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BY THE TIME YOU’RE 26 YEARS OLD
I suppose by the time you have passed your quarter of a century, you really should have an idea of who you are and what your future looks like. It’s the period in life when we all grow up a little and start to become more mature, wiser and stable. The same applies to companies, and having recently spent a few days in some serious investigative meetings with the management team at Pendennis Shipyard in Falmouth, Cornwall, it was clear that the yard has matured into one of the key players in the large-yacht arena.

As with all yards, there have been good periods and challenging periods, but over the past two decades they have really found their feet and seem to be striding into the upper tier of shipyards that have the skills, financial stability and knowledge to spend the next 25 years in a much better place.

The fabulous thing is not only that the yard is bigger and better than ever, with the addition of some serious shed expansion, but their management team has expanded too, all under the founding fathers’ eyes of Mike Carr and Henk Wiekens. Two modern 90m and a further 45m build and remodel shed have been brought into play under the guidance of the two experienced and visionary joint MDs. But that’s not the whole story; this report is designed to paint a clear picture of where this shipyard has come from and, more importantly, where they are heading.

Pendennis Shipyard is never going to be the same again; it’s grown up. ■

MHR
It’s hard to imagine the thought processes, emotions and stresses that go into running a private shipyard for more than 25 years. Such longevity is rare in the industry and those who have survived the journey are, in my opinion, some of the bravest people in the market. In the case of Pendennis, Mike Carr and Henk Wiekens were brought in to start a business when the market revolved around a very small fleet and an even smaller order book. During their tenure, they have delivered some 31 new build projects, alongside probably one of the most beautiful projects under their belts, the extensive restoration of S/Y Adela. In addition, they have been instrumental in creating a fleet list of some 200 plus refit and restoration projects on over 100 different yachts that have not only regularly come back for more, but have offered the joint managing directors a lot of fun on the way – looking after over 250 contracts and getting to know their Owner clients extremely well.

Carr and Wickens possess very different personalities, but there is a form of almost marital chemistry between them: they are balanced and equal in the way they go about managing their yard and have complementary but often opposing opinions, which makes time spent with them intriguing.

Over the years they have obviously...
These two men who have steered Pendennis from 1988 to 2014, through rough and stormy waters, are still very down to earth and genuinely good guys.
The story of Pendennis began in the late '80s, when the famous yachtsman and entrepreneur Peter de Savary was campaigning with his '89 America’s Cup project under the infamous Blue Arrow brand. De Savary saw the opportunity to create a UK base in Falmouth docks along with a few property development projects, but little would he have envisaged that his project would become the catalyst for the brave British shipyard that would grow to what it is today.

With a tiny stone yacht club, some very tired-looking facilities and a busy neighbouring commercial dry dock,
the early Pendennis Shipyard spent much of its formative years trying to establish itself as either a new-build facility or a refit shipyard. It was hard to say exactly what Pendennis was. This roller-coaster ride of trying to establish itself throughout the '90s as a major player was always going to be limited by the facility’s size and scope.

The current joint MDs joined soon after the start of the business, and it is they who have really driven the company and managed the transitions over the past 25 plus years.

While building and restoring a handful of yachts during their first decade, namely Peter de Savary’s Taramber as a key project that was to set them on their superyacht way, everything really took shape when the management team engineered a buy-out from de Savary in 1993 and started on the entrepreneurial journey that would shape their future. This period saw the restoration of the world-renowned schooner Adela and the huge initial refit of the other world-famous vast schooner, Adix (a yacht that would return to the yard, a further four times over the next 12 years). Both became landmark projects that helped build Pendennis’ brand as one of the most renowned classic yacht players in the upper echelons. When Pendennis launched a new build motoryacht, M/Y Ilona, for an Australian client in 1999 they suddenly took on a whole new persona. The Dubois-designed Taramber, the classic re-builds and now a conventional motoryacht instantly sent a message to the market that Pendennis could do anything. This expansion was consistently supported by an ever developing list of in-house trades. It is unusual for a yard to be in the position to offer such an extensive range of specialities all under one roof, but with Pendennis paint, engineering, electrical, fabrication, joinery and interior finishing are all completed by the in-house team, a fact that few yards can boast. Creating little need for subcontracting, these skills are perfected by the in-house team, as they are mentored through the ranks. This kind of approach helps develop a quality workforce across the board, and enables Pendennis to complete their spectrum of work to the highest level possible.

