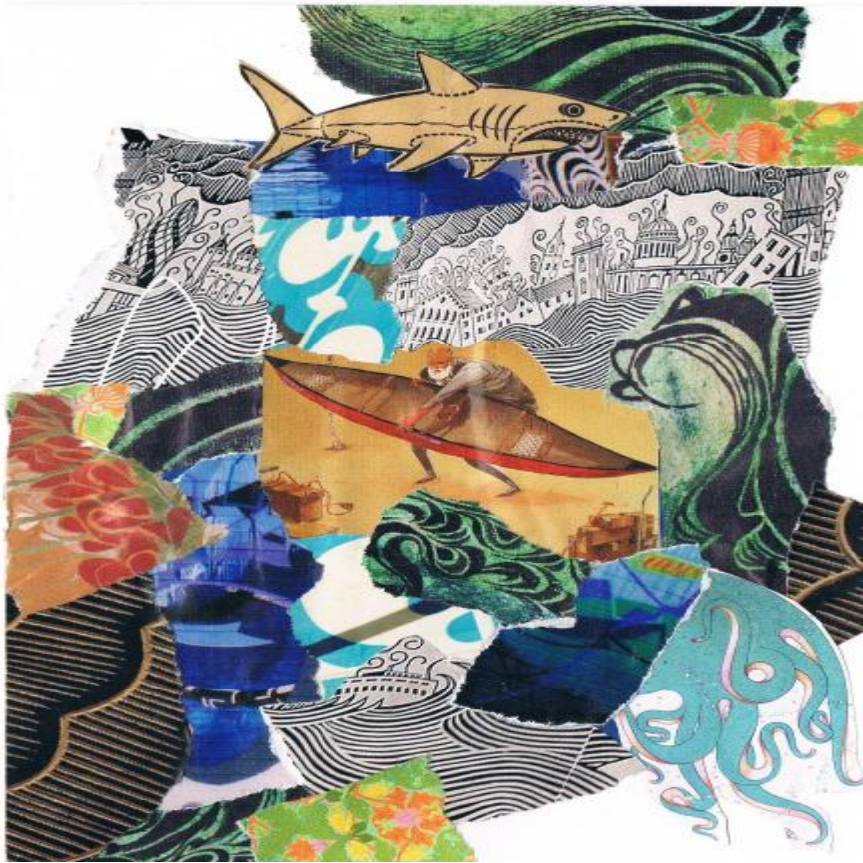


How to sell your boat ...without fail!



The formula

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Confessional

Like you perhaps dear reader, I sometimes wonder: how did I get to be here? For reasons which will become apparent, my memory that isn't too flash. I can't remember for example, how I got into mentoring boat Vendors. Of course I have worked with friends and acquaintances for years, buying, selling and restoring boats. I have owned boats since age 11.

At some point I must have decided that there was beer money in advice, only nowadays I don't drink. AA changed all of that.

My lurch into the marine industry rather late in life followed one of those seismic events: where you wake up one morning and everything has changed. All of the carefully constructed foundational supports of material and emotional existence; the pillars that define who you are: crumble before your eyes like a beach sandcastle in a raging storm.

The IT systems business, into which I had invested most of my energy over three decades, was broke. Along that tortuous road, I had acquired a dose of clinical depression, drug dependency and a problem with alcohol. Along with all of this, I was afflicted by that peculiar blindness; restricted it seems, to the males of the human species.

While my wife and I had a few issues, we were I thought nowhere near the precipice of matrimonial disaster. It came as a shock, to find myself, like the coyote, the proverbial road runner's nemesis: over the cliff's edge and contemplating the void beneath my feet. The proposition: "I need some space... how about you go live on the boat for a while?" didn't need spelling out. Dumb as I might be in terms of emotional IQ, fourteen years of marriage had taught me something.

Consequently it was soon thereafter, in a squally half gale; my mood matching the grey sleet weather that day, I find myself rowing out to my old boat, which together with three green garbage bags of stuff in the bottom of the dingy, constitutes all that I now own. I am to sail to Sydney harbour, to a marina, which I vaguely recall somewhere being mentioned, as a live aboard community.

