

Without a Factory



By understanding the industry's needs, forging partnerships with reliable manufacturers, and creating informative marketing materials, the Dutch company Vetus has become a global marine supplier over its 50 years.

And it designs much of what it sells.

I first saw Vetus's distinctive offerings as a young mechanic working aboard sailing vessels built in the U.S. as well as ones from France, Sweden, and the U.K. The gear seemed a little odd, decidedly European. I remember those flexible rubber Dorade cowl vents—white on the outside, vivid red on the inside—exhaust system components and vented loops, and the distinctive yellow-and-blue packaging that still defines the Vetus brand. (Back then it was W.H. den Ouden, which later morphed into Vetus den Ouden and finally Vetus.)

Through the years, the company became a source for more components and materials. When I managed a boatyard, nearly every bow thruster

we installed was yellow with a red prop, Vetus's trademark colors for that component. We also installed yards of its very flexible yellow-striped exhaust hose. The early Vetus catalogs seemed quirky. Many descriptions were awkward translations, and the scantily clad models were racy by U.S. standards. But the *Around the Engine Room* catalog contained a wealth of useful technical information, and no models, and I still keep an old copy on my bookshelf.

A little research revealed that, unlike many companies I relied on for quality marine components, Vetus didn't manufacture most of what it sold. Instead, it has built its business and its reputation by recognizing quality

products that could be reliably delivered by their manufacturers. By knowing the marine industry it can anticipate emerging needs and trends.

To find out more, I visited the company's headquarters and some of its nearby manufacturing partners in Schiedam, The Netherlands, in 2010, and again in 2015. Also helpful in getting to know Vetus was a book covering its history, published in-house to commemorate its 50th anniversary.

During my most recent visit, I walked the Schiedam facility, comprising everything from shops and offices to the cavernous warehouse. Particularly interesting were the 3D modeling room and the diesel engine prep and support centers. A model of a new



muffler design sat in the “materializing” chamber, along with a miniature engine. It confirmed that while this company relies on others to manufacture most products, it also designs and develops in-house.

In the warehouse I saw completed examples of in-house designs being manufactured for Vetus by outside manufacturers. Among mountains of blue-and-yellow-logoed Vetus boxes (most with a diagram of what’s inside, which is handy when working in multiple languages) a stack of electric toilets awaited shipping. My host proudly pointed out that they were Vetus’s own design. While the company had resold another toilet manufacturer’s design for years, it was never quite satisfied with it or any others it considered because they had plastic macerator blades that were inexpensive and corrosion-resistant but also blunt and therefore inefficient. The in-house engineering team designed a model with sharp, and more costly, 316L stainless steel macerators.



Facing page—As a general rule, Vetus does not manufacture marine parts but works to improve them through in-house R&D. Over the years, it has refined bow thrusters with innovations such as gear drives, plastic propellers, wireless controls, and, most recently, near-silent Rim Drives. **Top left**—Current projects include a new muffler; a model of it is shown in a 3D printer’s materializing chamber. On the supply side, the Vetus warehouse contains stacks of the company’s signature yellow-striped exhaust hose (**left**) and blue-and-yellow boxes (**above**) displaying helpful diagrams of their contents.

The Beginning

For Vetus founder Willem Hendrik den Ouden, born in 1935 in Schiedam, a city next to Rotterdam, entrepreneurship started early. While attending technical high school, he purchased pens, pencils, and erasers at a volume discount and resold them to his classmates for a profit.

After graduation, den Ouden’s first full-time job was selling water meters and installing them in apartment buildings. Uninspired, he took a position in 1960 with a firm called Gebo-Boomsma, selling Bostik industrial adhesives. At one point his boss, Gerrit Boomsma, asked den Ouden, “What do you know about boats?” He responded that he knew nothing about boats. “I don’t either,” Boomsma said, and with that den Ouden was promoted to selling Gebo bus windows to boatbuilders in southwestern Netherlands and in Belgium. Gebo went on to become one of the largest boat window manufacturers in Europe, and offers the product to this day. This crossover product application was a seminal experience and an inspiration for the company den Ouden would soon found.

After taking a position with the firm Mendoza, selling watersports

equipment, he did so well that his sales were poised to exceed those of his boss, who promptly cut his commission rate from 1% to 0.5%. Den Ouden resigned and started his own wholesale marine-equipment-supply firm, founding W.H. den Ouden N.V. (referred to hereafter as WH) in Rotterdam in July 1964.