The noughties saw Pendennis change direction a little and while new build was still on their agenda, the next phase of investment and growth focused on the refit and repair sector. They developed their 150m dry dock into a dedicated refit complex with a division at 75m, to allow them to operate two separate dry docks for any of the emerging large new builds that were currently hitting the market. At the same time the company also developed a four-storey building to house workshops and project offices, affectionately known as the “Terry Vernon Refit Complex”, named after the company’s chairman from 1998–2002. It was clear that the shareholders and investors had recognised that as the fleet was growing, they had to consider the servicing and upgrading of the fleet as a more stable market.

The facilities of Falmouth will, by the end of 2015, be even more perfectly set up to host a fleet of large sailing yachts.

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The dry dock was soon followed by the acquisition of a new 400-tonne travel lift in late 2006, which very logically allowed...
Pendennis to move their clients’ bigger yachts around the 6.5-acre site much more efficiently. It was becoming more apparent that refit and restoration were becoming a key factor within the business model, with several yachts, including many of their own new-build fleet, adopting a “return to base” mentality.

It was during this period that Pendennis enjoyed more of a refit focus as the new-build market appeared to have dried up for a few years, primarily due to the expanding competition and perhaps the fact that the yard was dominated by lucrative and exciting upgrades.

As the market continued to grow in the second half of the decade, the fleet was in need of more facilities for servicing and repairs. So in 2009 more infrastructure investment arrived in the guise of the tented flexible structure that was to be named the ‘White House’. This 55m-long construction hall was a way of expanding the capacity of the shipyard in order to grow revenues and profits during the heyday of the market; however, no one could have predicted the global financial meltdown some weeks later. Luckily, Pendennis had secured and developed a diverse team of shareholders and investors who were loyal and passionate about superyachting, many of whom were Owners themselves, and within the space of a few years further expansion plans were put in place to build Pendennis into one of the biggest and most modern facilities in Europe.

Driven by the market’s ever-increasing numbers of 60m plus yachts, when the opportunity arose to acquire their near neighbours Devonport Yachts’ superyacht division, having just delivered the renowned *Vava II*, they took it. From 2010 and beyond they were starting to drive a market-facing strategy that culminated in being a major player in the world of re-builds. Senior management from Devonport joined the Pendennis team in Falmouth and we saw the arrival of the Pendennis Plus business model – a dedicated team that would focus on the 60m plus segment and present their facilities to Owners and captains of major motoryachts.

This seems to have been the turning point in Pendennis’ fortunes; from 2009 onwards everything aligned and expansion plans started to unfold. The launch of the expedition yacht *STEEL* in 2009 prompted several years of impressive projects. And Pendennis in Falmouth hit the market with a sequence of award-winning projects, namely the adoption and nurturing of a project that was started elsewhere but finished with aplomb in Cornwall – the world’s largest sailing catamaran, the 44.2m *Hemisphere*.

This was followed by the delivery of the S/Y *Akalam* and the Ron Holland designed S/Y *Christopher*, a yacht that
Shipyards of this calibre last for a very long time, and when Pendennis’s 30th anniversary arrives we will see the story unfold even more.

made her impact on St Barths in 2011 and returned to the yard recently for some service work before she challenged S/Y Mariette at this year’s Pendennis Cup. During this period a service and maintenance set-up was developed in Palma in the heart of STP. The timeline culminated in the 16-month remodel and extension of Feadship’s Masquerade of Sole, to be renamed A2.

2013 became a year of anniversary celebrations following their two and half decades of building and rebuilding yachts. Looking back over the various landmarks and the expansion plans this yard has enjoyed, it is fair to say that 2014 and 2015 will be the most critical years in the Pendennis story. They include the completion of three brand-new construction halls; the building and development of modern landside offices, workshops and hospitality areas that will compete with any of the premier yards in Holland; and the new 640-tonne travel lift that connects the yachts on the marine side directly from the water and into the new sheds within hours. The pièce de resistance, to be completed in 2015, will be an adjustable-depth basin that will sit immediately in front of the new sheds and act as a holding or commissioning dock for yachts arriving or departing during their time at Pendennis.