In truth I hardly care.

Providentially and to my surprise, I discover the marina to be a vibrant live-aboard boating community. The community emits an atmosphere remarkably like home ought to. And when later, some degree of closure seems possible, pain morphs into relief. I recognise that on the other side of loss, lies: freedom.

I had been presented with an opportunity to do what I enjoyed doing, which was mucking around in boats. My wife was self sufficient with her own business. Somehow I would scratch a living. I didn't need much to support a simple life afloat.

Encountering a small circle of acquaintances with boats, small repair jobs appear along with the odd bigger job and the occasional restoration. Later I gain skills working alongside real old school Shipwrights. In coastal cruising mode, boat repair is a transportable vocation. During this period I work for a time in a yacht brokerage.

The cruising life is a learning school on the subject of sail-boats; their characteristics at sea and in live-aboard mode. Working on boats provides another dimension of insight and the peculiar peccadillos of boat Owners; yet another.

Among the curious things I have learned regarding the latter, is how so many Owners have no real business being such. By this I mean: for many Owners, the acquisition of a boat simply doesn't add up by any practical measure. Of course every buying decision is attended by some rationalisation, but the truth is inescapable. Why one has to wonder, do they do it?

It is an interesting question because therein lies the key to selling a boat in this market and indeed in any market.

As to the state of the boat market at this juncture, it's bad in a word. But this is a symptom of a bigger picture. We live in what the Chinese refer to as: 'interesting times'. It is in fact an ancient curse.

I confess to being among that group of nay saying Cassandras who foresee very 'interesting times' ahead, but as in the Greek legend: such ideas are never believed.

Many aeons ago, I became enamoured of the Austrian School of economic thought. Unfortunately the principles of Frederick Hayek, Ludwig von Mises and Murray Rothbard were heresy (then as now) in a world dominated by the economic dogma of J.M. Keynes. From the viewpoint of any academic career in contemplation, libertarian free market beliefs created obstacles analogous to those confronting a Jewish girl taking up with a Muslim boy with militant fundamentalist leanings.

Among the many unfortunate legacies of Keynesian economics are: fiat currencies soon to be rendered worthless, feeble economies throughout the West, high unemployment and an unrepayable legacy of debt.

What has all this to do with selling a boat?

Ordinarily which is to say: in less 'interesting times'; the answer would be: nothing! Regrettably however for anyone who like myself yearns for a simple life, never has an awareness of world events and their meaning been so important for the ordinary punter. And never has consciousness of economic realities been so dismally wanting.

The ordered economic society as we know it is sliding inexorably towards chaos. Every future transaction will be impacted. In this don't expect to be forewarned, forearmed or in any way enlightened, by the mainstream media. They were out to lunch when the GFC loomed on the horizon. Incredibly, no one according to the mainstream press, saw it coming.

Yet the GFC and its aftermath (as @ Q3, a work in progress) had been predicted by the Austrian School for three decades prior to 2007/8. These warnings were routinely ignored. Equally ignored has been the prediction that the GFC is merely the first seismic crack, portending more serious tectonic upheavals to come.

Just as in times past, the political class marches to the precipice in lock step with true believers and good people from all walks of life who trust in the wisdom, the integrity and authority of the state. Regrettably I fear, this trust is about to be tested and found wanting in the furnace of societal discord not seen since the industrial revolution. In this context, you're either a contrarian or dead meat!

When this future scenario descends as events suggest it must: the singular issue governing a decision to sell a boat or any other asset, will be survival. And whereas survivalism has been to date, synonymous with the lunatic fringe, crisis may well bring several lunatic fringe ideas into the mainstream. Along with this change expect a radical change in values.

What is a live-aboard vessel in these circumstances? The answer may be 'something more than a recreational toy'. Even if survivalism is not your driver as Vendor, it may well be high in the mind of the Buyer. Clearly we're not at this parlous cross road yet. But the state of the boat market which is everywhere plain to see, is a symptom of a far deeper malaise unfolding.

If life has taught me anything it is that prosperity in a changing World demands flexibility of mind. In her book on death and dying Elizabeth Kubler-Ross advances the idea that all events in life represent opportunities to grow in spiritual terms. Just as all challenges are blessings given us to learn from: for every problem there is a solution.

