

# PassageMaker<sup>™</sup>

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## **Rounding CAPE HORN**

## **VOYAGE OF EGRET**



**A BEHIND-THE-SCENES  
LOOK AT THE YACHT  
CHARTER BUSINESS  
*SOUTHWEST FLORIDA YACHTS***



# Comin' & Goin'



Bill Jacobs

## A Behind-The-Scenes Look At The Yacht Charter Business

Story By BILL JACOBS

**I**f you maintain your own boat, you can appreciate the hard work, dedication, and financial commitment it takes to keep her in Bristol condition. But can you imagine taking care of 20 boats with multiple owners and many different users? Not to mention handling logistics such as dock space, itineraries, and acquisition. “Masochist”

may seem an appropriate label for the person who takes on such a task, but there is another term that applies: “charter company owner.”

Many of us have had the opportunity to charter a vessel in a specific location for a week’s vacation on the water, and most of us would agree it is a wonderful experience. You show up with your duffels, shorts, and



friends, having left the reality of life behind in a cold, gray city somewhere around the 45th parallel. Within a few hours you are under way, having charted your course, and you're looking forward to that first anchorage and a margarita. No problem.

But there is a flip side to this tranquil cruise to cloud nine. The folks who run the charter company have been working feverishly behind the scenes, bearing all the burdens and taking great pains to bring you a perfect week in paradise.

For Barb and Vic Hansen, who've owned and operated Southwest Florida Yachts for more than 20 years, it's all in a day's work. The Hansens live near the marina where their charter company is based and are on site almost daily, and they offer a prime example of the perseverance and prowess it takes to run a successful yacht charter business. Barb and Vic are USCG-licensed captains, and, in addition to cruising, both love fishing and diving. Their current fleet comprises 12 power/trawler yachts ranging from 32 to 42 feet and seven sailboats from 24 to 35 feet. Both are hands-on managers, with Barb responsible for the charter side of the business and Vic the yacht brokerage.

I recently visited Southwest Florida Yachts' headquarters in North Fort Myers, Florida, located in the Marintown Marina on the Caloosahatchee River. The company has a second location in Punta Gorda, Florida, at the Burnt Store Marina. Most of the powerboats are kept in North Fort Myers, and the sailing fleet is based in Punta Gorda. Both locations provide excellent access to Pine Island Sound, Charlotte Harbor, and many fine anchorages, marinas, and resorts found on the region's barrier islands, an area rated by *Cruising World* as the number one chartering destination in the United States.

I picked a Friday during the peak season for my visit to Southwest Florida Yachts, figuring things would be busy, with boats having just returned from a week of chartering and others moving out. The marina docks are located on a small creek bordered by the offices of marine-related businesses, ubiquitous waterfront watering holes, and the open-air bistros that are so common in Florida.

My appointment with Barb Hansen was set for 9 a.m., but I arrived at the marina around 7:30. I'd hoped it would be easy to identify an eager charter customer getting ready to depart. As I walked down the dock, a trim man in running shorts and a T-shirt leapt from a

Mainship 34 express cruiser. Tom Thorsteinson and his wife, Debbie, had arrived from Bermuda the day before and would shortly depart on a three-day cruise, which they were squeezing in with a business trip. They were looking forward to seeing southwest Florida by boat.

The Thorsteinsons own a 21-foot Grady White for day boating in Bermuda, and, with retirement on the horizon, they feel that chartering is a good way to become familiar with a variety of larger boats they might be interested in buying. They've chartered various boats in diverse locations, including a 44-foot Cumberland power catamaran in the Virgin Islands and a Nordic Tugs 37 in northwest Washington.

Tom and Debbie said they were pleased with the reception they had received at Southwest Florida Yachts. They did note that, during check-in process, the location of the boat's safety equipment had not been pointed out to them. I discovered later that SFY was short staffed that day. We reviewed their itinerary for the next three days, which had been expertly arranged by Jan Peters, the cruising concierge, office manager, and jack-of-all-trades. Jan had made reservations that specifically met the couple's cruising requests. (I know this area of Florida quite well, and I would have suggested they visit the same spots.) I would guess that with the amount of boating activity SFY generates in the area, its clients get priority for reservations. This is a real advantage for the visiting cruiser, because in mid-March, at the height of the season, slip assignments can be hard to come by.