This major investment programme, partly funded by the European Regional Development Fund, will be the latest phase in this incredible story. Though it has inevitably weathered rocky moments and no doubt plenty of stress over time, as the joint MDs Mike and Henk echoed, this is only the next chapter in the Pendennis story. Who knows what may happen next; as you start to appreciate what has emerged from the initial de Savary vision, there is every reason to suggest that Pendennis will keep on growing exponentially, whether through expansion on their existing site or through strategic opportunities in any of the primary yachting hubs around the world, following the Pendennis Palma model. In 2013 Pendennis announced the launch of Pendennis Pacific, a team based in Auckland to provide engineering support and parts supply to yachts cruising the Pacific. Shipyards of this calibre last for a very long time and when Pendennis’s 30th anniversary arrives we will see the story unfold even more.
THE BUILDING & REBUILDING BLOCKS

In our industry, it is often said that a yard is only as good as its last project; however, Pendennis has so many to choose from, with so many eclectic and unique styles, that you cannot focus on their last project alone. As can be seen in the following pages, we have tried to illustrate the diverse nature of their capabilities. There are landmark projects like the remodel of Adix, the restoration of Adela, the painstaking work on Dona Amélia, the creation and recreation of Rebecca, the detailing of Fair Lady, the brand new build for the brand new Owner of Christopher and, more recently, the magnificent and challenging work on M5. All of these projects have taught Pendennis so much about the world of construction, refit and repair. If you look at their 200 plus projects over the past 26 years, it is impossible to pigeonhole them in terms of style and focus; that does not make them a ‘jack of all trades’, but more a master of them all.

It is hard to conjure up what the yard specialises in as their portfolio is so diverse; however, being exposed to such a range of projects their workforce is pretty well versed in what the competition delivers, and from talking to their project teams it is clear that their objective is always to make a yacht better than the one before. In terms of new builds, they have a clear focus on applying all the experience and knowledge they have gathered over the years in order to build great yachts. Unlike so many new build yards, it is difficult for an Owner to say that he wants a Pendennis, for the simple explanation that no two Pendennis yachts are the same. Perhaps that is their fleet’s charm and if a client is looking for something that is clearly a one-off, a bespoke yacht, something that will probably never be repeated, Pendennis is seriously staking its claim in the complete custom sector.

Today, you would be mistaken in perceiving Pendennis as a refit or remodel yard, even though that has become a significant part of their business model. Considering the projects delivered and the yard’s evolving pedigree since it first started two and a half decades ago, Pendennis can be trusted to build a highly personal project, with a very passionate workforce that seems to have a rare sense of Cornish pride. Looking at their history, it would be easy to believe that their portfolio suggests there isn’t a typical Pendennis; however, what Pendennis does deliver is something that they are all proud of, a project that was built in Falmouth in Cornwall, by a workforce that all care about delivering a great product.
1. Name: *Ilona* (now called *Ronha*)  
   LOA: 45.6m  
   Type: Motoryacht  
   Builder: Pendennis  
   Year of Build: 1999

2. Name: *Elisabeth F* (now called *Mirage*)  
   LOA: 53m  
   Type: Motoryacht  
   Builder: Feadship  
   Year of Build: 1979  
   Remodel Year: 2007

3. Name: *A2*  
   LOA: 54.9m  
   Type: Motoryacht  
   Builder: Feadship  
   Refit Yard: Pendennis  
   Year of Build: 1983  
   Remodel Year: 2012

4. Name: *M5*  
   LOA: 77.6m  
   Type: Sailing Yacht – Sloop  
   Builder: Vosper Thornycroft Ltd  
   Refit Yard: Pendennis  
   Year of Build: 2004  
   Remodel Year: 2014

5. Name: *Taramber* (now called *La Cattiva*)  
   LOA: 37.4m  
   Type: Sailing Yacht – Ketch  
   Builder: Pendennis  
   Year of Build: 1991

6. Name: *STEEL*  
   LOA: 54.9m  
   Type: Motoryacht  
   Builder: Pendennis  
   Year of Build: 2009

7. Name: *Adela*  
   LOA: 55.5m  
   Type: Sailing Yacht – Schooner  
   Builder: J.G. Fay & Co, Southampton  
   Refit Yard: Pendennis  
   Year of Build: 1903  
   Restoration Year: 1996  
   Remodel Year: 2000

8. Name: *Heavenly Daze*  
   LOA: 32.22m  
   Type: Motoryacht  
   Builder: Feadship  
   Refit Yard: Pendennis  
   Year of Build: 1972  
   Restoration Year: 2011  
   Refit Year: Pendennis Palma, 2014