The solution to selling your boat in any market including the survivalist scenario unfolding; is strategy and tactics with a dab of mental flexibility greasing the wheels. This is the quintessential message of this book.

What I have learned that I am keen to impart to you Dear Vendor, is that you can sell your boat in any conditions that prevail on God's Green Earth, if you're willing to dig deep and apply a few street smarts, the dividends of long and colourful experience with boats, Owners and Buyers. This book I hope will be your guide.

Good luck and God speed
Stuart Mears



The Drum

"There are only two forces in the world, the sword and the spirit. In the long run the sword will always be conquered by the spirit." Napoleon Bonaparte

I daresay Dear Boat Vendor; that I'm not telling you anything that you don't already know: by observing that the boat market is as lifeless as a frozen stiff in the mortuary.

Indeed, it may be frustration with these very circumstances that has brought you to this publication; as a last resort.

If so, you're well aware that conventional marketing isn't near enough to breathe life back into this corpse. Indeed it's as effectual as the administration of Panadol to a flat lining victim of a coronary infarction.

The theme of this book is that: you need 10,000 volts to produce signs of life in this boat market.

From a Vendor's perspective, it might be a reasonable assumption that the professionals would be right onto this. After all, selling boats is their business and there's no shortage of 'blow hards' out there in boat land. Unfortunately the professionals are far from 'right onto this'.

Like stunned mullets, the Yacht Broking profession doesn't get it, that the World has changed. Talking up this market doesn't cut the mustard, if it ever did. Flash premises and helicopter Ray Bans count for nothing. Radical new thinking is required to sell boats. Unfortunately it is nowhere in evidence. This is very bad news for boat Vendors still trusting the professionals to achieve the sale of their vessel at a fair price.

These Owners face the prospect of losing a large slab of the capital tied up in their boats, tantamount to shovelling wads of cash into the drink.

The GFC was the first seismic crack portending a confluence of titanic forces bearing down upon the middle classes.

There's a new zeitgeist sweeping the World economy. It's name is austerity!

Notwithstanding the doom and gloom, boat Buyers still exist as a species; few though they may be and spoiled for choice though they undoubtedly are. Moreover, boat Buyers in this market, are moved by emotions and not logic, as they ever have been from time of Homer's 'wine dark sea'.

In his book "No B.S. Wealth Attraction in the New Economy", Dan Kennedy refers to two Sword in the Stone secrets that will serve to underwrite your success, while all around you is despair and failure.

"#1. No matter what, each and every individual will buy when what is offered is perfectly, precisely aligned with his greatest, highest, burning-brightest personal interest, desire, or need. He will buy without price resistance or hesitation.

#2. To prosper, you need only (a) align whatever you sell with your ideal prospects' greatest, highest, burning-brightest personal interest and (b) invest in presenting your business *only* to those targeted individuals."

To achieve this alignment that Dan speaks of, it is necessary to dig deep into your commitment; to strive to identify the Probable Buyer and understand the psychology that motivates his/her buying decision.

It is not then a big step to express your Buyer's brightest burning, personal interest in your descriptive material. We break this idea into its three components.

In the presence of your prospective Buyer, you need the discipline to be silent when every screaming impulse urges you to pitch your message; to understand that the ambience of the scene you have so carefully crafted, does the selling on emotional levels that no words can penetrate.

As your self appointed mentor, having had a few ups and a few more downs in life, the message of this book is that: if I can achieve this, nothing is more certain than the proposition... so can you!

And when you triumph against the odds posed by this market... hey it's better than sex!

The consequences of placing yourself on the menu



In this oddball mentor activity in which I find myself, one is occasionally on the other side of the fence; that is on the Buyer's side in a transaction.

From this perspective you get to watch while Vendors put themselves on the menu.

I can't claim to enjoy the spectacle. It's not just being vegetarian and having no stomach for gore. In the course of these encounters, part of me is aching to grab the Vendor by the scruff of the neck: "for God's sake man can't you see what's happening to you here?"