The first member of the SFY team had also arrived, and he was making ready a Jefferson 42 for a couple who would be coming by later in the day. Bob Peters is the dock manager for SFY, and he and I reviewed a list of all arrivals and departures planned for the day. Two couples would be departing on their boats that morning, two more would arrive that afternoon for check-in, and one couple would be returning a 32-foot Grand Banks, *Patience*, concluding a two-week cruise. In addition, the SFY floating schoolhouse, a Grand Banks 36, would be returning from a three-day cruising lesson. It would indeed be a busy day.

The other early birds I met were Ron and Barb Johnson from Rockford, Illinois, aboard a 32-foot Island Gypsy, *Kon Tiki*, the most recent acquisition in the fleet. They were among the few "walk-in" customers SFY had ever experienced. The Johnsons boat on the Illinois River in the summer and had been renting a house in Florida



Bill Jacobs

Ron and Barb Johnson walked in the front door of SFY, walked out the back, and settled in aboard *Kon Tiki* all in the same day.

for a month. Having read ads for SFY in *PMM*, they'd stopped by on a whim to check the availability of boats and were now leaving on a week's charter on the spur of the moment. With that kind of spontaneity, I was sure they would have a great time.

Both couples were chartering with SFY for the first time and were looking forward to the experience. Each couple had filled out a questionnaire detailing their boating experience, and they were also expected to perform docking and boat handling maneuvers within the confines of the marina before departing.

At 9 o'clock I headed upstairs to meet with Barb. Her office door was open and I could see that she was on the phone; she motioned me in and continued answering question after question from a prospective charter customer. It was clear that she is a hands-on manager. "Welcome to the world of Southwest Florida Yachts," Barb said as she replaced the phone in its cradle. "It will be like this for the next 12 hours."

We began discussing the history of the company, which she and her husband, Vic, purchased in 1984. They started with six Morgan sailboats and added a Monk 36 trawler soon after. Barb believes theirs was the first company to offer a trawler for bareboat charter. The trawler fleet remains in North Fort Myers, but the Hansens moved the sailing fleet in 1988 to Burnt Store

Marina, next to Charlotte Harbor, a large, open body of water that's ideal for sailing.

Although Southwest Florida Yachts is basically a yacht management company, which sounds simple enough, it is really five businesses in one: a full-service brokerage company, a yacht charter company, a yacht maintenance company, a sail and powerboat training organization, and a destination cruise company. Each business unit caters to the specific needs of a number of customer types: boat buyers, boat owners, charter customers, students, boat sellers, and cruise customers. The complexity becomes readily apparent when you consider the unique aspects of the business relationships involved in this broad spectrum of services and clients. Many SFY customers are satisfied repeat clients who have taken advantage of a number of services over a period of years.

### FROM CHARTERER TO CHARTEREE

A few weeks before my visit, I had been cruising on my own boat and happened to meet a couple who have worked with SFY on several levels. Allow me to introduce Madison and Marlene Groves, proud new owners of a pristine 1991 Grand Banks 42 named *Joy@Sea*.

The Groves' home is in suburban Minneapolis, and they looked very happy to be posing on the bow of their boat 1,800 miles south of the frozen tundra. They have enjoyed boating for years on small Minnesota lakes. Six years ago they purchased and cruised a houseboat on the



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Tom and Debbie Thorsteinson arrive from Bermuda, ready to cruise Florida for the first time.



Mississippi River, igniting their interest in cruising. They became fascinated with the Great Loop cruise after reading Ron and Eva Stob's book *Honey, Let's Get a Boat...* and meeting the authors at PassageMaker's Trawler Fest in Manitowoc, Wisconsin, last year. Originally, they had planned to purchase a boat for the trip and then sell it when they'd finished the cruise. They had seen ads for SFY and decided to call and arrange a charter to gain some experience in piloting before purchasing a trawler.

After three days of training in the school, they chartered a boat from the fleet for a one-week cruise. Vic Hansen acquainted them with the details of ownership, including how to find and purchase a boat. When the Groves considered the advantages of having an experienced captain and charter operator serve as their broker and help them find a boat, bring its equipment up to date, and carry out ongoing boat maintenance until they were ready to begin their trip, it made perfect sense. They would be able to return to Florida, gain experience with the boat prior to departure, and derive charter income to offset ownership costs. They completed the transaction in the fall of 2006 and now are enjoying learning the cruising life aboard *Joy@Sea*.

The Groves have found great value in having guidance on how to update and improve a used boat. SFY has high standards when it comes to outfitting a boat for the charter fleet, and the Groves followed the charter company's recommendations to the letter. The refit of their vessel included equipping the boat to meet or exceed all USCG safety regulations, stripping and revarnishing all exterior brightwork, replacing all utensils and linens, adding new electronics, and extensive inspection and servicing of all systems. As I toured *Joy@Sea*, I was very impressed with her condition; she looked as good as new.

