

A candid conversation with Ray Stordahl

The former President of Silverline talks about the boat business

by Brad Finch

In mid-September of 2003 my wife and I traveled to Moorhead, MN to research the Silverline Boat Company, formerly Moorhead Plastics. We gathered materials at the Clay County Historical Society, the University of North Dakota, in Fargo and the Moorhead Public Library. The high point of the trip without a doubt, however, was meeting and talking with Ray Stordahl. Now in his late 70s, Mr. Stordahl is active in volunteer work, energetic, and enthusiastic about his city. At times I wondered if I could keep up with him! If Moorhead should ever need an Ambassador, Stordahl is the obvious choice.

In his twenty years at Silverline, Stordahl served as Business Manager, Treasurer, Vice President and finally President of Silverline and Vice President of the Marine Division of Arctic Enterprises. He may be the only person to have been with the company from almost the very beginning to the very end.

We met with Ray Stordahl on Saturday, Sept. 20. He picked us up at the hotel, gave us a tour of the area, and showed the the still-standing Silverline factory. Afterwards, we sat down for coffee and I asked him about those days at Silverline.



Ray and Erma Stordahl

BF How did Silver Line come to be in Moorhead?

RS This group of men called the Greater Moorhead Development Corporation hired a consultant in Minneapolis to do a little bird-dogging for new businesses. In those days we had a lot of people who had come back from the war. Young men and women who had moderate skills, mostly with maybe high school education, looking for assembly line type jobs and there weren't many assembly jobs. So this guy that we'd hired in Minneapolis, he's the one that brought John Buckman to us. I don't know where he got the contact from, but he brought this guy from

Minneapolis in and said, "Here's a guy that's had some experience in the boat business, is interested and seems to have enough moxie to put together a company and if you guys want to put together a little money I think we could start a company." And that's how it started. He just came out of the blue. None of us had ever met him before. I mean, it could have been gigget manufacturing. The goals were to provide employment for assembly line type workers.

BF So John Buckman was looking for a place . . .

RS He was looking for a place to start the boat business. So they went around to guys like me and I think the largest shareholder in the company maybe had \$5,000 in it. It was a bunch of us that they would come around and get thousand-dollar contributions from. It's like a chamber of commerce thing. And in those days a thou-



sand dollars was of course not like a thousand dollars today.

BF How did you wind up working for Silver Line?

RS I had spent eleven years in the construction business and we basically built curb and guttering like this (pointing to the curb) and sidewalks and stuff like that. I was at the stage where I realized I either had to get really big, which I didn't have the money to do, or else I was going to wind up running a crew the rest of my life and I decided, well, I don't think I'm going to do that. So, I sold my business. The following year I spent working with real estate. And that's when the guys from Greater Moorhead Development came out to see me at the lake. They said, "We need some help over there at Silver Line. We need a guy that we know." The guy that started the company was from Minneapolis and people didn't really know him.

BF It's interesting how this came together for you.

RS Yeah, it was just accidental. A couple of the people on the board of directors of Silver Line came out to my lake cottage one day, guys that I'd known for years. They called me up first and said, "We want to come out and visit with you." I had no idea what they wanted. Basically they said, "You know, we've got this guy, John Buckman, and we don't know him from Adam. He came kind of out of the woodwork and we've given him about \$60,000 and that money is pretty much gone. There are a lot of bills that aren't paid and we don't know what the real circumstances are. We need somebody in there as business manager to try to figure that out." And, in fact, my first formal meeting with Silver Line after that was with a group of suppliers who were about to push the company into bankruptcy. I remember I met with them in the old FM [Fredrick Martin] hotel and I sat down with them and they said, "Something's got to be done, the company owes us all this money and isn't able to pay." So this group of key shareholders and myself and the local banks, got together. The lead banker was a guy that I had done business with in the construction business, so we were well acquainted. He said, "Well Ray, if you'll go in as business manager, I'll put together a group of banks and if the shareholders will raise a little more money we'll put together a package." Then we got together with the suppliers and we

said, "We'd like to set aside everything that we currently owe you and start fresh. We'll pay everything cash that we buy and just set that aside and give us a chance to get going and we'll eventually, as a deferred payment without any interest on it, just set that aside and we'll see if we can get this company going." And it worked. Within a year we had it up and going and we paid off all the old bills little by little.

BF Sounds like a good match.

"He came kind of out of the woodwork and we've given him about \$60,000 and that money is pretty much gone."

RS It was a good match. I was a young guy with some experience, business experience, education and I could do the business management thing and the bank would believe me because they'd done business with me long enough so they knew that if I've got a problem, they're gonna know about it.

BF And John Buckman came from Inland Marine?

RS Yeah. And Larson before that.

BF And he was the main designer of the hulls and everything?

RS Yeah, at the beginning. Later we hired designers for the hulls. Yeah, he knew enough about the boat business to get us into business.

BF It seems that a lot of people start out with some other big company in the early days then split off to start their own company.

