

# Steve Potts

## Founder/CEO, Scout Boats

When selecting a personality to profile for the *Boating Industry* Top Products Issue, veteran boat builder Steve Potts was a natural choice. As founder and CEO of Scout Boats, Potts has been fully immersed in product design and development for 57 years, from his earliest days as a teenager working at a retail dealership where he found his passion tinkering on a skiff named Scout, to a fulfilling lifelong career encompassing everything from small trailer boats to sailing vessels, yachts and center consoles.



By Wanda  
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Over the decades, Potts has earned four utility and two design patents along with dozens of documented product innovations; his energy and drive show no signs of deceleration. In fact, he and his product development team headed by son Stevie are entrenched in “Project Everest” – aka Scout’s flagship 670 LCS – reportedly the largest outboard powered boat on the planet slated for debut this September.

*Boating Industry* spoke with Potts about early challenges, his relentless pursuit “to create what doesn’t exist,” and many lessons he’s learned along the way.

**Boating Industry (BI):** You were plant manager of a fiberglass company and manager of composite operations for a sailing company prior to investing all your earnings to launch Scout in 1989. Tell us about those early days.

**Steve Potts (SP):** My wife Dianne and I had saved up \$50,000 to start the business. I worked evenings and weekends through 1988 to design and build the plugs for two new Scouts, the 141 and 151 Sportfish. While I brought my skills in boat manufacturing to the business, I was young and naïve and didn’t know diddly about sales. I took the two boats on a double-stacked trailer to coastal towns every weekend. My strategy was to find a phone booth at a gas station, tear out the yellow pages for boat dealerships and then go visit... I was thrown out 75% of the time!

**BI:** Your story is one of sheer perseverance. Talk about the natural disasters that challenged your young company.

**SP:** Hurricane Hugo hit September 22, 1989, and leveled our building. We were paying around \$500 a month for rent and working from a 100-year-old former horse stable. I visited the facility with my two young kids and brick by brick, we unburied what we could salvage. I never had the inclination to give in, but to just put one foot in front of the other. Dianne and I took turns standing in the FEMA line and got a loan for \$10,000 which we used buy groceries, rent a



Scout Boats founder and CEO Steve Potts shares his rags to riches story in a new book coming later this year from Forbes.

smaller building with a dirt floor and just survive. Two months later, on December 23, the worst snowstorm in history hit the area, caving in the roof of our building and once again, destroying everything we owned.

I remember asking, what was heaven trying to tell me with these two back-to-back disasters? We put the plastic up and restored things to the best of our ability. It set us back from two boats a week to one, but we just kept at it.

**BI:** What was the watershed moment when things turned around?

**SP:** It was 1990. We had scraped together enough money to showcase three models at IMTEC in Atlanta – 14’, 15’ and a new 172 Sportfish. At the time, we had six dealers and had just hired a salesman. By the end of the show, we had 100 orders, signed up 31 dealers and sold out our production for the next 2.5 years. It was the highlight of my life!

**BI:** Why the resounding sales success?

**SP:** Most of the coastal boats at the time were kind of crude and dealers at the show were looking for something different. Our boats brought a new look to the market. I’d looked to Boston Whaler and Bertram for my benchmarks and our new Scouts featured finely finished touches throughout, different styling and a totally hand-laid, high-quality fit and finish.

**BI:** From its humble beginnings, Scout has emerged as a product innovator and highly respected global brand. What’s the scope of operations today?

**SP:** We have 500 employees operating from a 34-acre campus where we design

and manufacture luxury models from 17' to 53' including dual consoles, bay boats, and center console sportfishing machines; our new 670 will debut in September. We have Plants A–D, product development and engineering, plus are underway on construction of Plant E, which when finished will bring us to around 400,000 square feet.

**BI: You've sure come a long way from dirt floors, with world class facilities and sales to a global marketplace.**

**SP:** To put it in perspective, our first boats sold in the \$1200 range, while our current 53' sells for north of \$3 million. Interestingly, we've even sold a number of boats to several royal families in the Middle East!

**BI: Speaking of families ... your adult children and their spouses all work at Scout. What are the benefits and challenges of operating a family-owned business?**

**SP:** The benefit is that the entire family is as passionate about the brand as I am. I struggle with the disconnect between the generations of my children versus my generation of baby boomers... work schedules and commitments are not the same priority for them.

**BI: In terms of product design, what's your genesis for new ideas?**

**SP:** I've always been crazy about cars. I follow the styling trends of the luxury automotive industry.

**BI: Regarding trends, any opinion on the future of electric boats and related technology?**

**SP:** Interestingly enough, I drive a Tesla which is the ultimate in EV in the automotive industry. For several years I worked on the design and development of an electric boat and built a test boat that I ran. I determined that it's up to the industry and the development of new technology with lithium and propulsion to meet the consumer demand before a truly successful electric boat can be marketable.



Steve and Dianne Potts both enjoy the boating lifestyle, including cruising in the Florida Keys where they own a home in Marathon.



For many years, Steve Potts personally painted the stripes on every boat sold. Recently, a customer demanded Steve's personal touch, along with a video documenting it as a prerequisite for delivery.

**BI: Your insight regarding R & D and the investment required for successful new product design?**

**SP:** The timeline of a new design has been shortened significantly with advancements in technology. Product development is the lifeline of any business. PD & E is first in our company... new products are what consumers want and demand.

**BI: Advice for young professionals considering a marine industry career in product design?**

**SP:** Anyone who gets into this industry must have a passion for it; it's not an industry you can consider based purely on economics.

**BI: What's the biggest challenge facing the recreational marine industry?**

**SP:** The health of the marine industry is purely based on how many independently owned companies are competing. When publicly traded corporations or investment groups take over these companies, you lose the drive, passion and focus on why the company exists in the first place.

**BI: When you're not absorbed in the next big design hurrah, what's on your agenda for fun?**

**SP:** I love to travel and spend time on the water. My favorite places are the Virgin Islands and Florida Keys.

**BI: Besides earning key industry product distinctions and awards, you've personally been recognized by Ernst & Young as 'Entrepreneur of the Year,' won regional CEO honors, plus Scout was named among South Carolina's Fastest Growing Companies. As you consider your enduring career, what has been the key driver behind your success?**

**SP:** Never give up! ●