9. Name: *Wally B*  
   LOA: 52.72m  
   Type: Sailing Yacht – Sloop  
   Builder: Pendennis  
   Year of Build: 1998

10. Name: *Christopher*  
    LOA: 46m  
    Type: Sailing Yacht – Ketch  
    Builder: Pendennis  
    Year of Build: 2011

11. Name: *Va Bene*  
    LOA: 47.8m  
    Type: Motoryacht  
    Builder: Euroship Kees Cornelissen BV  
    Refit Yard: Pendennis  
    Year of Build: 1992  
12. Name: *Dona Amelia*
   LOA: 71.1m
   Type: Motoryacht
   Builder: Krupp Germaniawerft
   Refit Yard: Pendennis
   Year of Build: 1929
   Refit Year: 2011

13. Name: *Hemisphere*
   LOA: 44.2m
   Type: Sailing Catamaran
   Builder: Pendennis
   Year of Build: 2011

14. Name: *Rebecca*
   LOA: 42.42m
   Type: Sailing Yacht – Ketch
   Builder: Pendennis
   Year of Build: 1999

15. Name: *Fair Lady*
   LOA: 42m
   Type: Motoryacht
   Builder: Camper & Nicholsons
   Refit Yard: Pendennis
   Year of Build: 1928
   Remodel Year: 2010

16. Name: *Illusion*
   LOA: 55.75m
   Type: Motoryacht
   Builder: Feadship
   Refit Yard: Pendennis
   Year of Build: 1983
   Refit Year: 2005
   Remodel Year: 2010

17. Name: *Akalam*
   LOA: 32m
   Type: Sailing Yacht – Sloop
   Builder: Pendennis
   Year of Build: 2011

18. Name: *Adix*
   LOA: 64.85m
   Type: Sailing Yacht – Three-masted Schooner
   Builder: Astilleros de Mallorca
   Refit Yard: Pendennis
   Year of Build: 1984
   Remodel Year: 1991

19. Name: *Shamrock V*
   LOA: 36.38m
   Type: Sailing Yacht – J Class
   Builder: Camper & Nicholson
   Restoration Yard: Pendennis
   Year of Build: 1930
   Restoration Year: 2001

20. Name: *Nostromo*
    LOA: 29.63m
    Type: Sailing Yacht – Sloop
    Builder: Pendennis
    Year of Build: 2009
    Refit: 2011, 2014

21. Name: *Mariette*
    LOA: 42.06m
    Type: Sailing Yacht – Twin-masted Schooner
    Builder: Herreshoff
    Refit Yard: Pendennis
    Year of Build: 1915
    Refit Year: 2010, 2014
In 2008, in a strategic move to get closer to more clients, the shipyard launched the Pendennis Cup, a ‘best of British’ regatta that would take place in Falmouth, a true yachting event where hard sailing and even harder wind played their part. Taking place every two years, the Cup is a chance for clients old and new to enjoy Cornish hospitality, while seeing a varied fleet of classic and modern projects all jostle for a podium position in the jade-green waters of the south west.

The fourth edition took place in May 2014 and, with an impressive line-up of 10 yachts, provided an exciting opportunity for Pendennis to showcase the yard’s developing facilities for refit and new build. Judging by the resounding success of the event – from both organisers and participants – the Cup looks set to remain as a permanent fixture in the superyacht racing calendar.

Spearheaded by Sales and Marketing Director Toby Allies, the Cup enables the yard to develop its brand position and alignment with other luxury and iconic British brands such as Aston Martin and the legendary Red Arrows, who gave a spectacular display over Falmouth Bay for the finale to this year’s racing.
When entering a shipyard in the superyacht industry you can immediately gauge, by interacting with the people at any level, whether the yard is well managed and will deliver a good result. Having spent several days at Pendennis in Falmouth there is one core consistency to the facility and that is the people. The right people make a business, a team creates a result and a project revolves around a team. Having spoken to almost every level of the Pendennis workforce, from human resources to reception, from the apprentices to project managers and all the way through their varying disciplines at board level, it’s evident that the 340 staff employed by Pendennis are all very lucky to be part of this business. For a yard that is renowned for significant refits, with a spectrum of new builds, having a large workforce of this nature suggests two things: one, that they are fully committed to controlling the end result; and two, that they feel confident the market is heading in their direction.

