

# Kent company gives Coast Guard a lift

Product offers portable, flexible way to raise small boats from water

By Clayton Park  
Journal Business Editor

Kenneth Hey never imagined his Kent company would play a part in national security until he was contacted last year by a U.S. Coast Guard officer who came across the Web site for Hey's Sunstream Boat Lifts.

The officer, a lieutenant commander for the Coast Guard in Miami, wanted to know whether the description on the Web site of Sunstream's newest product — a solar-powered, floating hydraulic boat lift — was accurate.

Hey assured the officer it was true.



Gary Kissel/Journal

Sunstream Boat Lifts CEO Ken Hey invented his lifting devices to use on his own boat.

That telephone conversation led to successful tests of FloatLift by the Coast Guard, which then led to purchases of the product by a number of federal agencies.

One year later, Sunstream has received about \$1 million in orders for its FloatLift device from the Coast Guard, U.S. Navy, U.S. Customs and Department of Homeland Security — which Hey

says is just "scratching the surface" of potential sales by his company to federal government agencies.

It's a market niche Hey says he never thought he'd be tapping when he came up with his invention a few years ago.

"We were so focused on the recreational (boating) market, we didn't realize that in the post-9/11 world the federal government was moving away from defending the coastlines with submarines and large ships," Hey said.

He was surprised to learn from the officer who contacted him that the Coast Guard had determined that in many cases it was more effective to conduct patrols with small, high-speed boats, but had encountered a problem it didn't anticipate: the need to continually clean the hulls of those boats.

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# Lift

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Sunstream's FloatLift device is able to solve that problem, Hey said, because it allows a boat to be raised and stored out of the water when the boat is not in use, which drastically reduces the need for hull cleaning and maintenance.

What's more, unlike fixed boat lift devices that can't be used in salt water because of the rising and falling tides, the FloatLift can be used in the ocean as well as in fresh water lakes and can even be tied to buoys, as opposed to being limited to docks.

Hey is a former aerospace engineer who worked as a consultant for The Boeing Co. for eight years before forming Sunstream in 1996.

The 41-year-old Mercer Island resident who grew up on Long Island, N.Y., is a lifelong inventor who created his first invention — an automatic expanding mail box for his parents — at age 7.

At Boeing, Hey came up with several patented inventions, including the engine mounts now used on 777 jetliners, and twice received the company's award for "top patent of the year."

Hey used the money he earned from his inventions for Boeing to buy a waterfront home along Lake Washington as well as a recreational boat, "with the expectation that I'd use my boat every day."

After realizing he was using his boat less and less because he didn't want the hassle of having to continually crank his manual boat lift, Hey set out to create a hydraulic boat lift, the SunLift, that could operate at the touch of a button, much like one would use an automatic garage door opener.

His neighbors, upon witnessing the device in action, asked Hey to build one for them as well.

That led to his decision to



Sunstream Boat Lifts

The Coast Guard and other federal agencies have placed about \$1 million in orders for Sunstream Floatlifts.

launch Sunstream, which now employs nearly 40 workers and occupies a 19,200-square-foot space in Kent that doubles as its headquarters offices and assembly plant, as well as a small plant in Miami.

Sunstream, which Hey says is profitable, now generates more than \$10 million a year in revenues and has been ranked the past five years in a row by the Puget Sound Business Journal as one of the state's 100 fastest-growing private companies based on annual sales.

The company also made Inc. magazine's list of the nation's 500 fastest-growing companies in 2003.

Hey was honored in 2002 as the winner of Ernst and Young's "Entrepreneur of the Year for the Northwest" award and in 2003 as the University of Washington Business School's "Entrepreneur of the Year."

Despite the success of SunLift, which is a fixed boat lift device, Hey said he realized that while "the market loved our products," that market — owners of boats on lakes — "was really small."

"Most people on fresh water lakes use boat lifts, but most on salt water don't because of the high tides," which makes it impractical to

## ON THE NET

<http://www.sunstreamcorp.com>

install a fixed boat lift, he said.

Hey's solution was to create a floating boat lift that is essentially "a boat lifting a boat."

Sunstream debuted its FloatLift product in 2002 and has since then introduced two new versions that can accommodate larger boats, including one launched this past month that has the capacity to lift boats of up to 13,000 pounds — in part to accommodate boats used by federal government agencies.

James Baker, operations/sales manager for Seattle Boat, said the FloatLift has helped boost sales of recreational boats at his company's stores in Seattle and Bellevue.

While Seattle Boat doesn't carry FloatLift, Baker said he often recommends Sunstream products to potential customers.

"The FloatLift is obviously great because it opens up (the use of) boat lifts to the salt water market," said Baker. "It's nice to keep a high-end investment like a Cobalt (boat, which retails for up to \$350,000) up and out of the water," when not in use, he

said.

Sunstream in 1992 raised \$4 million from "angel" investors to help it keep up with its growing business. The company raised an additional \$2 million from those investors earlier this year.

Hey said he has "strong patents" to protect his company from competitors.

Hey said his company has also seen an increase in orders from customers in other countries, thanks in part to the soft U.S. dollar. One of those customers is the Nigerian navy, which placed an order for a dozen FloatLifts.

Congressman Adam Smith, D-Wash., recently visited Sunstream's plant at the suggestion of former Washington Secretary of State Ralph Munro.

Hey said Munro told him Sunstream, and its innovative use of technology, was "the perfect poster child" for the state's resurging manufacturing sector.

Hey said Smith told him he was interested in helping Sunstream secure more federal government contracts and product development grants.

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