



## **Bob Lauter, Master Spas**

In business, it's often the road less traveled that becomes the path to success.

"I was on my way to law school when a job offer took me on a different path," says Bob Lauter, CEO, Master Spas, LLC. "Six years later, I was planning a move to Pittsburgh for an advertising manager position. Again, a different opportunity arose when a long-time friend was seeking someone to open a spa distribution business for him."

This was at a time when manufacturing and distributing spas were not "much of an industry," Lauter says. "In 1979 we started that business and ran it very successfully for more than 10 years."

Lauter then took a vice president position at Fort Wayne Pools, where he was responsible for the spa division. A few years later, he left to lead another spa company.

"When I learned of the upcoming sale of Fort Wayne Pools in 1996, I led a group to buy the spa division," Lauter says. "At that time, their spa business only sold through home centers, with no dealer distribution. The first thing I did was convert the business model to add dealer distribution."

That forward-thinking decision became especially important when, in 1998, home-centered big box businesses entered a turbulent financial time. While Master Spas lost half of its home-center business, it already had a viable dealer distribution model.

"In addition to introducing the dealer-based model, we also introduced a high-end spa line and focused on innovation, and that's what we became known for," Lauter says. "We introduced a television spa that put us on the map, for example, and we've developed a proprietary polymer skirting that has changed the status quo."



These and other business decisions created tremendous growth at Master Spas. Sales of premium swim spas, luxury spas and portable hot tubs increased from \$5 million in 1996 to more than \$100 million in 2017.

“Our growth has been organic, not through acquisitions or mergers,” Lauter says.

“Currently, we employ just over 500 people, and many of them have been with us since the very beginning, when we were operating in two construction trailers and a 100,000 sq. ft. manufacturing building.”

Lauter is dedicated to his company’s ability to help employees grow with the company. He is also proud that more than 200 United States dealer locations and more than 100 international dealer locations sell Master Spas products, all manufactured and shipped from a state-of-the-art, 39 acre manufacturing campus in Fort Wayne, Indiana.

He is also dedicated to innovation. Master Spas has a fully staffed research and development division and is, he says, “dedicated to creating the products that separate us from the competition. We innovated the swim spa Michael Phelps uses in his training, for example, and that and other innovations have created a strong, sustainable company.”

In 2010, the company had the opportunity to partner in a special project in Rose Hall, Jamaica. NAZ Children’s Centre is a Christian school that does an outstanding job educating children as well as working with children that have developmental problems. In 2013, Master Spas and it’s dealers helped their dreams of a new elementary school come true. “This year, the school has 111 students successfully learning there, and construction of a new high school building is in full swing,” Lauter says.

Today, Master Spas is the largest swim spa manufacturer in the world. It’s also proud to be the largest spa manufacturer that makes 100% of it’s product in the USA. Growth in the past five years has been approximately 20% per year, while industry-wide growth is significantly lower.

“I believe we can double in size over the next 5-7 years as we introduce new products and increase our distribution,” Lauter says. “We continue to reinvest in the company as we provide a premium product that is energy-efficient and loaded with advanced technology. I’m excited about the future.”