We all know that a good new build comes as a result of a skilled and experienced workforce and when you consider that the majority of the budget for any new build is made up of labour, the investment Pendennis have made in their staff has been significant. However, analysis of the variety of refit and repair yards that specialise in our sector shows a full-time workforce of this magnitude is very rare. For Pendennis, this means that if they have a new build project and several significant refits happening at the same time, they know that all their skill sets and varying disciplines are being used effectively throughout their work schedule.

The investment Pendennis has made in its workforce has also been triggered by necessity and by design. Being located in what is almost the southern-most tip of the UK, developing a stable workforce has been a priority, and to maintain a 340-strong team has required the management to truly invest in training, skills and communication. To operate with such a multi-discipline head count, as well as keeping all of the skills in house, offers the project teams so much more control, although at the same time they obviously have to keep everyone busy 365 days a year. This workload pressure is something that no doubt keeps the senior management focused on winning business and perhaps awake at night, but it is clear that having invested in the facility’s expansion, two things will happen. Firstly, the workforce can see that there is a firm commitment to becoming a bigger and stronger player, which delivers them job security; and secondly, by expanding the shipyard and growing the number of projects, the junior teams can see how their prospects can develop.

It is the junior teams that are the most inspiring part of the Pendennis story and one dimension that the

“All friendly and good fun to work with.”
early apprentices eventually makes it on to the board, thus transitioning the full employment cycle. So as these apprentices maintain a lower-than-average workforce age range, it is clear that their retention rate of the skills and people is factored into the equation; indeed, this seems to be a major part of the people offering. The quality of life in Cornwall is a huge attraction, but so is the market they operate in.

Consider the fact that as a school leaver you get the chance to learn a real set of technical skills, creating a superb piece of engineering and then, if you’re one of the lucky ones, you get the chance to jump on the maiden voyage of one of the projects and be part of the shakedown crew to the Azores. This clearly keeps the team focused and excited at the prospects employment at this shipyard offers. During all of my conversations and informal chats with every level of the company, there seemed to be a mirrored enthusiasm and pride that is common amongst the Pendennis people. This was repeated when talking to the project managers and captains who were in the yard at the time of my visit, all echoing the sentiment that they love the Pendennis team; “All friendly and good fun to work with” was the regular comment.

With youth, however, there also needs to be a balance of experience and age. As you walk through the yard you see the odd tuft of grey hair poking out from a white helmet (or no hair at all), but the variety of generations that have formed the family of workers all seem to recognise that one day, when they retire, they need to pass on their knowledge to the apprentices; it is this knowledge and skills transfer that forms the backbone of Pendennis’ future.

When you consider the history of the yard and what’s come and gone over the past 26 years, the team that has been there for the past two decades is always glad to see one of their previous projects return to base. The internal workings and systems of projects such as Adela or Adix, and any new builds coming back for refits, are all known entities to the team there. As Charlie Ross, the Production Director, explained: “This speeds up the process of getting to grips with the work list. If they put it in a few years ago, not only do they know exactly where it is and how to dismantle it, but it can also perhaps help the crew to optimise it.”

Improving projects is part of the rebuild and refit process, for the simple reason that the team has experience of numerous refits that have brought ideas, problems and solutions into the mix, all of which makes them better equipped to improve the next project. As Stephen Hills, Projects Director, suggested, “When a yacht comes here we know how to improve it. In fact, when the Feadship Masquerade of Sole came here for her extension, we took a relatively old Feadship and brought her back to life.”

The confidence and pride that ooze throughout the expanding workforce are quite interesting to witness; there is a deep-rooted passion and a true self-belief that they really have grown into one of the most committed workforces in the market. There’s no evidence of arrogance, just a form of humble local attitude – that if you come to Cornwall, we’ll take care of you, you’ll get the best result we can deliver and you will really enjoy the team that works for you. Pendennis may have invested heavily in facilities over the past few years to ensure that the market has an alternative home for significant build and remodel projects, but their biggest and perhaps most valuable investment has been in their workforce. As you see the fresh-faced apprentices all standing in one room you can see that they are here to learn and to develop a long-term career in building and repairing the variety of projects that will enter Falmouth harbour over the coming years.
REFIT – REMODEL – RESTORE

Employing the tagline “Refit – Remodel – Restore”, Toby Allies, Sales and Marketing Director, talks us through the philosophy behind this brand statement.

