

The Superyacht

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REPORT

TURKEY REPORT

Justin Ratcliffe and Don Hoyt Gorman visit Turkey to uncover the state of the new build market.

Page 29

A TALE OF TWO CATS

The success story of two stop-start builds, *Hemisphere* and *Quintessential*.

Page 53

TAX HAVENS

The future of the world's tax havens and how superyacht purchase and registration may be affected.

Page 63

EDGE OF THE WIND

Don Hoy Gorman considers the leading edge of sailing yachts and mast technology.

Page 89

A TALE OF TWO CATS

New build projects that halt mid-build and later restart present significant challenges for the build team tasked with the project's completion. Despite this, if managed properly, there is no reason why a stop-start project cannot produce a satisfactory end result for all involved. **Ellie Brade** interviewed the project managers of the *Hemisphere* and *Quintessential* builds, both success stories of a stop-start build process.



We first addressed the issue of half-built boats back in issue 119 of *The Superyacht Report*, discussing the logistics and legalities of the options available to owners left with a partly built yacht as a result of a bankrupt yard. However, some owners also choose or are forced to halt projects under way at a yard that has not closed. Whatever the situation for the halt, these projects inevitably present a much more challenging prospect for the completion yard than a standard new build. What are the practicalities of restarting a project months or even years down the line?

Two examples of the successful completion of a halted project are the catamaran superyachts 30.5m *Quintessential* and 44.2m *Hemisphere*. Following delivery, both have proved to be award-winning as well as hugely successful, with *Hemisphere* an extremely popular charter yacht through Burgess and *Quintessential* a much-loved family yacht.

Hemisphere and *Quintessential's* build stories are both similar ... and very different. *Hemisphere* began life at another yard, before being removed by her owner and taken to her completion yard, Pendennis. Meanwhile, *Quintessential* began work at Yachting Developments and was put on hold mid-build, with completion work resuming two years later at the same yard. The project managers of these projects offered *The Superyacht Report* a candid insight into their respective builds.

HEMISPHERE

The world's largest sailing catamaran, *Hemisphere* was commissioned in 2004 with an original delivery year of 2007, but it was not until 2011 that she was finally delivered. After becoming increasingly frustrated with the original build yard, her owner made the decision in 2009 to move the partially constructed yacht to Pendennis for completion.

Pendennis' production director Charlie Ross, who was the build project manager, first visited the project in the USA, later returning with members of the core project team to engage with the client and undertake initial surveys so

that the yard could be confident that the project was viable. "We gave ourselves some comfort when we'd been to see the yacht a couple of times as there was a good baseline starting point," said Ross. "The real challenge for us was establishing what that starting point was for each element, with no handover or engagement from the original yard."

With Pendennis having been awarded

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the contract, the yacht was then shipped to the UK, arriving in Falmouth in October 2009, with production work beginning in January 2010. On arrival, the yacht remained in a berth for eight weeks while an extensive survey was undertaken. This afforded the yard a much clearer understanding of what was already installed on the boat, how far along all aspects were, and whether the quality of work was acceptable to the owner's team and to them.

At the same time, the yard began the process of re-engaging with the project stakeholders. "Many of the stakeholders, like the owner himself, had sensitivities around some commercial aspects and the project as a whole," said Ross. The owner's team maintained a relationship with many of the stakeholders through the transition period, whereas others had to be reengaged by the yard, replacement companies commissioned or more suitable European companies substituted. "Understandably, given the history of the project, it took time to motivate and re-engage with all those people." This was with the exception of the interior designers Mick Leach Design and naval architects VPLP Design and the interior subcontractor Metrica.



“The Pendennis project team had to be very strict in trying to engage only on technical and future commercial terms and demarcate for the client’s team and lawyers team to mop up any existing commercial fall-out.”

The Pendennis team was able to draw on its experience on both new build and refit projects to its advantage throughout the project. “*Hemisphere* was a bit of a blend of a new build and a refit, which suited us well in terms of the yard’s abilities,” said Ross. With many of the project team already working on the completion of 32m *Akalam*, which also was brought to the yard with the hull completed, this experience too paid dividends. “Aside from some early surprises, after the first six months of work, the project was well within the scope of a normal build, and the work we had specified to do.”

A key element to the build’s success was managing the owner’s expectations and ensuring his involvement with the progress of the build. “The owner had been burnt by a lack of progress at the previous yard,” said Ross. “Quite early on we devised a monthly report system that worked from the bottom up, with the



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project team supplying the completion percentages of the design and engineering, and reports on production, progress and the testing and commissioning.” That monthly report along with the project schedule would be sent through to the owner to form an executive summary of the project progress that he could then verify with his team on the ground. This, combined with regular visits, ensured that the owner was involved and knowledgeable about every element of his project.

