, Smith points out, regards interiors. “Clients bring in their own interior cabin designers. That’s a service we don’t supply simply because it’s not what we do, which is shipbuilding. They’re really two different disciplines.”

Looking at future shores of opportunity, Trinity sees itself coming back to its port of origins. “One condition when we acquired the company was a non-compete clause not to solicit military or commercial work. That agreement has expired and we are considering going back into that business on a very select basis. Our manufacturing process in particular would make us a highly competitive commercial shipbuilder. However, the focus will remain on the market niche we decided to address as we are the only American shipbuilder capable of filling its needs.”

It looks like full-speed ahead in waters that have finally settled as Trinity leaves the competition in its wake.

Pictured above: Trinity’s custom luxurious yachts feature highly finished interiors with the finest materials available, such as exquisite burled accents and stately raised paneling.