“The term refit is so broad and can be applied to everything from a quick haul-out and bottom scrub, to cutting a boat in half and extending it by five metres.

We have categorised the level of work we are doing so it is a lot clearer for the client and general industry what we are actually talking about: whether it is just a refit consisting of basic maintenance and survey work on a boat, whether it is a restoration – restoring a boat to its original look, feel and design - or whether we’re actually looking at remodelling the vessel into a different form, changing a structure on the boat.

Refit is too broad a term for people to understand. So we’re using these categories as part of an education process. It helps us to clarify to Owners and potential clients the scope of expertise and experience we have compared to our competitors. Once you start to analyse who the leading players are in restoration, rebuilding, or remodelling a boat, or just general refit work, then that helps to clarify options for superyacht Owners. It allows us to differentiate between the projects, rather than just amalgamating them all and simply stating ‘we’ve done over 200 refits’.

The car analogy is an interesting one to help explain; when you want to take your car to a garage for an MOT you would go to a garage that specialises in MOTs. If you’ve got a vintage DB4 that needs restoration, you’re going to take it somewhere that has experience in classic car restoration. We fall into both categories so we don’t necessarily promote ourselves as just an MOT facility, we try to make sure that we’re targeting all different areas of the business, and that is how segmenting our work into refit – remodel – restore came from.

It’s quite hard to categorise us as a business within the industry, because we can say that we build custom yachts, we do restoration projects, we can remodel a vessel from stern redesigns through to a complete rebuild from the hull upwards, as well as carrying out routine maintenance on boats in a refit. This brand statement allows us to really outline our uniqueness and follow a marketing route that is in line with that.”
As Charlie Ross, the production director, made clear during my tour, one of the strongest and more unusual assets of Pendennis is the abundance of dedicated, trained, in-house specialist tradesmen. “Our selling point is having the staff in-house; it gives us the control. You don’t have to rely on supply chains,” he explained.

This dedicated in-house team and the minimal reliance on subcontractors helps Pendennis streamline all their processes, from the top down. It has also enabled the company to implement a more structured approach, which places a strong emphasis on resource planning and control. As their facilities expand, their workforce follows suit, so pre-planning projects, involving the entire team working on the yacht, has become more of a focus, and this goes hand in hand with running the yard in the most efficient way.

Niels Van Dinther, one of Pendennis’ team of experienced project managers, expanded on the positive environment that this ethos creates: “One of our strengths is that we offer an in-house package, which I think a lot of people like as there is no over-dependency on exterior subcontractors, tying everything together a lot better.” Along with the quality and control benefits this also helps the yard manage urgent work efficiently. Subcontractors are often contracted to a set timeline, for which a yard will be charged regardless of whether work is able to start at the predicted time or not. The availability of in-house trade teams at Pendennis allows the yard to be far more responsive when issues arise, as they have the capacity to prioritise any situation.

“One of our strengths is that we offer an in-house package, which I think a lot of people like as there is no over-dependency on exterior subcontractors.”
Joinery manager Tristan Jones talked me through the benefits of his in-house team, focusing on the emphasis he has been able to place on restructuring and streamlining all of the team’s processes; “We’ve redesigned the machine shop and put the flow of work through it better. We’ve tackled stock issues and stock levels. We’ve restructured the department and reinforced everyone’s roles within the organisation, making it more business orientated.” With each department’s interests being exclusively and directly linked to Pendennis itself, the joinery department has been able to further streamline by creating work packages, so that they can track the build costs in more detail on a weekly basis. This again helps with efficiency and cost control per item, as well as tracking how the interior is progressing at all times. They can monitor the team’s performance and also costs vs budget.

The financial stability of the yard feeds into the in-house trade teams, as Jones stated: “We can provide a solid, competitive and quality joinery solution as well as work in partnership with subcontractors. It’s about honestly quoting for the experience and high quality of work Pendennis can bring.”

Ross Kenyon, who heads up the electrical team at Pendennis, cited communication as being one of the greatest benefits of having every trade under one roof, creating a common purpose and shared goal. “With our monthly meetings, we’re a hugely cohesive team that communicates a lot. We get along very well, which feeds down to the guys. We are now, all actively, interdepartmentally, doing our best to take other trades into account. It helps everybody.”