RS They learn the technology and they see that they can start their own company without a lot of capital.

BF I've noticed the entrepreneurial type person loves to get a business started, but once it's going, they get bored and leave to start something else. Was Buckman like that?

RS The interesting thing about John Buckman is, I can recall when I was treasurer of the company early on, sitting having a beer with John after work several times and me telling him, "John, I think we're going to have to throw in the towel; we just



don't have the money." And he would say, "No! No, don't say that!" He was the eternal optimist. They would come back from the National Boat Show in Chicago and John would say, "We've got to expand the factory!" And that's the entrepreneurial person. The interesting part about entrepreneurial type people I've observed over the years is that they're not really the same people that are successful once the company gets up and going. They like the startup challenge, and are not necessarily the ones that can stabilize the company.

BF Is John Buckman still around?

RS No. He died of cancer maybe five or six years ago.

BF Do you know where the Silver Line name actually came from?

RS That "V" emblem and the name "Silver Line" I think originally came from somebody in Canada, and I can't remember who.

BF I understand that climate plays a factor in the quality of fiberglass boats, and that the climate in this part of the country is ideal. Did anyone know this going in?

RS I don't think so. Small boat companies were really spread thinly across the United States. You would think that up here in Minnesota, Minnesota is really a very large recreational state, you'd think, well, that's an ideal place to have a boat company. Most of our sales were not in Minnesota. Our largest dealers were in the

large metropolitan areas. We use to say that to have a good boat market you don't really need the water, you need the people. We had a big dealer in Kansas City, we had a big dealer in San Francisco, we had a big dealer in Spokane, we had a big dealer in Billings, the biggest dealer in Montana. And of course when you get down in Texas, if they don't have a lake, they'd build one.

BF How did you market the early boats? How did you get dealers to carry them?

RS Well, in those days there were a lot of new companies coming on board. A salesman comes in towing a boat and says, "Here's what I've got. Here's

the price." (and we had good prices) "Give us a try." It was a very interesting experience. Today, you can't do that.

BF I read somewhere that Silver Line used marine-grade plywood in their boats, which a lot of companies didn't do.

RS Right. We used a LOT of marine-grade plywood, which is one of the reasons that stuff lasts so long. And, in the later years, we used quite a bit of teak wood.

BF One of the most amazing things I've learned about Silver Line was the speed at which it grew.

RS Well, that was not strange in those days. Companies really took off.

BF Were the Silver Line workers unionized?

RS Yes. We had a union, the Teamsters.

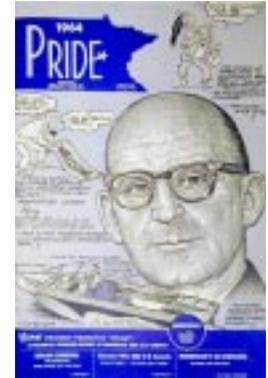
BF Did it start out that way?

RS No. Ah, I'll tell you a little anecdotal story about how we got the Teamsters. One of the downsides of John Buckman was that he liked to drink a little more than what the average people do. He came into the factory really pretty drunk one day and he went down the assembly line cussing out workers that weren't doing things right in his judgment and they said, "We are not going to

stand for this." One or more, I don't know who, who had been members of the union said, "Well, I think we ought to talk about unionizing." And they unionized. Now our experience with the union was, from my judgment, just fine. I was not anti-union. I was not pro-union. That never really caused us extreme difficulty. One thing about the Teamsters over here was that they were a very professional union. They recognized that if the boat business was going through a downturn that we couldn't afford to raise wages. They recognized that they had to be reasonable. And they were local people.

BF Was there ever a strike?

RS Never had a strike.



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BF Were they paid hourly?

RS Yes, hourly. Everything was hourly. The system was, we had a factory manager, then they would have work groups where there'd be foremen that would maybe be working foremen. A lot of cases you'd have a working foreman who would maybe have seven or eight people that worked with him and he was kind of the supervisor of this little

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group. Nowadays things work a little differently. In those days it was a lot of handwork.

BF Did one group work on one boat?

RS No. It went down an assembly line. Our assembly line was small rubber tires on a framework that you could roll 'em right down on. They would start out spraying the paint against the mold, then spray the glass inside of that. Then it would go on the line. As it went down the line different groups of maybe three or four people would do something and then they would push the boat to the next station. So if your job was to put seat in a boat, then that's what you did all day was put seats in a boat.

RS Then we got into the snowmobile business.

BF And that was even before the merger with Arctic Cat?

RS Yeah. We had a very unsatisfactory experience in the snowmobile business, like so many of the other small ones. We kinda had to bail out of it.

BF How long did Silver Line make trailers and snowmobiles?

