

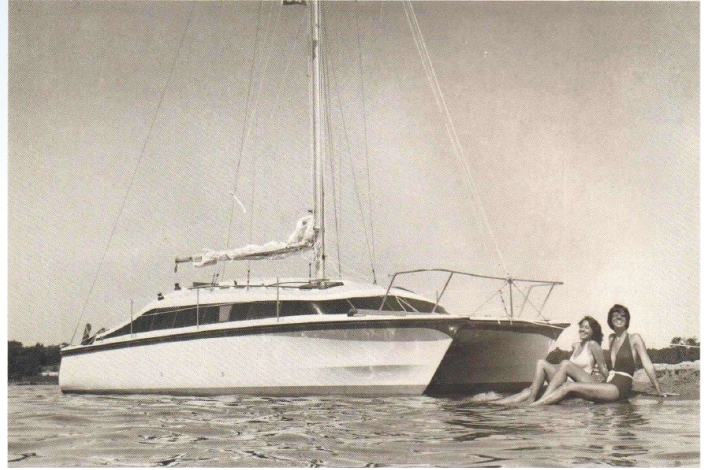
Gemini: The Beginning

By: Laura Smith Hershfeld

Chapter 1 – The History of Performance Cruising Inc.

In 1981 the very first Gemini Catamaran was launched and at the time no one knew it would start a legacy. With the introduction of this boat the market experienced the complete redefinition of the mid-sized performance cruising boat. As such there have been over 1,000 Gemini Catamarans built since its inception.

The company that originally manufactured the Gemini, Performance Cruising Inc., was started by the designer of the boat, Tony Smith and his wife, Sue. Tony's concept was for a cruising catamaran that would appeal to the masses both in price and function and he achieved exactly that. Originally born in England, Tony started his career in 1970 building a Telstar trimaran. He built over 300 Telstars in the UK before relocating the entire company to North America. Unfortunately, a fire tragically destroyed all the Telstar molds less than a year after the move to the USA and he was forced to start from scratch. As such, the name 'Phoenix' was appropriate for the very first Gemini produced. Between 1980 and 1996 Performance Cruising produced over 500 Geminis with 4 different 'models'. First came the 3100, followed by the 3000, the 3200 and finally the 3400. These boats were all from the same hull and deck molds but with various interior, engine and structural modifications. Click [here](#) for a link to all the changes.



Gemini 3100, 1981

A True Family Business and a Brand New Model Gemini.

In 1996, with the prompting of the next generation of the Smith family, (daughter Laura and son Neil had both joined the company after graduating college), Tony began work on a brand new Gemini. Built from the ground up and designed using the latest computer modeling programs, the Gemini 105M became the pinnacle of Tony's career. Beautifully shaped hulls, a sleek deck with a full pilot-house extending all the way to the back of the cockpit made the Gemini 105M an instant success and the orders started flowing in.

A Truly Efficient Production Boat Building Factory

In 1997, based on the success of this new model and the need for greater efficiency in production, the Smith family began a search for the ideal spot and soon found exactly what they were looking for just outside of Annapolis, about 20 miles from their rented facility in Mayo, MD. Construction of the new factory took about a year and following the opening of the new factory production levels increased to full capacity at 4 boats per month.



Tony Smith and Laura Smith Hershfeld on the Christening Gemini 105M, 1995

The Telstar Returns!

In 2005 Tony and the Smith family decided that the industry needed a small multihull that could come in at an even lower price than the Gemini. As small, fast multihulls were what had started Tony's career 30 years before, the redevelopment of the Telstar Trimaran was the fulfillment of a decades old dream for Tony. Over the following 3 years Performance Cruising built 82 new Telstars alongside the regular production of the Gemini.



The Telstar

Global Financial Meltdown.

Production continued on with some ups and downs until 2008 when the entire marine industry was brought to its knees by an almost complete financial meltdown.

By the middle of 2009 orders for the Gemini and Telstar had almost completely dried up. There were big decisions to be made for a family, a company and a product that had survived for over 30 years through fires, recessions and many other trials and tribulations. Unfortunately there would be no greater challenge than the financial crisis that the entire world was facing at that point.

Decision Time; What's the plan for the future?.

There are just as many pros as there are cons to being a small company in the marine industry. In 2007 Performance Cruising Inc. (PCI) employed over 50 full time staff and was producing 6 boats a month in a factory that they owned on 4 acres of land on the water in Annapolis, MD. Embracing new ways of doing business and new technology was one of the advantages of PCI and the Smith family.



Performance Cruising built Gemini with Hunter Design Touch Interior

Orders had virtually ground to a halt by the end of 2008, not only for PCI but for the entire marine industry. In fact, PCI was in better shape than most other marine manufacturers however, when orders dry up you need significant financial resources to be able to continue. The Smith family had seen this before during recessions, but somehow this one was different and even though no one knew if or when it would come back, it just did not feel right to Tony.