Walking around the yard it’s clear that with in-house teams doing all of the work there is a smoother flow; the homogeny of the build is apparent because that is exactly how it is designed to be. There is no sense of ‘them vs us’. It is an organic approach where the teams designing, building and then installing the work are all next door to each other.
FALMOUTH FACILITIES

1,200m² general stores and crew storage

640-tonne travel hoist and 13m-wide slipway

Two 75m fully enclosed dry docks (or one 150m x 24m)

Two 90m x 21m construction halls

One 45m x 28m construction hall

1,400m² refit complex (housing paint, joinery and engineering workshops, and project management offices)

200m² finishing workshop

Crew facilities: training centre, gym and offices

420m² hospitality suite
As a consultant once said to me, “It’s hard to write a real business plan in yachting!” I think what he was trying to suggest is that as the market is quite unpredictable and the cycles of revenue can mean the market lurches from feast to famine it needs some very careful planning, good shareholders and a bit of luck. The world of refit and repair is one such example where there are seasons and there are demands, both of which can place stress and strain on a business plan. However, once you have survived, say, 26 years of business in this rarefied world, there is good chance that you have the experience and learnt the lessons that mean you can perhaps ride out any storm.

Having spent an hour or so with the finance director of Pendennis Shipyard, Ian Granville, it soon became clear that some painful lessons have been learnt, but today the company is in a much stronger position to deliver stability to the client and a return to the shareholders. The candid nature of our conversation was refreshing, with facts and figures rolling off the tongue, all of which
pointed in the right direction, with the suggestion that the profit curve had been heading north for the past five years. What was also enjoyable about chatting to Granville was the fact that initially he appeared the typical FD – stern and looking like everything was stressful and a problem. “I can’t appear too positive” he smiled, but it soon became apparent that during his eight years in the business he has truly enjoyed playing a pivotal role in shaping the business, raising EU grants, working with the council and seeing the project in its current delivery phase.

His approach epitomises one of the most common characteristics of the Pendennis people – a positive pride and energy for doing what has been achieved in the past decade. It’s also perhaps a sense of relief that with the past history and perhaps the fragile nature of their original business that they are on course for a good few years ahead. With financials over the past five years climbing from a turnover of approximately £25 million, delivering a net return of around £750,000, all the way to a 2013 turnover of £37m, with a net profit of around £2.5m, it is no wonder that the FD is smiling; this equates to a steady eight per cent growth per year. “Our clients expect a strong, stable balance sheet.”

The important message from these figures is that not only is this showing healthy growth and stability, but also, and it is important to highlight this, this is not due to charging a client more than before in order to generate a better margin; it is all down to how the management team has structured the business and made their hours far more efficient. This ultimately delivers far greater value to the Owner and the project team, which he quantified with the fact that 10 years ago their Gross Added Value per employee was approximately £24,000 per head and this has now increased to some £40,000 per person.

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As the business has grown over the past five years, due to market growth, better penetration of the market and the investment in their original facilities, one might think that without the £21m investment they have made in the new sheds and dock, they would probably see their profit curve start to flatten out. However, as Granville explained, with good financial discipline and adopting a cash culture, whereby the focus is all about improving cash flow, they had managed to create a pot of cash that would allow them to finance the expansion with some shareholder investment, a 30 per cent EU grant intervention and their cash reserves, essentially meaning that they are not unduly laden with bank debt. The smile widened, as Granville went on...
Their investment in organising the skills, disciplines and project teams to ensure that everyone is working together has hugely improved the efficiency of the projects.

to explain that he is also head of IT and his primary objective when he joined Pendennis from the aviation sector was to improve the data and information management infrastructure. Sharing data and managing the flow of project information and linking all of this to the accounts became his obsession to the point that now he feels confident that at any one time he knows the cost of a project and can deliver real-time information to a client or project manager. With the financials of the business getting better and better by the year and the new expansion programme almost completed, they have created a strong base to face future challenges.