One major consideration of the build was the warranty surrounding pre-existing work. Ross and the project team spent time discussing this with the client to establish what was the best fit and value for him. “There were a substantial amount of systems and elements that were partly or fully installed by the previous yard and for those we would limit our warranty, unless we took them back to a starting point that we were comfortable with,

at which point they would receive an all-embracing warranty,” said Ross. “It was an open discussion with the owner as to how much he wanted to invest in each element to get the surety on those systems of components or the make-up of the yacht.”

When *Hemisphere* launched in 2011, she was received to great acclaim on her debut at the Monaco Yacht Show. Most importantly, her owner was delighted. “My decision to move my boat to Pendennis was a good one and they made finishing my boat a pleasant event,” said *Hemisphere*'s owner. “The professionalism, attention to detail, quality control and consideration of me as the owner were hallmarks of my time at Pendennis. Most importantly, there were no surprises. As with any difficult endeavour, problems come up during the construction and I was pleased that I was appraised of this as it occurred.”





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– Peter Wilson, MCM

QUINTESSENTIAL

Unlike *Hemisphere*, the halting of work on 30.5m *Quintessential* was intentional and at the request of the owner. Ordered in 2007, and originally due to deliver in 2009, after the GFC hit the owner made the difficult decision in October 2008 to halt the project mid-build, with work not recommencing until October 2010. Peter Wilson of MCM managed throughout the build and mothballing process.

“The owner putting the project on hold was a pretty scary proposition because the contract clearly stated that if the owner defaulted the yard was allowed to take possession of the boat and sell the assets,” said Wilson. “With the owner wishing to complete at a later date, we had to find a way to see if we could protect the assets and work with Ian Cook [managing director of Yachting Developments] to put the project on ice until such a time as the owner could re-energise it.”

Another difficulty of the situation was that at the time no one knew how long the hibernation period would be, making it very hard to plan. “Although

Ian was obviously upset at the news of the project halting, because it had significant implications for him and his workforce, he recognised that the owner was a good man and collectively we wanted to work together to figure out a way to make the situation work,” explained Wilson. The long-standing relationship between Yachting Developments and MCM was undoubtedly key in this process. As well as the practicalities of Yachting Developments agreeing to store the yacht hull at their facility, Wilson credits their general willingness to help as part of the project’s eventual success. “We wouldn’t necessarily have had the same outcome at another shipyard,” he said.

The first step of the project shutdown was to put together a strategic plan for the project, both to store the project and to ensure the build was at a point where it could be protected. “We had all these boat parts that were not worth much on their own, but on completion would be worth a lot, so it was in the owner’s best interests for us to develop this



protection strategy,” said Wilson. “We invested money in the wrap-up phase in order to protect all the assets, which included labelling and packing a lot of the interior components and interior joinery that had already been built and renting a facility to store it all in.” The project team generated detailed inventories of every piece of the build and all the drawing and design work.

“If we hadn’t done that process it wouldn’t have prevented the completion of the project, but it would have made it a lot more expensive and time consuming,” said Wilson. “We spent the money then because we knew if we didn’t we would have to spend money in spades later. If we hadn’t protected the hull, for example, and it had become warped, twisted and damaged, then the owner would have had to spend a fortune rebuilding the hulls.” When work did begin again, those efforts invested into the mothballing phase represented huge savings in both time

and money. “When work resumed we knew exactly what we had, where everything was physically and exactly the state of completion of every piece and part, which helped enormously.”

With the mothballing process complete, *Quintessential* lay dormant for two years, before Wilson moved to influence the timing of the restart in late 2010. “At the time, the impact of the GFC was being felt throughout the superyacht industry and I was concerned that Yachting Developments did not have any big new build orders,” said Wilson. “I was worried that if Yachting Developments closed their doors that we’d really be in trouble because we’d have all those pieces and parts and none of the knowledge base to go with it.” Although the owner’s team had invested heavily in the preparatory work for a restart, it had all been done with the assumption that Yachting Developments would be the yard to complete the yacht.

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Wilson approached the owner to express his fears, and advised that it was in his best interest to re-start the project and start it again. “He understood and he was in a financial position to start the project again.” As it happened, mere weeks after the recommencement order for *Quintessential* was signed, Yachting Developments signed the orders for the new build of 30m *Antares III* and the major refit of the J-Class *Endeavour*.

With work under way once more, the project continued as planned with few changes to the initial brief. “Technology had moved on over the two years, but we made a conscious decision to change only the equipment and systems where technology had advanced to the point where what we had specified was no longer the right thing to do,” said Wilson. “There were a few instances where we did make some changes, but, generally speaking, we stood by the original decisions.” One thing this unique build allowed the owner and his team to do was to step back and rationalise the decisions that they had originally made on the project. “This

process gave us all confidence that the decisions we made from the outset were still valid two years later,” said Wilson. “I wouldn’t encourage the path that got us there, but it was a good exercise!”