The company’s original charter describes its services as the “import,



Vetus founder Willem den Ouden, shown in 1967, sold Gebo bus windows to boatbuilders—a crossover application that helped inspire his future company.

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export, and international freight forwarding of technical articles for boating industry and construction as well as manufacturing in whole or in part, and the assembly of such articles.” Den Ouden called on a variety of manufacturers, securing distribution rights, and becoming an agent for Marex windows (more about them later) and seats, Sonabel horns, Colombian depthfinders, Skulstad diaphragm pumps, Radice propellers, Kent crank windows (though virtually unknown in the U.S., crank boat windows were popular in Europe), Benson anchors, Jabsco pumps, and Morse engine controls.

He was quick to get those products in front of potential customers, exhibiting at the 1964 Europort Trade Fair in Rotterdam. While he worked this show alone, den Ouden realized that his growing business would require additional staff. He hired Jan Pijnacker Hordijk and Leny van den Bulk, who were teammates at his football club, the VOC (Volharding Olympia Combinatie). On his first day of employment one of the new staff recalled being given a telephone, a pen, a notepad, and two rolls of toilet paper, and being told by den Ouden, “This should get you through the day.”

Planning to attend more European shows, the trio built a more elaborate display in their shop’s parking lot, and a police officer admonished them for spilling paint on public cobblestones, which they dutifully attempted to clean up. Although it didn’t last long, this booth also displayed WH’s first logo, an interlocked D and O, within another larger O.

International Expansion

After strong showings at European venues, den Ouden shifted his attention to the burgeoning U.S. marine market, rented a booth at the 1966 Miami Boat Show, and shipped his display via air, assembling it himself. After the first day he realized that fully half of the products weren’t right for the North American market. Many were too expensive, too complex, or, like controllable-pitch propellers, just plain unknown. So den Ouden removed these items before the show opened the second morning. After 10 grueling 10-hour days, he returned to The Netherlands deeply discouraged—he hadn’t taken a single



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Den Ouden officially introduced his company to the marine world at the 1964 Europort Trade Fair in Rotterdam. In subsequent years, shows throughout Europe and the U.S. remained important venues for Vetus, which devised creative marketing ploys to draw attendees to its booth.

order. But in the following days substantial orders arrived from two U.S. builders, which made his initial foray overseas profitable.

In a succession of growth spurts for WH, he opened subsidiaries in Germany and Sweden, sales offices in Spain and France, and committed to an expanded boat show exhibition schedule, which included Amsterdam, San Francisco, Paris, New York, Gothenburg, Stockholm, Hamburg, London, Genoa, and Vancouver. (Ever the entrepreneur, den Ouden also established a service selling tables and chairs to his fellow show exhibitors.)

In 1973 Vetus continued its expansion into the United States, opening an office in Dorsey, Maryland. But the timing coincided with the first Arab Oil Embargo, which decimated the dollar’s exchange rate with the Dutch guilder. Orders based on the previous exchange rate of 3.60 guilders to the dollar now shifted to 1.30 guilders/dollar. To Vetus’s credit, every order was filled at the agreed pricing, and new orders were slowly amended. But the company didn’t recoup losses until 1980.

New Products and Ventures

While den Ouden’s original vision was to design and offer unique products, and contract out the manufacturing, he had largely been distributing

existing products in the first years of the company. In 1969 it introduced its first product designed in-house—a seawater strainer with a clear lid (and copper screen), a version of which remains among the company’s most popular items today. This product also introduced the Vetus name to WH clients. The name’s origin is a bit obscure. The English translation of “den Ouden” is “the old,” and *vetus* is Latin for *old*. The credit for this goes to WH’s resident Latin expert, and den Ouden’s partner, Paul Paul (see the **sidebar** on **page 62**).

Company growth continued, and by the end of 1969 the Vetus lineup included seats, hatches, tanks, hydraulic steering, spotlights, gas detectors, mufflers, ports, windlasses, rudders, props, ladders, lighting, gensets, toilets, wheels, depthfinders, gearboxes, and compasses. By 1971, Vetus occupied several locations across Rotterdam, reducing efficiency and increasing operating costs. Den Ouden consolidated operations by building a 27,000-sq-ft (2,500m²) facility in his hometown of Schiedam. However, just three years after the firm’s staff of 50 moved in, the plant needed to be expanded.

