

# SpaRetailer

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# SUNBELT SPAS EVOLVES AGAIN

UNDER NEW OWNERSHIP,  
HOT TUB MANUFACTURER  
PREPARES TO SCALE

BY ANDREW LISA

**THE SPA GODS TRIED THEIR VERY BEST TO KILL SUNBELT HOT TUBS.** The company's four-decade evolution from local retailer to global manufacturer was an obstacle course of natural disasters, man-made disasters and economic calamities. But each brush with extinction forced the Houston-based company to ad-lib bold and sometimes desperate innovations. Now, after nearly 40 years, the Sunbelt that emerged finally has enough manufacturing capacity to match its ambitions.





## Founding Family

Bob Markiton, center, his son Matt and daughter-in-law Audrey, worked in the company until 2017. Now they continue on the retail side of the business.

## 1979: The **Beginning**

Chris Harpham is technically the general manager at Sunbelt Hot Tubs, which until recently was Sunbelt Spas. He's been with Sunbelt since 2000, but his encyclopedic knowledge of the company's lineage makes Harpham an unofficial Sunbelt historian of sorts and the bridge between the modern Sunbelt and the one that first sprang up in Houston in 1979.

Back then it was called Designer Spas & Baths, the name given by Bob Markiton when he originally purchased what is still the company's retail business. In those heady early days, the industry was small, manufacturers were few and the Houston area's climate, wealth and central location primed the city for a hot tub boom. Markiton proved a shrewd entrepreneur, cultivating connections with manufacturers on the West Coast and Florida. The hot tubs seemed to sell themselves.

"He was selling a truckload of spas a week, basically,"

Harpham says.

Designer's rapid ascent positioned Markiton to begin selling hot tubs to people who sold hot tubs.

"He actually got exclusive territories for his spas and decided to sell to dealers in the region," Harpham says. "Texas, Louisiana, New Mexico, Oklahoma."

By the early 1980s, the retailer had become a distributor — but that was just the first act.

## The **Move** to Manufacturing

Busy but not satisfied, Markiton had an eye on consolidating control of his operation.

"He thought he could design and build a better unit than the companies that were selling him the machines," Harpham says.

When one of his manufacturers was looking for an exit in the early 1990s, Markiton bought them out. Now, Sunbelt was building

in-house the hot tubs it had been distributing to its growing customer base — but Markiton didn't have the capacity to make the shells, which at first he bought from two different manufacturers.

"He would bring them in, drill them, put the jets in, use his own equipment, build cabinets for them and finish them out," Harpham says.

The retailer-turned-distributor was now an assembler — but that, too, was just a stepping stone.

In the mid-'90s, Markiton purchased one of the two manufacturers that had been making his shells. Now, the assembler was a manufacturer. With the process finally unified under one roof, there was nothing holding them back.

"We grew really fast through the early part of the 2000s," Harpham says. "We were selling lots of spas all over the world."

Then, in 2009, it all came crashing down.

## The Fire

On August 28, 2008, a storm formed over Cape Verde off the West Coast of Africa and headed west. It would gather strength, tear through the Caribbean and refuel in the Gulf of Mexico. In early September, that storm crashed into Texas as Hurricane Ike. One of the most destructive storms in history, Ike caused tens of billions of dollars in damage and killed hundreds of people, including dozens of Americans. At least 29 were from the Galveston-Houston area.

Miraculously, Sunbelt had been spared — or so it seemed.

Although no one knew it yet, Ike had dealt Sunbelt a mortal wound. The storm caused a hidden leak in the roof that allowed water to drip onto live electrical equipment. In 2009, as cleanup from the hurricane continued across the region, Ike's parting gift to Sunbelt emerged as a massive fire that destroyed the company's retail showroom and one of its two manufacturing buildings.

The next day, 30 years of history was literally smoldering ashes — but figuratively, the same could be said about the global economy. It was 2009. Sunbelt had been burned to the ground just as the worst economic implosion since the Great Depression was taking hold.

## Down But Not Out

After weeks of investigation and clean up, only the slab remained in March 2009 of the Sunbelt Spas factory, bottom. By August framing had started on the new facility and was reopened in 2010.





## Out of the Ashes

The fire gobbled up not just Sunbelt's buildings, but also 30 years' worth of irreplaceable tools, parts and processes.

"Just imagine the equipment it takes to manufacture hot tubs," Harpham says. "We had pieces and parts that weren't being made anymore. We had all kinds of specialty tools that were the whole reason we did business with some customers who couldn't find them anywhere else."

Sunbelt had customers, contracts and pending orders, yet it was now reduced to a single factory that could only produce hot tub shells.

