

# IBI

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*The business of boating*



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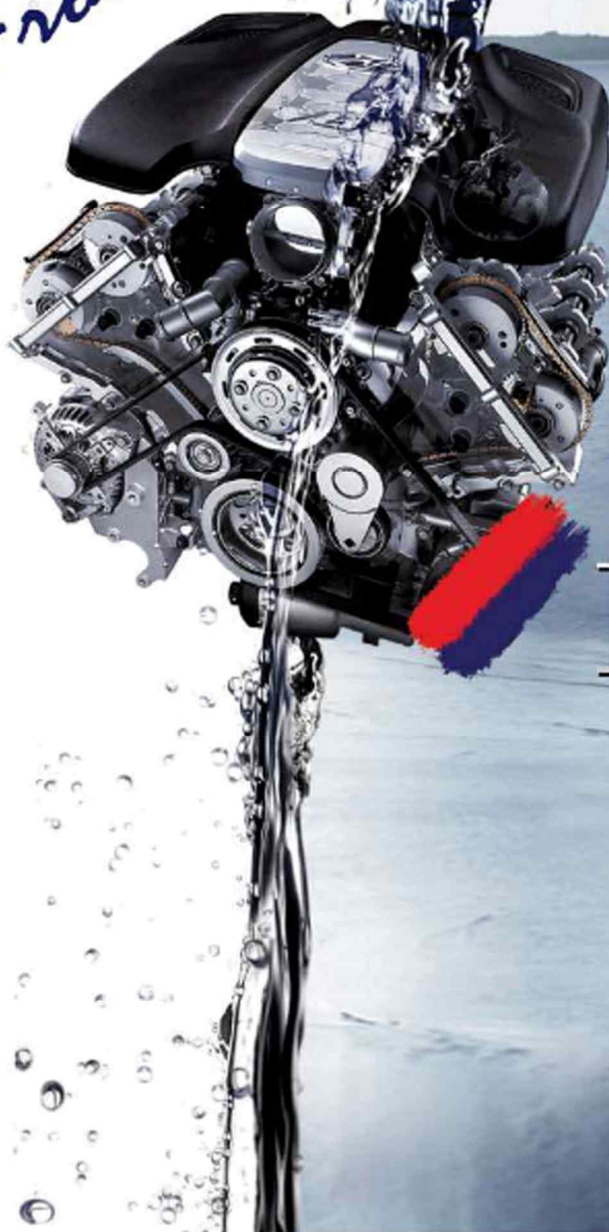
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 **HYUNDAI SEASALL**

*Hyundai SeasAll  
From Better*



## Hyundai SeasAll-Modern Diesels for a Changing Environment

As the marine environment changes, so do the needs of boaters and boatbuilders. Hyundai SeasAll, specialized marine company with Hyundai powertrain technology, is ready to meet the most stringent legislative requirements with a growing range of technically advanced high speed diesel engines.

# HYUNDAI WITH ME

*To Best*

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# Hungry for market share

HISTORY MIGHT NOT SMILE ON AUTOMOTIVE ENGINE MANUFACTURERS DABBING IN THE MARINE SECTOR, BUT HYUNDAI SEASALL IS QUICKLY ESTABLISHING ITSELF AS A FORCE TO BE RECKONED WITH

WORDS: ED SLACK

As one automotive engine manufacturer, Volkswagen, bows out of the marine business after a decade struggling to achieve sufficient market access in this fiercely competitive sector, a second is ramping up its presence. South Korean car manufacturing giant Hyundai announced its marine intentions back in April 2007 when its teams of engineers were given the green light to design and develop a complete suite of diesel power products for the recreational and light commercial marine markets.

In light of past failures by big car firms to punch their weight in the niche marine sector — witness BMW in the 1980s and VW Marine — why would another automotive giant be tempted into the ring? One answer might be found with SeungKab Jeong, president and CEO of the marine operation that was christened Hyundai SeasAll and became a separate legal entity from Hyundai Motor Company back in August 2009. Jeong has long had a passion for the water, selling his first apartment in order to purchase a powerboat. While working for the luxury automobile division of Hyundai (which produces limousine cars), Jeong, who is an engineer with a specialty in reducing NVH (Noise, Vibration and Harshness), had the idea that the engines used in Hyundai cars could be adapted to marine use.

After building a business plan with colleagues — many of whom were also boating enthusiasts — Jeong and his team presented the idea to Hyundai's Venture Incubator group where it was accepted and in April 2007, corporate sponsorship by Hyundai-Kia Motors — the world's seventh largest automobile manufacturer — was given. The company operated as a direct subsidiary of Hyundai-Kia until August 2009 when it was given its own legal status as Hyundai SeasAll.



Once the green light was given in 2007, a small engineering team was put together and after benchmarking the best marine diesel engines in the market, development work began on the first of the SeasAll range.