In 1974, Vetus entered the diesel engine market, introducing a line of marinized Peugeots. With this expansion came a development department, where new products were designed,



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Den Ouden moved the company to his hometown of Schiedam, The Netherlands, in 1971, opening a 27,000-sq-ft (2,500m²) facility. Three years later, the building needed to be expanded.

prototyped, tested, and distributed. This system morphed into so-called Systems Groups, each consisting of staff from engineering, sales, purchasing, and service, and focusing on different catalog equipment groups. Den Ouden was involved in all of them, determining the need for new products and then designing, testing, and producing them through a growing network of subcontractors.

In the late '70s and early '80s Vetus established two new, groundbreaking product lines: the corrosion-resistant wet exhaust system (a range of mufflers and gooseneck risers) and the bow thruster. Until then, nonmetallic exhaust system components were not readily available to boatbuilders; and bow thrusters were all but unheard of on recreational vessels. For years Vetus had sold notoriously anemic bow jets, but the new thrusters were powerful and relatively quiet, thanks to a gear drive (other thrusters were

chain driven) and a lightweight plastic propeller. Thrusters continue to be one signature product that Vetus is always striving to improve. Not surprisingly, Vetus offered one of the industry's earliest wireless remote-controlled thrusters, and more recently the near-silent, gearless Rim Drive.

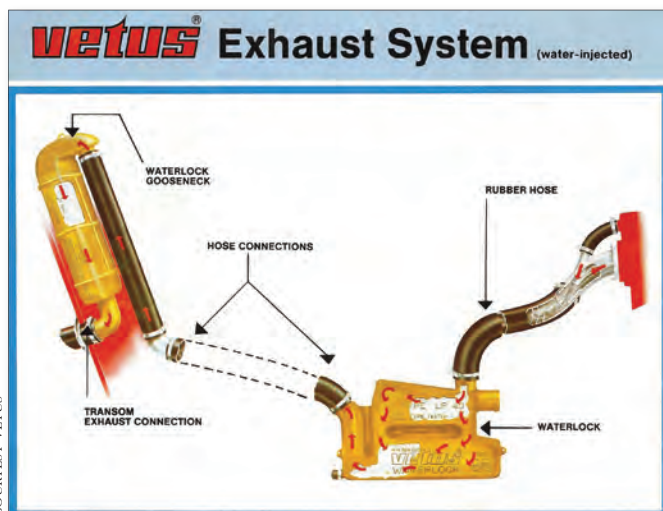
To keep smaller local boat builders and yards engaged with the company, Vetus established a Budget Marine division, where these customers could purchase simple, in-stock, off-the-shelf items, at a cash-and-carry discount. An unintended benefit was the outlet's proximity to the sales offices, where those customers learned about existing and new products and ultimately placed orders for larger and more expensive goods. This segment of Vetus's business thrived until its sales counter was shuttered by the mid-'80s economic downturn.

In 1986, another venture began after a remark from Vetus dealer Klaas

Mulder to den Ouden, almost certainly in jest: "You don't sell everything. You don't sell hulls." Vetus soon acquired a small boatbuilding plant in Hoogkarspel. But before crews could even begin to create new molds for production, the town's mayor summoned the managers to what they believed would be a perfunctory meet and greet. Instead, a public gallery was filled with more than 300 demonstrators protesting the presence of the plant in their neighborhood. The ruckus made the TV news, and several municipalities approached Vetus offering locations for a new production facility, which ended up in the nearby town of Emmeloord. The plant turned out 16' to 33' (5m to 10m) FRP vessels, many of which were available as do-it-yourself kits, at half the cost of a completed vessel. An offshoot of the boatbuilding venture was Vetus Rent-a-Boat, set up in popular holiday areas in the northern Netherlands, the Loire River in France, on a lake near Berlin, and in the U.K. Ultimately, another economic downturn put an end to both these ventures, which den Ouden came to view as a distraction from Vetus's main focus. Total production was more than 200 vessels.