There were also several other factors working against PCI, one of which was a lack of resources, diversity and high fixed overheads that need to be recouped by volume. Secondly, Tony was 65 years old and looking to retire, meaning in effect that there was no one to design the next generation of Gemini.

New EPA and OSHA certifications, new industry regulations, and vendor pricing that was increasing rapidly due to commodity pricing and the lack of volume PCI was now dealing with all meant the company and family were trapped. It really was the perfect storm of issues and one that should have forced the end of the company and the end of Gemini Catamarans.

Luckily there were a few small threads of hope. When an entire industry starts to collapse, there is no other option than formulating a plan on how to turn negatives into positives. And, more importantly, smart competitors start working together...

Tony and Laura focused on a 2-pronged attack on how to turn things around should the worst case scenario happen and orders didn't come back quickly on their own;

1: Marketing and Sales; Enter "The Catamaran Company".

The Catamaran Company was started in 1989 and grew to become the world's largest New catamaran dealer as well as the world's largest retailer of used catamarans, achieving annual sales of more than 100 new and used catamarans on an annualized basis for the previous 10 years.



Performance Cruising Gemini Factory

With their appointment as a Gemini Dealer, The Catamaran Company were quick to use their resources to get boats into the hands of the people who would eventually become buyers and the ability to showcase the boats on an international level with a very strong Internet marketing presence. This was one of the things that PCI had been sorely lacking over its 30-year history, a common problem for a small family owned company.

2: Better Production Costs Through Outsourcing Production; Enter Hunter Marine Corporation

Hunter Marine Corporation (Hunter), founded by Warren and John Luhrs, began building monohull sailing yachts in 1973 as a separate division of The Luhrs Group, which up until that time had concentrated on building powerboats. In the middle of this financial meltdown Hunter like everyone else had also experienced a sharp drop in orders and were looking to make sure they kept their production volume up and their staff gainfully employed.

The Worst Case Scenario Happens:

Mid-2009, the downhill slide in the economy and the marine industry had turned into a full-blown plummet off the proverbial cliff. PCI had literally no advance orders in the summer of 2009 and the decision was made to close the company within 30 days. This was a tragedy for the Smith Family but it simply made no sense to continue building for stock or to invest any remaining capital into designing and building a brand new product. It was simply too big a risk.



Gemini's at the Hunter Factory, 2012

Just prior to the complete shutdown of the company, Laura Smith Hershfeld made an approach to The Catamaran Company to see if they had any interest in helping to keep the Gemini alive and together with Laura they agreed to form a new company to purchase the assets of PCI.

This was fantastic news for PCI and the family as it gave Tony and Sue the means to retire and Laura became

the President of Gemini Catamarans, thereby continuing the Smith family legacy and the family leadership of Gemini.

Laura had originally approached Hunter Marine in 2008 with a view to having them manufacture the Gemini 105Mc but no agreement had been reached. Two years later Laura finally partnered with Hunter to have them manufacture the Gemini. With this decision Gemini gained access to Hunter's Research and Development resources, best practice manufacturing procedures, building processes that met all new codes and regulations and access to materials that PCI never had as a one-product manufacturer.

It is interesting that sometimes the reason for the potential downfall of a company can also be the reason for its reinvention. Without Hunter's own sales slowing down causing them to look at things differently and recognizing they were first and foremost a manufacturer, they would not have entered into the partnership with Gemini and it could have been the end of two previously successful, American marine manufacturers. Instead it helped save them both and, moving forward, will allow them both to grow.

It was very obvious to Hunter Marine and Gemini Catamarans that this type of manufacturing not only significantly benefits them but also is the way of the future and is what could potentially bring manufacturing, not just in the marine industry, back to America from overseas. It was very important to the Smith family that Gemini remained an American-Built product, just as it had been for the past 30 years.

The initial result of this new manufacturing arrangement was a new "hybrid" Gemini, which was introduced at the US Sailboat show in Annapolis, MD in October 2010. The exterior was still the Gemini 105Mc but Hunter Marine had redesigned the entire interior with a warm, cherry interior and a much higher level of fit and finish. It was called the 'Design Touch' interior and was very well received at the show. Following its introduction Hunter Marine produced 21 Gemini 105Mc 'Design Touch' catamarans over the subsequent 18 months. At an average of only one a month this was still only 25% of the volume built by PCI during the "age" of the Gemini 105Mc and the economy continued to cause tough times.

But fortunately, provisions have been made for a prolonged "recovery" and a plan is already in place.....

More to come soon!



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