"We still had the capacity to make the shells — we just didn't have the place, the space or all the tools we needed to do everything after the shells were made," Harpham says.

The day after the fire, Harpham himself flew to the Northeast Spa & Pool Association's Atlantic City Pool and Spa Show (now The Pool & Spa Show) and spread the word that Sunbelt was not going anywhere. Back in Houston, the company quickly leased space in a nearby industrial center. It made the shells as always at the undamaged plant, put them on trailers and drove them to Sunbelt's new digs for finishing.

"It seemed like we were going back and forth all day, every day," Harpham says. "It was very hectic."

"I bring the dealer's point of view. Dennis and Chris have always been in manufacturing. I can sit down and tell them the things that are going to make the dealers made or happy."

**Pat Murphy**  
co-owner,  
Sunbelt Hot Tubs

As it started from scratch in its newly leased assembly plant, lead time doubled, testy customers scaled back and volume plummeted. The growing pains were agonizing.

"We had to find a place, put all the processes in, buy all the tools, get all new manufacturing materials — all that," Harpham says. "We had to re-establish all the parts — every part. It's unimaginable how many things it takes. Almost every day in the other building, someone would say, 'Oh, man, I miss this or I miss that. We don't have this or we don't have that.'"

It shipped its first spa from the newly leased plant only one month after the fire, and just one year later in 2010, the 70,000-square-foot building consumed by the blaze had been rebuilt.

## The Changing of the Guard

When Sunbelt lost its building, it also lost the grandfather clause on its utilities. The new building would have to be connected to a city sewer system on the other side of a six-lane highway — a change that required a staggering sum of money just when Sunbelt could afford it least.

"There were also a whole bunch of new taxes and fees," Harpham says. "It was just choking."

Markiton cried uncle, sold the property and moved the operation to its current location in the same area. Once again, Sunbelt needed new equipment and upgraded processes, so Markiton brought on an investor as a partner. That partner was Dennis Rojas, the current operating president and co-owner.

About a year later in July 2017, an exhausted Markiton had had enough. The man who launched Designer Spas & Baths nearly 40 years ago in 1979 called it quits. He sold his half of the business to Pat Murphy, a longtime Sunbelt dealer.

Along with Harpham, co-owners Rojas and Murphy quietly worked to expand Sunbelt's manufacturing capacity so it would be ready to handle the rapid anticipated growth.

"Anyone can produce five or 10 tubs a week," Rojas says. "But to produce 20, 30, 40, 50 tubs a week, it gets hard. It's not only about having the tools and the people. You need space, you need logistics, you need to be prepared to deal with the daily problems that you have in manufacturing."

In just a single year starting in 2017, the trio doubled Sunbelt's production capacity. It can now make 30 to 40 more spas per week than before.

"We've done a lot more upgrades in our process and taken steps to make better products and increase production," Harpham says.



## In-Store Perspective

Co-owner of Sunbelt Hot Tubs, Pat Murphy (top right), is a long-time hot tub retailer. Aahhh Comfort Spas, his store (top right), has been operating in the Houston area for 18 years.

Also shown, the Sunbelt Hot Tubs newest facility, and its first load of hot tubs sent out after Hurricane Harvey caused the manufacturer to lose power.

“We worked with a vendor on a new process that allows us to make stronger hot tub shells more quickly.”

Instead of doing the standard co-lamination with ABS, Sunbelt uses a polyurethane system with fiberglass on monolithic acrylic sheet. Polyurethane, rather than styrene based polyester resin, is more environmentally friendly. Polyurethane also increases cycle times, increasing volume of production.

“We’re the first company using this technology,” Rojas says. “We’re not only trying to make hot tubs, we’re trying to make something different here. We want to be able to make a better product and still compete with Chinese manufacturers.”

Because of some of these new processes, Sunbelt is also nimble. They work with their customers to develop special products and are able to provide a wide variety of models.

Rojas and Harpham run day-to-day operations and Murphy still runs his independent retail store, which sells Sunbelt spas. That dynamic has added a layer of competency to the company’s leadership structure.

“I bring the dealer’s point of view,” Murphy says. “Dennis and Chris have always been in manufacturing. I can sit down and tell them the things that are going to make the dealers mad or happy.”

Often down, but never out, Sunbelt is a brand new company that’s the same as it ever was. Steered not by the challenges it faces but by the goals it sets, the new Sunbelt has aspirations lofty enough to honor Bob Markiton’s legacy.

“We plan to increase domestic sales by 1,000 hot tubs this year,” Harpham says. ■