In this case, the Client (a Buyer) was in the market for a cruising sailboat for extended single handed voyages. His knowledge of sail-boats wasn't extensive. In the capacity of mentor, I am therefore endeavouring to provide some cogent advice from the start point; which invariably involves a detailed discussion regarding his boating philosophy and intended usage.

From this point, he wades into boat market and together: we discuss possible candidates for the short list. Routinely, this is the process.

Over ensuing weeks almost all are discarded, but someday into his research the Client happens upon a gem; something right out of the box; a sail-boat that has seen a succession of knowledgeable owners with deep pockets.

Initially my Buyer doesn't like the look of the boat, because she sports a terrible paint job and the photographs are uninspiring. He inspects the boat and forwards additional pics concentrating on particular areas of the vessel. We mull over these like prospectors eyeing a glint of gold buried deep in quartz rock. I urge him to inspect the vessel again, carefully.

The vessel (presumably) due to the GFC, had been sitting on the Brokers wharf for 18 months, attracting little Buyer interest. Maintenance had been let go during this time. But despite superficial appearances to the contrary, this was an extraordinary vessel in terms of the criteria that really matter... when you know what to look for.

The vessel had been originally listed at \$180K. A recent price reduction pitched the revised asking price at \$120K. For a Buyer aware of replacement costs replication would not be achievable today with a budget of \$500K; were it even possible that equivalent materials could be procured.

The upshot was that we acquired the vessel for \$60K via direct negotiations with the Vendor. Out of this sum the Vendor netted the miserable sum of \$53,400 after commission and GST.

After the deal had been done, over a coffee, the Client offered the remark: "I'm glad that you're inside my tent pissing out... and not outside my tent... pissing in!"

The truth is that even given the depressed boat market and notwithstanding the many challenges facing the Vendor he forfeited \$50,000 unnecessarily.

There were several factors, that had they been properly managed would have delivered \$50,000 more into the Vendor's pocket from this transaction (my Client would have paid \$100K+).

- The Vendor's trust in the efficacy of the traditional boat marketing process, was misplaced. Handing responsibility for the marketing and sale of a vessel to a Yacht Broker (and leaving him to it) might have worked passably well, in the buoyant market conditions pre-GFC. The easy times however are gone and they're not coming back.
- Neither the Vendor, nor the Broker seemed to comprehend that this was: a truly special sail-boat. In other words the offering presented as: yet another undifferentiated sail-boat, in a market stuffed to choking point with more or less undifferentiated sail-boat stock.
- There was no attempt made to identify and market to a 'probable Buyer'; there was no sales strategy.

- The vessel had obvious (albeit superficial) maintenance issues which would discourage Buyers not competent to see beyond them, which is to say: 99% of Buyers. Maintenance issues like this are a deal killer.
- And although the vessel has been listed and moored on the Broker's finger wharf for 18 months, he wasn't familiar with the intricacies of the boat's interior and couldn't access the engine, which fact alone spoke volumes about the degree of interest that this offering had generated in 18 months. Consequent to this fact The Broker had to bring the Vendor into the equation. While this was a tactical mistake, it would have been a minor oversight had the Broker retained the confidence of the Vendor. But after 18 months this Vendor had had enough!
- Information about this vessel hadn't been properly collated prior to listing with the result that details had to be sourced from the Vendor which should have been available within the marketing package.
- There was no marine survey as part of the package which was an open invitation to the Buyer's Surveyor, to wreak havoc with the transaction.
- There was no attempt made to 'set the scene'. To the contrary, the default 'scene' confronting the Prospect was off-putting. The boat's interior stank of damp, oil and bilge, even though the hull didn't leak and the engine when eventually revealed, was found to be in pristine order.

Unfortunately this scenario is far from atypical. Rather; this is a stock standard Vendor experience, should he/she be so lucky as to effect a sale at all.

It illustrates the Vendor's extraordinary weakness and vulnerability in this market place; the sad results that flow from ignorance of Buyer psychology and the absence of sales strategy.

Tactics without strategy as Sun Tzu famously said in the seminal book: "The Art of War" (written circa 500 BC), is the noise before defeat.

