

# Q&A: Kevin Moschetti | CEO Mission Critical Electronics



As the head of a company that drives innovation through power, Kevin Moschetti has a unique perspective on the rapid changes driving the US leisure boat equipment market

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Appointed CEO of Huntington Beach, California-based Mission Critical Electronics (MCE) in March 2017 – parent company to the Xantrex, Newmar and ASEA power equipment brands – Kevin Moschetti entered the leisure marine sector as consumer demand for increased levels of connectivity and electrification reached unprecedented levels. Beyond driving a clear need for increasingly sophisticated onboard power systems, the new cohort of boat buyers also demand vastly lower emissions with an eye to long-term environmental sustainability.

IBI caught up with Moschetti to talk about the evolving power sector.

**How much of the adoption of more advanced power systems is driven by boat builders looking to differentiate in the market, and how much of it is driven by end-users wanting the same amenities and capabilities in their boat that they have in their home?**

**Kevin Moschetti:** It's being driven by both ends of the market simultaneously. A lot of end-users want to run the microwave and the cooktop and the air conditioning and half a dozen other things all at the same time, just like they do at home. In addition, they like the more environmentally friendly option of replacing the noisy diesel generator with a battery-based auxiliary power system, which is silent and clean and provides that same power. These end-user preferences are driving advanced power system solutions.

OEMs want to meet those desires and provide those capabilities, while at the same time differentiating their product and enhancing its relative value. So, they are anxious to incorporate these more advanced solutions. It's not exclusively a push or pull market, it is being energised at both levels simultaneously.

**Is the rapid electrification of onboard systems and the flurry of activity in today's boat market accelerating product cycles?**

We were already focused on increasing the pace of product development in our business. In the first half of 2021, 20% of our revenue came from products that we had released in the previous three years. But I do believe that the pace of change is driving product development cycles and product life cycles.

A good example is our Xplore next-gen charging platform that we're showing at this fall's marine trade shows. It's a multi-chemistry charging platform that's able to deal with lithium chemistry as well as lead-acid chemistries in a single unit. A lot of vessels have a lithium house bank and a lead-acid engine starting battery, and they need the ability to be able to charge both batteries simultaneously while using the least amount of space possible. The Xplore provides that capability in a single unit, so boat builders don't need to install two separate chargers. The need for multi-chemistry chargers didn't exist just a couple of years ago, but now it's pressing. Power needs are evolving rapidly, and that is what pushes us as a designer and manufacturer of power systems to keep developing new products to meet increasingly complex challenges.

The rapid electrification of power systems is also driving increased demand for integrated products, that is, products that are able to speak with each other and function together as part of a unified system. MCE has recently launched products with built-in NMEA 2000 communication enabling them to interact with NMEA 2000 compliant

multi-function panels. We will also be launching a new 'Gateway' device which will allow users to view, configure and monitor key system information and settings of multiple connected products on one interface or on an app for a seamless user experience. It really comes down to listening to the voice of the customer and gearing your new product developments to your customers desires for a better overall experience.

**It must be a challenge to keep up with that rapid pace of change in today's dynamic supply environment.**

We have an excellent supply chain, and we have a great supply chain management team. We also have invested significantly in trying to stay in front of the demand, by building up inventory positions so that we have what we need to serve our customers.

Looking forward, we recently completed the acquisition of a company called ZeroRPM. ZeroRPM isn't a name that people in the marine space will necessarily know, but they are a leader in battery management system technology and are also a manufacturer of their own lithium battery solutions. That's critical for what we do, so it is an important acquisition.

We're really excited about our ability to build our own lithium battery solutions now and provide those to the market. At this autumn's Newport Boat Show in Rhode Island, there was a new Hylas H57 sailing yacht showing our lithium battery solutions. We're looking to continue to expand our clean energy solutions in that space.

In the past 12 months, we have seen a manifold increase in sales of our Dock Boost Transformer units which are a drop-in replacement for the popular but discontinued Charles IsoBoost transformers. Charles' sudden exit from this category left many boatbuilders and thousands of users in limbo. We reacted immediately and now offer a perfect drop-in upgrade which saves weight and installation time and money. All of our ASEA branded transformers and frequency converters are designed and manufactured in the USA. Having an engineering team that is located within our manufacturing facility propels our ability to come up with new solutions faster than most companies.

**You've mentioned the fall trade shows. Is most of MCE's activity presently focused on the North American market?**

Marine is one of MCEs core markets, and one of the areas where we've invested heavily is in our technical support team, including recently opening

an office in the Netherlands to provide local support to our customers in central and northern Europe. We're also launching our Freedom XC 2K inverter/charger as a 230-volt unit. As we seek to expand our business in Europe, we are investing in new products to specifically support the European market. This Freedom XC 2K 230V is the first of those new products. We are also offering solar solutions to our European customers and will very soon offer our lithium-ion storage solutions. We're investing in this market because we have a vision to be the leader.

**So what do the next 12 to 18 months look like?**

I think we're going to see continued growth and uptake in the recreational boat sector. The Covid crisis has caused a lot of people to rethink things, including the way they can recreate safely. I think along the way, people have also rediscovered the simple joy of spending time together with family and friends, which goes hand-in-hand with boating.

The superyacht market is doing tremendously well, builders are booked out through 2022. The recreational boat sector is doing well too – yes, there are hiccups in the supply chain that constrain production capacity, but the demand is still strong. The fractional boat clubs are doing amazingly well, and they also need vessels to support the demand that they're seeing. The demographics of the buyers is skewing toward younger buyers because people like the lifestyle that comes with it. So, all the industry dynamics are very favorable right now.

Changing demographics and the lifestyle choices that people are making today bode well for continued strength in the leisure boat market. I'm bullish on the market, and I'm bullish both because of those macro trends and because of the increasing adoption of the clean energy solutions. We enable that, and so I'm genuinely excited about the future. **IBI**

**“We're investing in this market because we have a vision to be the leader”**

Moschetti is bullish on the leisure marine market



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