▲ SeasAll opened a 5,000m<sup>2</sup> facility in January this year

## GROWING THE BRAND

The 2.2 litre inline 4 'D' and 3.0 litre V6 'S' engines were first presented to the public in June 2008 at the Korea International Boat Show. The first European showing followed at the Genoa boat show in 2008, providing the initial platform for a European distribution network, even before actual production had begun. Simultaneously, the factory began to build a network in the Korean home market and to start to probe into the Asia-Pacific region. In Europe, the Italian company Socoges is now handling Slovenia and Malta in addition to its home market; SeasAll Motors handles the product in Greece, Norm Makine takes care of Turkey, Motomariner covers ➔

## Timeline Hyundai Seasall 1923–2010

**April 2007**

Approval given by Hyundai Motor Co to develop marine diesel engines

**October 2008**

Pre-launch at Genoa boat show

**December 2009**

Signs distributor for Korea and Croatia

**June 2008**

Pre-launch at 1st Korea International Boat show

**August 2009**

Creation of Hyundai SeasAll as a separate legal entity

**January 2010**

Serial production begins

## PROFILE | HYUNDAI SEASALL

## Facts &amp; stats: Hyundai SeasAll

▲ **Background:** Hyundai-Kia is the number one automobile supplier in Korea with over 70 per cent market share and is the world's seventh largest automobile manufacturer.

▲ **Investors:** The capital for Hyundai SeasAll has come from several sources. The lead investor is, not surprisingly, Hyundai-Kia through its Venture Incubator division. Other minority investors include suppliers and distribution partners. Additionally several members of the key management team have invested in the operation, giving them a strong personal incentive to make sure that it is successful.

▲ **Region:** South Korea is famous for its incredible economic development in recent decades, jumping from civil war to one of the most technologically advanced nations on the planet. Today it has the 15th highest GDP in the world following rapid economic growth since the 1960s, earning it membership of the Asian Tiger club.

Croatia, and WaterMota handles the UK and Ireland. There are two distributors in the home market — JMP Networks and Marineland. In August of this year, Allpower Industries was signed for Australia, New Zealand and part of Oceania, Indo Marine was given the responsibility for sales and service in India and Ocean 2000 was appointed distributor for Tahiti.

Now the firm is setting its sights on growing the US market for marine diesels, and additional distribution appointments — in the US and elsewhere — are expected to be made between now and the end of the year. According to a spokesperson, Hyundai SeasAll's presence at the 2010 METS will be as much about developing the distribution network as it will be about meeting with boatbuilders.

In May this year, an agreement was signed with Bukh A/S of Krussa, Denmark in which Hyundai SeasAll would provide complete marine engines to Bukh for distribution for IMO/SOLAS applications.

## CO-BRANDED ENGINES

Bukh is responsible for making the required modifications to the engines as well as providing both sales and service for the products. The co-branded engines will be distributed exclusively via the worldwide Bukh network. This gives Hyundai SeasAll an immediate service network that can be leveraged to support its non-SOLAS range of products.

Full production of the 'D' and 'S' series engines started in January 2010 in a new 5,000m<sup>2</sup> facility dedicated to the marine engine business and adjoining the Hyundai SeasAll corporate offices. Capacity at this new plant is said to be around 3,000 engines per year, with the ability to expand on the same site should it be required. Hyundai SeasAll's offices and production site is located on the same campus as Hyundai-Kia's advanced R&D centre in Uiwang, one of Seoul's satellite cities.

The engines are available in sterndrive, conventional inboard and waterjet versions. "Our core strengths lie in the financial strength of their major investment partner (Hyundai-Kia Motors), the ability of the engines to meet all new environmental standards, the depth of their engineering resources and the breadth of the base engine portfolio of Hyundai-Kia," says Ted Fagerburg, director of international operations. "This gives the company access to sophisticated materials such as Compacted Graphite Iron for its blocks and advanced Common Rail Direct Injection for its fuel systems, two examples which have been developed in Hyundai-Kia's automotive labs and proven in automobile production. The Hyundai brand itself is another major asset as it has become recognisable around the world as a producer of affordable, reliable and technically advanced cars."

The company has a target of garnering a five per cent market share within the next few years and to be one of the top three marine engine companies not long thereafter. At the rate new developments are emerging, it would seem that this is not an unreasonable mission. Current projects include launching the 10 litre 'H' engine, the 12.3 litre 'L' engine and the 1.6 litre 'U' engine in 2011. Additional models, and product variants, will be launched in 2012.

According to Fagerburg, a key ingredient to realising the brand's potential is that the SeasAll operation is run as an independent company, although Hyundai Automotive is the majority shareholder. "This gives us more flexibility and, above all, more agility and faster response time than if we were buried within a much larger organisation. Furthermore, the fact that Asian companies traditionally have very long horizons and are willing to invest for the long-term bodes well for the success of this venture." **IBI**

“The Hyundai brand itself is a major asset as it is known around the world as a producer of affordable cars”

## February 2010

Names distributors for Turkey and Greece

## June 2010

WaterMota named UK and Ireland distributor

## September 2010

Distributors signed for Australia, New Zealand, New Caledonia, Samoa, Vanuatu and Tonga

## May 2010

Signs exclusive distributor deal with Bukh A/S of Denmark

## August 2010

Indo Group signed as distributor for India

## December 2010

Plan to sign distributors for Holland, France, Germany, Austria, Scandinavia, Chile and the US