The Groves' boat, now in the fleet, has been out for charter three times and is already booked for three additional charters in the next couple of months. The Groves were on their second trip down from Minnesota and planned to leave later in the spring on a Great Loop trip. Upon completion, they'll return the boat to SFY for continued use in the charter fleet, and they'll enjoy taking their boat on some short cruises next winter in Florida.

In order to provide all the services that it does, SFY utilizes the expertise of its staff of six and an extensive list of specialty contractors. Having been in the business for years, SFY has developed a strong relationship with its contractors, who provide priority scheduling for the fleet. Barb pointed out that routine maintenance on engines and systems is dictated by an hourly use schedule. Other projects have to be scheduled when the boat is available,



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Madison and Marlene Groves proudly pose on the foredeck of *Joy@Sea* after a short cruise on their refurbished vessel.

the contractor is available, and the weather is right. You can imagine how difficult it is to juggle all of these factors for a fleet of 20 boats.

SFY also handles all insurance and dockage for the fleet on behalf of the yacht owners. In this age of increased hurricane activity, owning a boat that is part of a charter fleet can be a distinct advantage. In many cases, it is very difficult for an owner to obtain individual insurance coverage, particularly if he or she is not a full-time resident of the state of Florida. As part of a charter fleet, the owner is able to take advantage of group insurance rates. Dockage in Florida, as in almost any popular cruising area in the United States, is getting harder to come by and is increasingly expensive. SFY has saved its owners many dockage dollars because of its long relationship with the marinas where it operates.

All staff members are on site before hurricanes and significant storms, and they are very experienced in proper preparation of the fleet. In 2004, Hurricane Charley hit the Fort Myers and Punta Gorda area; the only significant damage incurred at Southwest Florida Yachts was the loss of one mast on a sailboat. All other damage was cosmetic.

## THE CHARTER FLEET

What is the major challenge in operating such a complex business? Surprisingly, Barb says it's managing customer expectations. In the case of prospective boat owners, it is her responsibility to thoroughly acquaint



Photos courtesy Southwest Florida Yachts, Inc.

Above left: The SFY team is multitalented, maintaining everything from varnish to valves. Here, Bob Peters secures a tender so that new charterers will be able to explore once anchored. Bob also helps conduct all charter briefings. Top right: Barb Hansen is the smiling leader of the SFY crew. Above right: Loretta Eash's hard work makes the charter experience that much more enjoyable for new cruisers.

them with the realities of proper maintenance and the associated costs. These costs are rarely mentioned by a boat salesperson at a boat show or a dealership, she says, and most inexperienced buyers are surprised and even shocked by the figures. Barb says her candor and detailed cost estimates have scared away some prospective customers, but she feels that it is her duty to present to her clients the realities of yacht ownership.

Another challenge is matching the boat to the customer, who may have ever-changing requirements. Barb does not want to assist a buyer in finding a boat that is too small, but most want to be as frugal as possible in terms of maintenance. Sometimes customers place their boats into the fleet for the minimum three-year period, only to subsequently experience a change of heart. Suddenly, they no longer want to support the maintenance program, and they ask SFY to sell the boat immediately. As most know, the quick sale of a boat of any type can be difficult. The brokerage side of the business is then utilized to find a new home for the boat.

I asked about the perception in the marketplace regarding buying a used boat that has been in charter

versus a boat that is privately owned. Barb pointed out that although a chartered boat will likely have more hours on the engine, it has been professionally maintained to a high standard to remain as trouble free as possible. In contrast, many privately owned yachts sit for months unattended and are sporadically maintained.

I saw an excellent example of this right at the Marintown Marina in North Fort Myers. At one end of the docks was a privately owned Grand Banks 36, not in the charter company's fleet, but for sale within its brokerage program. The gelcoat was in dire need of detailing, the varnished teak trim was opaque and peeling, and the teak decks were very rough. Just a few slips away was *Blue Note*, another GB 36 that is in the charter fleet. Her hull and topsides gleamed, her varnish sparkled, and her decks were tight. Both boats were about the same vintage. Barb informed me that *Blue Note* has more than 13,000 hours on her twin 140hp Lehman diesels and that her engine heads have never required removal. Her oil and filters are changed every 50 hours.

There was no doubt that the charter boat was in much better condition than the privately owned and

maintained boat. In addition to providing regular maintenance, SFY maintains a 24-hour hotline for its customers to report any difficulties that might arise while cruising. Unless the boat has a major breakdown, the company generally is able to resolve problems within 24 hours. If a delay results in lost cruising time, SFY either adds time on to the cruise or provides a discount on a subsequent cruise.