RS Oh, maybe about three years. The downturn occurred in the boat business at the same time we were having product difficulties with our snowmobiles. We had not done a good job in designing our snowmobiles. Our engineering and manufacturing people were not as well qualified as we thought they were. We started having a tremendous number of product problems. People would buy the snowmobile and then something would go wrong with it

and we'd get it back, and that was really costing us money. That was the time when Arctic took a look and said, "Hey, those guys can build fiberglass hoods for us, and we can also get into the boat business." A lot of the shareholders we had up and down the valley, by that time we had maybe 200 shareholders, a lot of the shareholders were the same people, because Thief River is not so far away. So, they approached us and said, "Hey, how'd you like to get together?" Well, that sounds like a very good idea.

BF 'You make better snowmobiles and we make better boats.'

RS That's right! So it was a stock exchange deal. People turned in their Silverline stock and got stock in Arctic.

BF How did the workers take to the Arctic Cat merger?

RS I think very enthusiastically. Even though we were in the snowmobile business, we were just struggling with the snowmobiles. We didn't know whether to get out of the business or what to do. It cost money to get out; we still had snowmobiles. And people in the company recognized that. They looked at Arctic and Arctic was really an up-and-comer at that time. And boy, here's more employment, here's more pay. It was enthusiastically. A couple three years after that, I'd known Howard Lund for many years, who was the key person and President of Lund Boat Company, he was getting close to retirement and their company was struggling a little bit so I kind of helped along the acquisition of Lund Boat Company, which today is just a fantastic company. In fact the [current] President of Lund Boat Company, his first job was loading boats in our warehouse while he was going to Moorhead State University. When he graduated we gave him a job as one of the area reps in the sales department and he was in the sales department until we bought Lund. He worked with Lund in sales and the last few years he's been president of Lund.

BF What would you consider the high point in your twenty years at Silverline? Your best experience?

RS There was a stage there where we really went public. The company had had a fairly small group of shareholders. In those days there was something called the Minneapolis Stock Market. It was strictly



a regional market. It started a lot of small companies. A lot of which have become big companies. I don't remember how we got connected up, but we were connected up with one of these people in Minneapolis that sells stock in these small companies and then we got listed in the Minneapolis over-the-counter market, which was really an exciting experience. To go from a small, small, really fairly closely held company to, I don't remember how many shareholders we had; I suppose we probably had a couple of thousand shareholders. That was before we had merged with Arctic Enterprises. And that was a very interesting experience because they were looking for some other recreational products. They were a single-product company. The demand for their snowmobiles was so great that they were able to do the mechanical parts but they were never able to keep up with the fiberglass hoods. They saw this as an opportunity to do two things.

One, we could manufacture the hoods for them; we had competent people to do that. And it would also give them an introduction into the marine business.

BF I image the worst time at Silverline was having to close it down.

RS Absolutely. That was really a heartbreaker. Jobs were not really plentiful. Not only was it a downturn in the boat business but in the national economy with interest rates of 18%.

BF How did Silverline get into making sailboats?

RS Corcran [cork-ran Kansas City sailboat builder], I think was the guy's name. I don't remember what they called it, but they made a couple three models of sailboats and we manufactured those for I guess a couple three years. It was primarily at the request of dealers. Power boat dealers found out that it didn't work very well. I'll never forget our dealer in Billings, Montana saying to me, "Ray, you know, I found out that selling a sailboat is not like selling a power boat. Power boat guys, when they come in they want to know the horsepower and they want to know this and they want to know that. In order to sell sailboats you gotta have some old guy with a beard and a pipe willing to stand and talk for two,

three hours about sailboats before he even looks at one. I just can't stand that!" It just didn't work out. I can't remember if we were still making them when they shut down the plant or not. I just can't recall anymore. I know it was not very successful for us for that reason. Another problem we had with sailboats was we built them fairly heavy. Our plan was, build them so they're strong. But a lot of people said those sailboats were too heavy. They wanted something they could lift up on top of the car or something, you know. And I think our sales force, in spite of the training we did for them with the people who had previously owned the sailboat company, I don't think we ever got the sales force completely satisfied in sailboats. But we had a good sailboat. I've still got one up at the lake. I tipped it over a few times before I learned how to sail. But we did things like, for regional dealers we hired a local sailboat guy to give classes on sailing to try to get people going.

BF Were any Silverline sailboats made in Kansas City?

RS No. What we did actually, we bought the name and the molds. We didn't spend a lot of money on it because there wasn't a lot there. It was just a couple of guys that started making sailboats in Kansas City.

BF What is the one thing you'd like people to know about the Silverline Boat Company?

RS The one thing that I think we were the proudest of was that we built a very good quality product. A product that we put a lot of work into, a product with a lot of pride of craftsmanship on the part of the people in the factory, and one that we felt families could enjoy for many, many years. And that's turned out to be true for many, many families like yourself that we see many, many years later that say, "We've still got our Silverline boat and we love it!" I was sitting with a friend one day and he was talking about how he'd been down in Florida and he's sitting by this canal with a friend and here comes by a nice Silverline boat. Many, many years later. I've seen Silverline boats in slips in Amsterdam!

