

PROFILE | ABSOLUTE YACHTS

A poster child for the modern boatbuilder?

ABSOLUTE YACHTS, WITH AN EYE ON THE GLOBAL MARKET, SEES CONSISTENT NEW-PRODUCT DEVELOPMENT AND NEW OVERSEAS MARKETS AS KEY TO GROWTH

WORDS: MICHAEL VERDON



▲ Absolute came out with the Navetta 52 last year. There are plans to add a 70ft-plus Navetta in 2017

One of the few Italian motoryacht brands that did not sink during the recession was Absolute. The privately owned builder, founded in 2002, has seen steady growth in the last five years, thanks to a combination of consistent new-product development and aggressive expansion outside Italy.

The company reported sales gains of 23%, 26% and 56% over the last three fiscal years, with 51% gains for the first six months of this year. Company executives point to a culture that has adopted a flexible, forward-looking approach to the global boating market, while ownership by its senior management team leaves it free from outside influence by private-equity owners or other non-industry investors.

Two founders launched Absolute in 2002, and another three joined them as the company grew. Several had connections to Gobbi Yachts, one of Italy's longest-running motorboat brands. Their idea was to create a company that understood the boating industry, but seek new ways of going to market. Absolute's deep roots in boating wouldn't keep it from

looking at more innovative ways forward.

"The shareholders all have decades of experience in the boatbuilding industry," says Cesare Mastroianni, Absolute vice president of sales. "At the same time, we have a young team and are constantly looking at ways to update our design and manufacturing. We've been able to strike a balance between using our experience and listening to the 'new blood' on our team."

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PASSION AND COMMITMENT

"Their team is always on," says Cos Constantinou, who took over Absolute's distribution for North America in 2013. "I've been impressed with what I would call true passion and commitment to the business. The company also carries no debt and literally puts their money where their mouth is, back into R&D."

Absolute started off modestly, designing and selling its first model, a 25ft sportboat, in 2003. It expanded that STC line, which combines an open cockpit and cabin, to 56ft. It then added the coupe-style STY line, which now ranges from

40ft-70ft. Business was looking so promising for its two lines that Absolute invested in a state-of-the-art manufacturing facility in Piacenza that was completed in 2007, a year before the Great Recession decimated the global boating industry.

“The word ‘crisis’ isn’t really the correct description of what has happened in the nautical world since 2008,” says Mastroianni. “We prefer the word ‘adjustment’ or ‘rearrangement.’ We realised immediately that we needed to adapt ourselves in a competitive way.”

The builder addressed three areas that it believed was critical to weathering the storm. It completely changed its product line for the new consumer preferences: better overall value, increased on-board space, lower fuel consumption and reduced environmental impact. “We swam against the tide in new-product development, retiring the models that had been successful in our first six years to create boats that met new consumer desires,” says Mastroianni. “That meant two, sometimes three, new models per season.”

NEW FLYBRIDGE CATEGORY

It also meant introducing a new flybridge category, going up against long-established brands like Azimut and Ferretti, not to mention UK builders Fairline, Princess and Sunseeker – a daunting proposition even during good times. Two years ago, Absolute also came out with a Navetta 58, followed last year by the Navetta 52. There are plans to add a 70ft-plus Navetta in 2017 to fill out the trawler/long-distance cruiser line.

Absolute also reworked its internal processes, both within the company and with its dealer network. “We increased capital investments and grew the staff,” says Mastroianni. “We really wanted to show our true colours – responsive, determined, creative and innovative – during the industry’s most challenging time.”

Beyond the aggressive new-product rollout, especially in the flybridge line which now ranges from 40ft-72ft, Absolute realised that export would be key to its growth. It first expanded into countries on the Mediterranean, then moved into Northern Europe, finally branching to Asia and the Americas. The company retains a consistent presence at the world’s most important boat shows, and even some that are more like boutique yacht events.