Creative Marketing

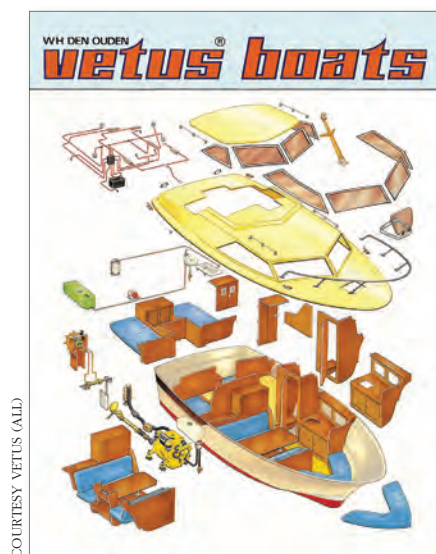
The first shows in the mid-1960s were also the beginning of the company's now-legendary catalog. WH printed 50,000 copies of its first one in Dutch and in German. In the ensuing years, Vetus became known for its



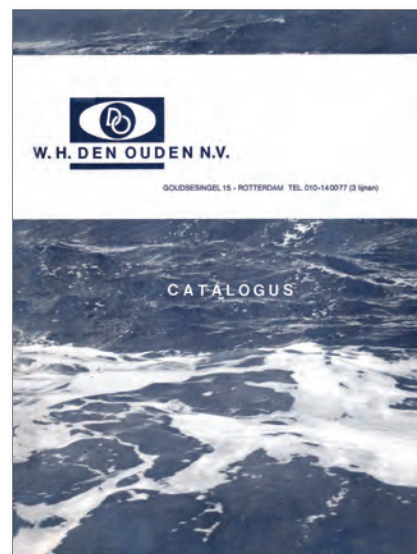
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Vetus established two groundbreaking products in the late 1970s/early 1980s: a corrosion-resistant wet exhaust system (left), and the bow thruster (above). Before then, neither was common on recreational vessels.



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Some of the company's ventures have come and gone. **Left**—In the 1980s, Vetus began manufacturing FRP vessels at a plant in Emmeloord, producing more than 200 boats. **Middle**—As an offshoot, it set up Vetus Rent-a-Boat in various European vacation spots. Neither undertaking survived an economic downturn. **Right**—The catalog continues as a mainstay; it started in 1966 with a 50,000-print first edition in German and Dutch.

creative marketing strategies. In addition to its catalogs liberally sprinkled with attractive female models, WH offered a variety of similarly themed advertising paraphernalia, including playing cards, posters, and postcards, some of which featured a grizzled, barefoot sea captain. Another sales

theme was rewarding Vetus dealers for orders with vacation-like stays at high-end hotels. In 1971 and '72 Vetus paid travel expenses for Dutch commercial customers to attend the London Boat Show, with accommodations at the Regent Palace Hotel near Piccadilly Circus, for two or three

days. The quid pro quo: orders of at least 1,500 guilders per guest for two nights, and 2,000 guilder orders for three-night stays. Den Ouden's list of promotional brainchildren is nearly endless. A more memorable tactic involved *The Beatles/1967-1970* LP album. He purchased several thousand

In the 1960s, Dieseltechniek Nederland N.V., located in Ridderkerk, with a showroom in Rotterdam, was in the business of marinizing four- and six-cylinder Peugeot automobile engines. Looking to expand its line of products, one of the company's two proprietors, Paul Paul (the other was his brother, Ceas Paul), traveled to Ohio-based engine control manufacturer Morse Hudson in the hopes of signing a sales agreement for The Netherlands.

One of Morse's directors explained that a fellow Dutchman, Willem den Ouden, whose company W.H. den Ouden (we'll call it WH) was not far from Dieseltechniek's Rotterdam showroom, had recently visited Morse and secured an agreement for the exclusive right to sell Morse products in The Netherlands. This was a blow to Paul, but he asked for a tour of the historic Morse facility. Coming to a stained-glass window on which a Latin proverb was inscribed, Paul began to read it. The director who was leading the tour was dumbfounded. "Are you reading that?" he asked. Paul's master's degree in law and classical education paid off, as he translated it

Dieseltechniek

DIESELTECHNIEK NEDERLAND N.V.
ZINKSTRAAT 7 - RIDDERKERK - HOLLAND

into English. With that the director reconsidered WH's exclusivity, and made Dieseltechniek Nederland N.V. the second "exclusive" dealer in The Netherlands.

As WH continued to expand, becoming more of a presence in the wholesale marine marketplace in The Netherlands and surrounding countries, as well as in the U.S., the Paul brothers saw that the new company was becoming a worthy competitor. While two nearby marine shops selling the same line of products may not seem entirely unusual today, at that time exclusivity, territory, and sales rights were viewed differently.

