



SUNSTREAM PHOTO

Sunstream Corp. CEO Kenneth Hey aims to make his boatlift company the largest in the world.

Sunstream lifts revenues through boatlift product

CEO Kenneth Hey's revolutionary idea reeled in boaters at the 1997 Boat Show

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Millions of people have fond memories of the Kingdome, but only a handful of folks found fame in the Northwest icon that is no more.

Of the fame finders, most were athletes, not aerospace engineers and boating fanatics, such as Kenneth Hey. His revolutionary boatlift, which he unveiled at the January 1997 Boat Show, was a huge hit at the Kingdome, and the result was the launch of a multimillion dollar company.

That boost and the afterburn have given Hey so much confidence that his goal is to make Sunstream, a Seattle boatlift company, the world's biggest. Among the people Hey is relying on in this quest are his wife Deborah — Sunstream's director of marketing and sales — his dad, Albert, who also is an engineer and is in charge of the electronic manufacturing unit, and 18 inmates at the state prison in Monroe.

Sunstream is a hybrid company that mixes the old technology of traditional in-

dustry with new electronic gadgetry.

"We are growing like a dot-com but profitable like a brick-and-mortar company," said Hey, whose boatlift design was born of necessity.

It was about a year before the Boat Show when Hey did what engineers do: mix their proclivity to tinker with their passion, which in Hey's case is boating. The engineer's career had taken off in the 1990s when he designed jet engine mounts and sold the patents to Boeing. The success permitted Hey to fulfill his dream of buying not only a boat but also a waterfront house.

Life was nearly perfect for Hey, who became a boat nut while growing up on Long Island Sound in Oyster Bay, N.Y. He moved to Seattle in 1990 and was thrilled to be prosperous enough to live on the water.

"The only thing wrong with the picture is I did not like my boatlift," he said.

So he invented Sun Lift. With remote

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control and solar power options and speedy hydraulic cylinders, it is the antithesis of bulky lifts. Hey's lift allows a boater to lower a craft into the water in about 15 seconds while walking to the dock.

After starting the engine, the boater lowers the lift a tad further and — voilà — the vessel's in the water ready to sail.

"It was such a leap of technology compared to what it was," Hey said.

He recognized the effect the lift could have on the lives of fellow boaters. They

could use their boats as quickly and simply as they use their cars.

"I thoroughly enjoy making the products that have been affecting the lives of waterfront homeowners," said Hey, who says his work brings him "an incredibly deep sense of satisfaction."

Working in the aerospace industry didn't compare to being the chief executive officer of his marine equipment company.

"When it gets right down to it, you could be sitting on an airplane and pointing out what you've done to a stranger," Hey said. "That's nice but engines are supposed to hang on (to the wings). The beauty is it does not affect people. But in Sunstream, I found the beauty in how it directly affects people."

For years folks lived on the water and put up with clumsy boatlifts. Hey's lift changes that, and he loves "helping people get more value out of their waterfront homes."

It doesn't hurt, either, that his new job lets him continue tinkering.

"It's truly an engineer's dream business. It's the ultimate Tinker Toy, combining hydraulics and solar power and topped off with remote control," he said. "What more can an engineer ask for?"

Word of Hey's invention spread up and down the lakeshore. Neighbors became smitten with the system and ordered their own.

"We then recognized we were potentially onto something that was going to be big," said Hey, who headed to the Boat Show.

He knew his tiny company could build one Sun Lift per month. He figured that of the thousands of mariners who passed

through the dome, maybe five would order a lift — they start at \$4,000 each and go up from there.

That would be plenty to keep the company occupied until spring, thought Hey, whose estimate was way off the mark.

"We walked away with a backlog for essentially about six years," he said. "It got us off to a flying start."

Hey and his colleagues were thunderstruck — in a good way — by the demand. There was one big challenge: Some of Sunstream's local suppliers would not commit to meeting the company's aggressive production schedule. It was at the Boat Show that Hey learned about the prison labor.

Hey could not be more pleased with the arrangement. The satisfaction has less to do with cost savings than with the quality of the welds.

According to Hey, Sunstream pays market wages to 18 inmates, who work full time. The one financial advantage for the company is that the state provides the workspace as long as the employer commits to a certain number of hours to keep the inmates working.

The inmates have "an incredible sense of pride," said Hey. "Every weld is perfect and clean. We rarely find problems and having that quality consistent is so important."

For the 36-year-old Hey, altruism also counts. The prison program teaches skills and helps instill in the inmates a work ethic.

"It's giving people a true second chance," Hey said. "We feel very good about the program."

In addition to the inmates, Sunstream has about 15 other employees. There are

engineers, marketing employees and an operations staff, which includes divers.

"We anticipate bringing on, oh, I would say, eight to 10 more people over the next year," he said.

New hires could include marketing and sales staff members, product designers and operations staffers.

"It's the team which is really pulling this together," Hey said. "We have transformed this niche industry coming out of nowhere. No one person could do this."

In the first six months of 2000, Sunstream matched all of 1999's operating revenues of \$2.1 million, according to Hey, who estimates 2000 revenues will reach between \$3 million and \$4 million.

Sunstream has also expanded its product line. Besides boat lifts, the company sells canopies, personal watercraft lifts and a full line of boating accessories.

"This is just the beginning," said Hey, who added the company is entering a round of angel financing to accelerate the company's already rocketlike growth. Many of the angels are Sunstream customers.

Hey said he has invited them not only to invest but to assist in guiding the company to help it offer not only the best technology but the best service as well.

The prosperity is allowing Hey and his wife to improve their lives. They are building a home on Mercer Island.

Hey says that when it is done, he'll be able to leave the hassle of commuting to his job by car. Thanks to the efficiency of the Sun Lift, he says he'll boat to work.



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RENTON

Recreational boat lifts and waterfront products

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Fiscal year	Total operating revenues	No. of employees
1999	\$2.07 million	9
1998	\$1.05 million	6
1997	\$0.76 million	5