Its latest flybridge yacht will premiere in five markets at the upcoming Cannes, Sydney, Ft Lauderdale, Düsseldorf and Istanbul shows. Mastroianni said that 45% of its business takes place in the Mediterranean, with countries like Turkey, Spain, Croatia and Italy competing for top sales. “We expect significant growth in North America,” he says. “We also need to turn our

attention to a number of countries in South America and Asia.”

Seven years after changing directions during the downturn, Absolute sees itself as a global company rather than a domestic Italian builder. New models, says Mastroianni, are designed for an international clientele. Unlike its two primary Italian competitors, Absolute keeps its design in house, under the direction of Sergio Maggi, one of the founders.

“The whole life of a new project remains under the supervision of our naval architects and engineers,” ➡

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says Mastroianni. “The stylistic, decorative and aesthetic features are created alongside our technology solutions and production techniques. The benefits of having everything in house are many. It allows for fast development of a new model, not to mention the flexibility of adapting it to different markets, even during its life cycle. It also allows for cost containment and maximum quality control.”

“Absolute has an admirable capability for executing on new projects,” adds Constantinou. “It’s tough enough to start with a clean sheet, designing, engineering and building two or three new models each year. Many boatbuilders cram all their resources into R&D, build a prototype, and wait for orders. Absolute has the second hull on the production line within weeks of the prototype’s launch.”

PRODUCTION GROWTH

Absolute’s campus was a clean-sheet project, designed to be state of the art, with an automated parts warehouse, geothermal heating, internal R&D department, main office and even apartments for guests. The boatbuilding facilities are climate controlled, with modular stations that allow flexibility for building different models. “We’re building a new warehouse that will increase our total covered area by 40%,” says Mastroianni. “It will change the flow of activities when it’s operational later this year, giving more space to the production lines. We’ll be able to provide more automated support to departments like woodworking. It provides a blueprint for the growth in production we’re expecting over the next three years.”

Absolute has also continued its longstanding collaboration with Volvo Penta. The pioneering aspect of our relationship with them was the deployment of IPS systems for our whole range, with double, triple and even quadruple installations,” says Mastroianni. “Absolute was the first company to design our flybridge hulls to fully exploit the

IPS advantages. We’re still working with Volvo Penta on new types of IPS, even before they’re launched on the market.”

With the US market now in growth mode, and Europe recovering,



▲ The new Absolute 72 Fly competes with long-established brands such as Azimut and Ferretti



▲ L-R: Rupen Meyhanecioglu of Deniz Yacilcik, Absolute’s Cos Constantinou and Cesare Mastroianni, and Gimmy Valente of Adriatic Wave

Absolute has no plans to slow down. Its unnamed flybridge model will be displayed at this year’s boat shows, while another flybridge will be launched next spring. Mastroianni said more flybridge units would be introduced in 2017 and 2018 at the “larger end” of that range. “These projects aren’t just wishful thinking,” he says. “They’ve all been planned in detail and are fully funded.”

UNYIELDING OPTIMISM

Whether Absolute can maintain double-digit sales returns remains to be seen. “Mathematically, you’ll eventually run out of new territories that cater to recreational boating,” notes Constantinou. “But having said that, we’re still seeing new territories like Azerbaijan or Angola opening up. And Absolute is also gaining traction in North America.”

Not only is the US market one of the most competitive, it is already saturated with European, American and even Brazilian flybridge brands. Absolute’s main Italian and UK rivals are as competitive as ever, while European builders like Beneteau and Bavaria as well as US brands like Sea Ray, Hatteras, Carver and Meriden are vying for market share.

“I’ve been very optimistic about Absolute or I wouldn’t have taken it on,” says Constantinou. “Four years ago, their boats were beautiful, but missing essential attributes for our market. They’ve redesigned the line, keeping the beautiful Italian design, along with great ergonomics and other practical benefits. Absolute is gaining respect in the US market. It’s really starting to pay dividends.”

Mastroianni also expects North America to be a growth engine over the next few years. He believes that Absolute’s business model, which includes financial independence, design and manufacturing flexibility, and responding to the market’s needs, will keep it moving forward. **IBI**