The fact that their respective showrooms were within a short walk of each other, and both were selling Morse controls, complicated relations.

But instead of pursuing a fierce rivalry, the Pauls proposed a merger to den Ouden. After a few meetings, the three arrived at an agreement, launching a joint venture in January 1966, which would retain the name W.H. den Ouden while combining their efforts to introduce new products to the market.

—Steve D'Antonio



COURTESY VETUS



Left—Vetus’s “Around the Engine” program included a detailed technical publication to guide diesel engine installation and repair. **Above**—The success of Vetus-brand engines in the European market helped ensure the company’s growth and endurance.

copies of the new release, had the vinyl records removed from their sleeves, and then mailed the sleeves to Vetus customers across Europe. To claim their record, they simply had to visit the company’s display at a boat show, and produce the sleeve. Booth attendance grew exponentially that year.

Diesel Inroads

Heralding its 25th anniversary in 1988, Vetus printed 320,000 100-page catalogs, in nine languages. Company sales had reached 60 million Dutch guilders (\$27 million); the expanded Schiedam complex was 107,640 sq ft (10,000m²); and the company had eight wholly owned and five foreign subsidiaries, five joint ventures, and more than 150 employees. Thirty percent of the goods were sold in Belgium, The Netherlands, and Luxembourg, with the remainder going to the U.S., France, the U.K., Germany, and Scandinavia. Vetus had a sales and service presence in more than 100 countries, with 40% going to OEMs, and the remainder to wholesale distributors and dealers.

Not everything was successful. Two examples prove that the company did well to stick to its original vision of manufacturing without factories. In 1992, Vetus acquired a manufacturer of curved windshields in Anderson, South Carolina. Although den Ouden had correctly predicted that the popularity of curved windshield designs would grow, the technical challenges and many nearly custom production

runs at the windshield plant made profitability elusive. It was closed in 1996. Company management had also perceived the growing importance of marine electrical and electronic systems. In an effort to ensure its supply of high-quality in-house-designed products, Vetus acquired a small marine electrical and electronics firm in Groningen, The Netherlands, which manufactured generators, inverters, and battery chargers. This market proved to be far too competitive for Vetus, and the firm closed in 1998.

In contrast, the Vetus diesel engine brand continued to make inroads into the European market, and by 1997 it accounted for 20% of the company’s business. (Unlike the North American market, most European vessels rely on diesel rather than gasoline engines, driving demand.) Since then, the diesel segment became large enough to warrant forming a subsidiary company, Vetus Diesel B.V.

Vetus diesels have always been made using blocks from respected manufacturers such as Deutz, Peugeot, and Mitsubishi (and later Hyundai and Fiat), and then marinized with Vetus’s marinization package, installed at one of the Dutch SWA programs, or “sheltered workshops” for adults with disabilities. (In recent years marinization was moved to a Yanmar facility in The Netherlands.)

To complement the engines, Vetus created its Around the Engine program, and an accompanying publication for engine installers and service

personnel. The company also offers a line of diesel generators from 4 kVA to 25 kVA, some with optional keel coolers; however, due to conflicting emissions regulations these are not sold in North America.

To reduce the engine’s valve train noise, company engineers employed 3D modeling to create a nonmetallic cowling attached to the top of M-series engines, based on Mitsubishi blocks. The cowling is sturdy enough to be stepped on, and a coolant pipe clamped to its underside diffuses heat in the engineroom.

A New Era

“I have sold the company. I will stay as director. Nothing will change for you,” den Ouden announced to his staff in 1999, when he sold 75% of the company to a private equity firm. The company’s next big challenge was to transform itself from a benevolent dictatorship to a corporation. Formalization became the order of the day, beginning with accounting and marketing analyses, feasibility studies, business planning, creation of employment contracts, job descriptions, hiring policies, and an enterprise-wide software system for the worldwide Vetus network. What was once left to den Ouden’s instincts had to be carried out with greater pragmatism and deliberation.

A great deal about Vetus changed. The company ended its only remaining in-house manufacturing business—windows and doors—transferring production to an outside manufacturer in The Netherlands. Three years later, with the acquisition of Marex—one of the first manufacturers den Ouden had secured marketing rights from shortly after starting his business back in 1964—Vetus was able to offer custom window production again. From an on-vessel digital-surveying system created by one of Marex’s former owners, files could be transferred to the production facility of a Vetus-exclusive contractor in India, where the windows are manufactured and then shipped to the customer.

