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The MARITIME EXECUTIVE

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**Focus on Shipbuilding
& Repair: New Challenges /
Creative Responses**

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**Chairman & CEO Sinopacific
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executive achievement: The McClendon Executive Team Launches SeaArk's Second Half-Century



By MarEx Staff



IN THE BLINK OF AN EYE, or so it would seem, SeaArk Marine and its founding family have come a long, long way – 50 years, to be exact. Originally starting as MonArk Boat Company in May of 1959, the firm is well-known for its storied history of custom-built, all-welded aluminum workboats. Not so obvious, perhaps, is how this privately held consortium of two separate boat-building companies navigated the choppy waters of a maritime world that can be anything but kind, and always unpredictable.

Arkansas Roots

In the beginning, the roots of today's SeaArk companies can be traced back to a simple garage operation in Arkansas, where John McClendon's father and grandfather saw the greater potential inherent in Norris Jenkins' simple construction of flat-bottom aluminum "Jon" boats. The mechanically-inclined Zach McClendon, Sr., John's grandfather, had previously built cotton gins and, later, the presses to extract the oil from that commodity. Combining this know-how with seed money of just \$2,000, and another \$2,000 which he loaned to his son, the McClendon team eventually grew the company to where it was building much larger products over the next three decades.

Through it all and extending to today's ultra-modern SeaArk manufacturing processes, one variable has always been present: A McClendon family member in the driver's seat. Along the way, the company became heavily involved in building military products which – after the collapse of the

oil industry in 1983 – eventually formed the firm's primary target market. Today, military and government sales are the basis for as much as 80 percent of SeaArk's revenues.

A second company, SeaArk Boats, caters to the recreational markets by building all-welded aluminum Jons, Super Jons, duck-hunting boats, tunnel hulls, and fishing boats. It was formed in 1992 after a four-year noncompete agreement with Brunswick Corporation (which had purchased the original recreational division of the company, including the name MonArk, in 1988) expired. SeaArk Marine President and CEO John McClendon's sister, Robin McClendon, runs that company.

A Long Voyage: Coming Home

Just 40 years young, John McClendon and his sister Robin collectively represent the third generation of McClendons to run the SeaArk brand. Zach McClendon, Jr., their father, is still involved with the firm as well. Now 72 years old and counting, he serves as Chairman of the Board. It wasn't always like this.

John McClendon agreed to come back in 1994 at a bleak time for SeaArk. When asked why, he replies with a smile, "My dad needed cheap labor." On a more serious note, he adds, "My dad asked me to come back. The company was struggling a bit and his dad had a lot of balls in the air at once. He needed a couple of people he could trust and, although I was not experienced in the management aspect of boat-building, I had grown up in the business. Robin



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SeaArk's 34' Dauntless RAM

came back from a good job in Atlanta.” Neither has ever looked back.

Before Robin McClendon's arrival at SeaArk, the firm had been using an outside advertising agency. She explains, “Dad, of course, was hoping that we'd come home and work in the business, but he also had a rule that we had to go out and work somewhere else first. You learn a lot working for others. I also knew that writing technical PR for boats and the marine industry can be difficult.” Armed with a degree in marketing, she came back to work for the company in 1989 as Marketing Director. Eventually, she would be integral in forming a new SeaArk recreational division of her own.

Two Companies: Many and Varied Customers

Both divisions are privately held. And while the military or workboat division is now twice the size of the recreational division, both in terms of employment and dollar sales, MonArk actually started as a recreational boat company with the workboat division a smaller part of that. “Now, it's kind of a flip-flop,” says McClendon. Today, his end of the business employs more than 200 workers. The newer SeaArk Boats – now smaller, more focused on a niche product line – has a few things in common with its predecessor, but caters to a narrower, domestic market. Robin McClendon explains, “Rather than trying to be all things to all people, we feel that our narrower focus allows us to concentrate on building a better product.”

John and Robin McClendon might just have the SeaArk brand positioned

in a sweet spot going forward, notwithstanding the tough economy. In a climate where American shipyards find it difficult to sell anything overseas, foreign sales now account for as much as 15 percent of the workboat division's revenues. McClendon adds, “The Mideast is hot right now. We just finished projects for Oman, Jordan, Kuwait and Egypt.” Beyond this, SeaArk just recently shipped two boats to Djibouti – both of which McClendon claims are excellent anti-piracy boats. “Our product lends itself very well to that mission.”

Current Challenges

As a company that relies heavily on federal contracts, SeaArk Marine is weathering the current financial crisis well. On the other hand, the credit crunch and flagging tax revenues on the state level have created challenges. As economies – and related tax revenues for municipalities and law enforcement – fall off, the loss of local tax dollars is predictably affecting orders. John McClendon explains, “A new fireboat might get cut out of the budget. That said, we are still doing well in this area.”

For Robin McClendon, the sour economy is a real issue. As a manufacturer of primarily recreational boats and equipment, a recession often dries up discretionary income that might otherwise go toward that new family-style fishing boat. On the other hand, SeaArk Boats is finding that those who still have money to spend are now considering an aluminum hull. In some cases, SeaArk is besting the fiberglass hull companies with a less-expensive, albeit not as sexy,

Design



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Synergy and Leadership

Although the companies remain separate units, each with its own employees and set of books, that doesn't mean the two executives don't rely on each other. John McClendon explains, "Our plasma-cutting equipment is the same brand and same type for both firms, so if one of our pieces of equipment goes down, one of us can go over to the other shop and cut material at night. We've done it before – backing each other up. Employees have the same general skill-sets – for example, welding – and so, yes there is some synergy there."

Robin McClendon took over as President of SeaArk Boats right after 9/11 in 2001. Up until then, the firm had never made money and – perhaps more significantly – had never had a McClendon family member in a leadership role. Robin tells MarEx, "We had tough decisions to make and we made them. This included stopping product lines and reducing headcount." After going back to what she calls their "bread-and-butter" business of big, heavy-duty Jon boats, McClendon reports that the firm has made money in every year since 2002 and, although this year will a tough one, "We will do better than break even."

Robin McClendon's efforts to reposition SeaArk Boats into a profitable firm speak volumes to her business acumen,

but she prefers to attribute her success to what she calls an "open door" policy. She explains, "I listen to everyone – welders, fitters, it doesn't matter who. And I try to let people make their own decisions, but I'm perhaps not as good at that as I should be."

From John McClendon's perspective, his style is 180 degrees out from his sister and father. He insists, "Dad and Robin – they are wonderful entrepreneurs – I am the detail guy. You need both to run any company. I probably shouldn't be as involved as I am in some operational tasks, but it is a complicated business. But my involvement, at the end of the day, is important."

Looking Forward

In September of 2009, several events are planned to celebrate the 50th anniversary of the business. There is plenty to look back at. The two firms have collectively sent their products to all 50 states and another 72 countries over the years. The current decade, in particular, has been good to the SeaArk companies. And if John and Robin McClendon have anything to say about it, the next fifty years will be just as good. This will certainly require the continued, steady leadership of a McClendon family member. Today, at home, John McClendon's son is not yet old enough to join his grandfather, father and aunt at work. If history is any indicator, however, it won't be too long before he does. **MarEx**

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