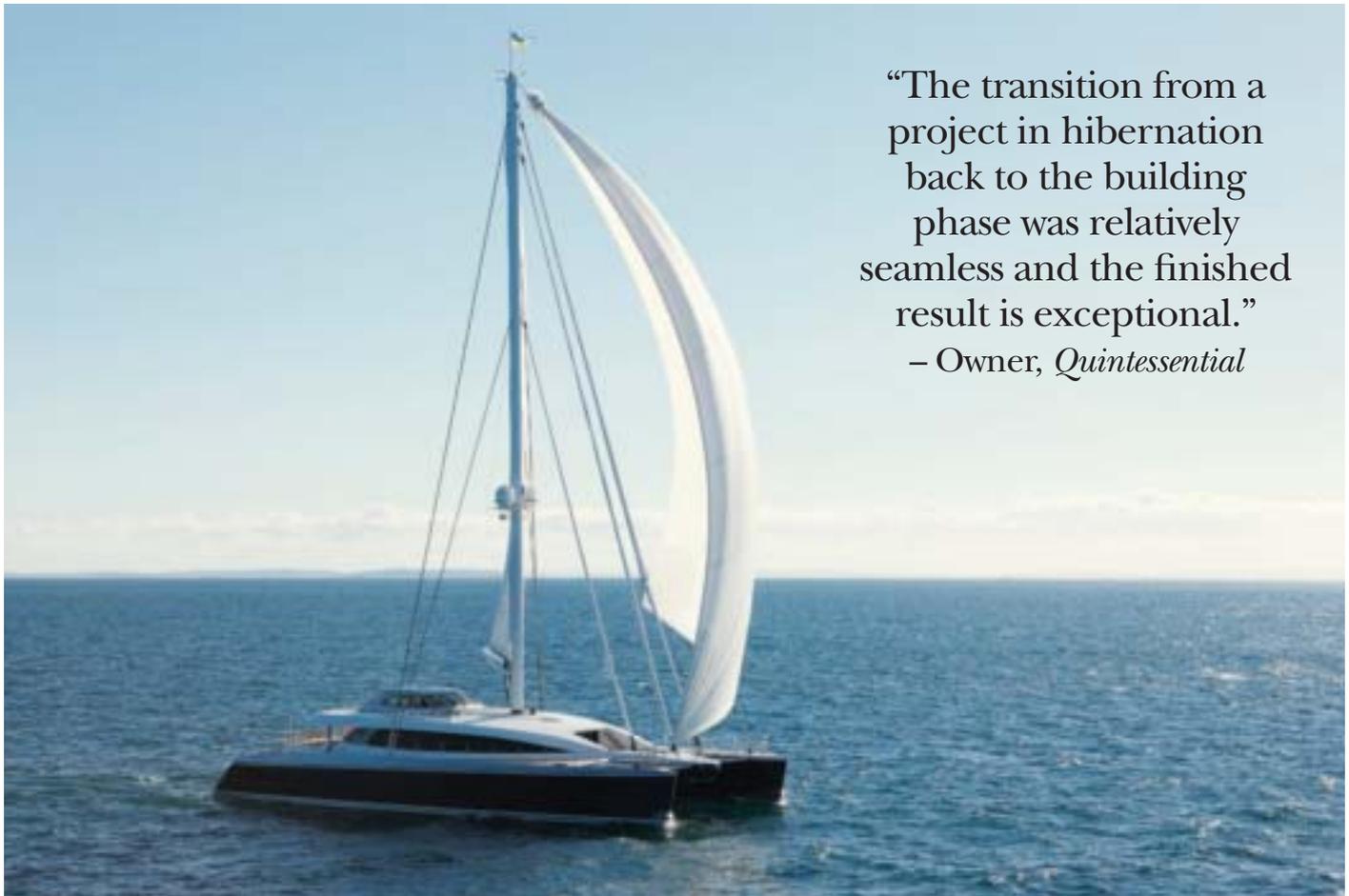
After 20 months of completion work, *Quintessential* was relaunched and, as with *Hemisphere*, the end result was a happy owner. “Due to various factors I had to take the painful step of stopping the project for two years in 2008, but I was always committed to completing the vessel,” said the owner. “To that end, my project manager, Peter Wilson, and the builder, Ian Cook, worked together to develop a strategy to ensure that the assets were protected during the stoppage so that when we started again, there would be minimal loss of efficiency or additional cost. The transition from a project in hibernation back to the building phase was relatively seamless and the finished result is exceptional. My family and I are thoroughly enjoying cruising *Quintessential*; it was all well worth the effort.”

CONCLUSION

In conclusion, although no stop/start project is the same, it is clear that ensuring a proper shutdown, as was done for *Quintessential*, is crucial to paving the way for a smooth restart. “It is dreadfully important to be ultra-clear on the point of where you put the project down, so you know exactly where you are when it is picked up again,” said Ross, who compared a mothballing record process to that used on tracking the service history of refits. “At Pendennis we break down our packages of work into ‘production work packages’ and the production supervisors and project engineers enter detailed information about each package. You’ve got try to get to that level of detail if you are going to undertake a start-stop project even if you are going to continue with the same builder.” ■



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