Southwest Florida Yachts is different from many charter companies in that it locates, purchases, and charters boats from the used market. Many of the large multinational charter companies are dealers for a specific brand of boat. They sell a new boat to a customer and retire it from the fleet after three seasons. This strategy simplifies maintenance issues for the charter company but limits the choice of boats for the customer. The Hansens' approach makes maintenance issues more complex because of the diversity of the fleet, but it offers the charter customer a wide range of vessels: for example, a Jefferson 42 motoryacht, a Mainship 34 Pilot express, many sizes of Grand Banks, and even a steel-hulled, Dutch-built canal cruiser. "Besides," adds Barb, "not all prospective boat owners can afford the investment required for a new boat."

## GETTING READY TO GO

I shared a dockside lunch hour with Barb Hansen and Bill AuCoin, a PR consultant for Southwest Florida Yachts. Bill has been in the marine public relations business for many years and understands the market well. SFY uses a multimedia marketing strategy, making increased use of the Internet but relying on print ads to generate much of the traffic on its website.

After lunch, a couple arrived to begin a two-week charter. Mike and Sandra Kearney had just flown in the previous morning from Plymouth, England. I watched as Bob Peters guided them through an eight-page check-in form. Bob reviewed safety regulations, shared local cruising knowledge on tides and currents, conducted a thorough inspection of the 42-foot Grand Banks that would be their home for the next two weeks, and provided instructions on every system on the boat.

Later in the day, another Grand Banks was scheduled to return with Capt. Chris Day and two students aboard, concluding a two-day cruising course. This is a very popular program and includes powerboat training both on shore and aboard with a variety of topics to choose from. As even the most experienced skipper knows, you



*Blue Note* is in excellent shape inside and out after 13,000 hours of engine time. The teak decks are tight, although they are well worn and show signs of exposure to the ravaging Florida sun. Inset: There's no comparison in this Grand Banks 36, for sale through the SFY brokerage program. On this boat, maintenance had evidently fallen behind schedule.

never stop learning when boating. SFY's courses give the new boater a strong base of knowledge and often are the beginning of a lifelong educational process. Depending on the topics covered and how much time the student wishes to spend aboard, classes last from three to eight days. Because all of the classes include actual cruising time on board a boat, class sizes range from a minimum of two to a maximum of four students. All instructors are USCG-licensed captains.

I was sorry to have missed the return of the training boat, but, as luck would have it, I met two former students at a boat christening about a week later. In 1999, Nick Morgan and Sherri Smith, from Annapolis, bought their first cruising boat, a Camano 31. Both of them had sailed for years but realized they didn't know much about powerboats, so they took a five-day course in powerboat handling from SFY. They recalled that each day a specific learning objective was achieved, and all of the basics were covered many times over. They found the experience very rewarding



Photots by Bill Jacobs

Top left: Bob Peters briefs Mike and Sandra Kearney on every detail of the Grand Banks 42. This procedure gets the charter experience off to an informative and confidence-boosting start. Above left: Dave and Susie Penny’s smiles say it all about the time they had while cruising in Florida. Above right: After only one week aboard, backing the single-screw *Patience* into a slip was not a problem for Dave and Susie.

and learned right from the start that Sherri’s forte was piloting the boat and Nick’s was navigation. They continue boating in that fashion today, now aboard a Krogen 39, as they prepare for retirement and long-distance cruising.


It was time for me to conclude my visit to Southwest Florida Yachts, and I stopped upstairs to say goodbye to Barb. She was looking forward to a crewed Alaskan charter in July aboard a 65-foot trawler, *Ursa Major*.

**FOR MORE INFORMATION**

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Two lucky couples will share the cruise with her and Vic and see Alaska from an entirely new perspective. This will be the first time the Hansens have organized such a trip for their customers, and they plan to offer additional cruises to different locales each summer.

Barb says she and Vic get boatloads of satisfaction from building personal relationships with their customers. Many of the folks who own yachts in their fleet are previous students and charter customers who have been SFY clients for years.

Of course, both Barb and Vic love boats, and owning Southwest Florida Yachts puts them in touch with plenty of them, and plenty of boaters, from sunrise to sunset while the fleet is, as Bill AuCoin says, “comin’ and goin.” 

*For details on the charter fleet and charter operations of Southwest Florida Yachts, see this issue’s “Web Extras” at [passagemaker.com](http://passagemaker.com).*