In 2007, Vetus was acquired by another private equity firm, AAC Capital Partners. Under the AAC group, Vetus bought Maxwell Marine, the well-established manufacturer of winches, anchoring components, and

hatches, with production facilities in New Zealand and Taiwan, and entered the business of supplying super-yachts. Maxwell Anchoring Systems quickly became the biggest-selling product group in the catalog.

At the onset of the global recession, Vetus sales plummeted 13% in 2008. The financial pressure was compounded by debt from distribution of capital after the acquisition by the private equity firm. Marcel Borsboom, who had been hired as director of operations in 2002, was promoted to CEO. Borsboom's damage-control management style is exemplified by what happened when the company's Finnish importer declared bankruptcy. Borsboom directed Vetus staff to open new distributorships in key Scandinavian locations and in Russia, and then hire the Finnish distributor's former employees so they could continue long-standing relationships with Vetus customers.

After the recession the company returned to developing new products

and strengthened international operations in new markets, with distribution centers in India, China, and South Africa. In 2013, coinciding with its 50th anniversary, Vetus was sold to Japanese engine manufacturer Yanmar.

After selling three-quarters of his company, den Ouden stayed on for three years as general manager. Freed from the burden of ownership, he spent most of his time developing products and working on the ever-evolving catalog. In 2008, he died at the age of 73 at his home in France.

Conclusion

At one point a Dutch newspaper described Vetus as "the manufacturer without its own factories." While that's true, Vetus is not simply a middleman repackaging other products and passing them on to boatbuilders at a markup. It is highly invested in its offerings, their design and distribution, and the company's support and service network.

The company remains as recognizable as its blue-and-yellow catalog. Engineering, quality, reinvestment, and product development remain over-arching themes in the Vetus playbook, all of which have been fostered and supported under Yanmar. For a company that still does little direct manufacturing, it's telling that Vetus's technical reserve includes 22 engineers (four in New Zealand, four in India, and 14 in The Netherlands), and ISO 9001 compliance.

As someone sensitive to service and technical support, I inquired about Vetus's diesel-engine support program. All Vetus engines have a warranty of three years and 1,000 hours (and two additional years on the block and other castings) on all but a few expendable parts, which begins on the date the engine is commissioned (some manufacturers begin warranties on the date products leave their factory). Without dedicated engine dealers and shops, how does the company support those installing and working on Vetus

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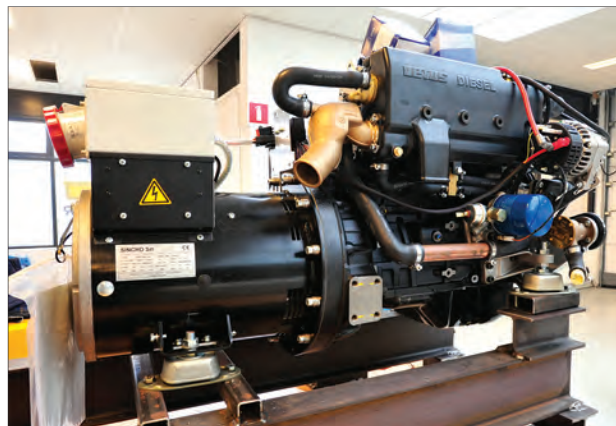
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Left—Equipped with computers, telephones, and engine manuals, the company's diesel gurus are prepared to answer any question about Vetus engines. **Right**—After they're commissioned, all engines have a warranty of three years and 1,000 hours.

engines? My answer came after a short walk to visit the diesel gurus. In a dedicated office are two Vetus diesel engine specialists, who, between them, are experts on all aspects of every engine block and marinization protocol ever used by the company. Surrounded by computer screens,

telephones, and neatly arrayed rows of manuals, they can assist anyone installing or repairing a Vetus engine. And in a nearby shop area, new diesel engines are customized to meet customers' specific requirements.

Not bad for an engine company without an engine factory. **PBB**

About the Author: For many years a full-service yard manager, Steve now works as Steve D'Antonio Marine Consulting. He is an ABYC-certified Master Technician, and sits on that organization's Hull and Piping Project Technical Committee. He's also the technical editor of Professional BoatBuilder.



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