However, the process of project management was a big part of the discussion. As Mike, Henk, Stephen and Charlie (already introduced in an earlier section) all stated independently, this is the area they are most proud of today – their investment in organising the skills, disciplines and project teams to ensure that everyone is working together, which has hugely improved the efficiency of the projects. Whether it’s the fact that when a project arrives at the yard in the future, the amount of time it will take to prep the project in the holding basin, lift it straight out of the non-tidal basin and on to the hard and into a hall after a washdown is incredibly small is what excites them the most, I can’t tell. But it is clear from talking to all of these key men, that they will no longer spend days or weeks prepping a yacht in a local marina and then lifting when the tide is right, which, let’s face it, could be anytime, day or night. The same applies to the delivery programme, having three or four projects in the basin (“Little English Harbour”, as I have affectionately labelled it) next year will do several things; free up construction halls or dry dock space while the finishing touches
are completed, allow the crew and workforce to jump on and off the yachts without the trudge from the shipyard to a local marina and essentially sit in the basin doing everything they need to do until the yacht is ready to sail. This overall efficiency will not only improve the process for the yacht teams, but will make the yard become far more effective and able to process a serious number of projects at a time, for the simple fact that they have useful water directly in front of the shipyard.

When talking to key project teams and managers throughout the two-day visit, it was interesting to hear the various tales of old when projects would see disciplines clash and almost operate as independent teams, so as piping was installed in one place, a team would come along with a piece of equipment that was supposed to go where the freshly painted pipes had been installed. Today, however, the number of project exchanges and lines of communication has leapt forward to empower the managers to ensure that clashes and processes are removed. It is fair to say that over the years, the concept of ‘Project Olympics’ is dying out, where everyone runs on to the yacht and the person with the lightest or easiest job would get their task finished, only to find that the person with the critical piece would have to find a way of fitting it around the previous worker’s job. This created crazy results that crew would find frustrating and impossible to service. The days of planning a project on the back of beer mat are over in Cornwall. It has become a seriously sophisticated process and the combination of resource planning, buying and delivery management of raw materials and equipment has become a whole...
science for the teams. The concept of project management has so many interpretations in the market, but it is clear from talking to the whole team that by controlling all of the processes more closely through having such a dedicated workforce and in-house skills the yard has reduced its dependency on sub-contractors and become team/people managers as well as project managers. They explained that this has made them more responsive as a refit and new build yard, so if something needs a skill or specific technical attention they have the people in house to react; it’s all about managing resources.

In addition to their financial reporting, their team management and the project efficiency they have focused on for the past few years, there is one thing that I think is unique about Pendennis and that is the way in which their people progress through the ranks. Not only is the apprenticeship scheme developing next-generation workforces, but almost every project team leader or lead hand has worked their way up through various disciplines and moved from department to department. In essence this clearly allows the meetings they all have with each other to operate with some level of sympathy and understanding of the stresses and strains of the various responsibilities. Then, when you consider the fact that so many of the employees are yachties in some form or other, live locally and so close to the water, this ensures that they understand the product they are working on. It is this product-focused empathy that I suppose gives them a competitive edge when it comes to working in such a maritime-focused town, and having seen some 120 plus yachts come and go over the years has clearly impassioned the workforce. With an estimated average age of about 37 and with the planned upgraded facilities, it is very clear that as the global superyacht fleet grows to about 7,500 yachts over the next decade, Pendennis will be well positioned to serve their existing clients and many more new ones.

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ASTON MARTIN PRESENTS TO VIP GUESTS IN THE NEW HOSPITALITY SUITE DURING THE PENDENNS CUP.
As 2015 fast approaches and the new basin is delivered, the combination of 340 workers, one split 150m dry dock, three brand new sheds and upgraded workshops and offices, the future looks very exciting. However, it cannot, as Mike Carr suggested, be the final chapter of the business; this is the start of a whole new series of strategic plans. “Imagine being able to deliver more of the Pendennis service in other locations,” he added. “Our Palma service centre is doing well, but it’s primarily a cosmetic and maintenance programme.”

It is clear that they believe the Falmouth model can be delivered in other locations, provided they can find the right facilities to invest in. The Caribbean is one idea, as are other key yachting destinations that perhaps need the Pendennis process.

It’s actually very straightforward, Henk Wiekens explained: “We have serviced 120 or more yachts on a regular basis and built another 31 over the years. As we get closer and closer to a larger fleet, we want them to get the Pendennis treatment wherever they are cruising. The further afield they travel, the less they will be able to keep Falmouth on their itinerary, so if we place strategic locations in the key regions, then the Pendennis service treatment can become a long-term programme for our loyal customers.”

It all makes sense and knowing the passion and pride that their investors and shareholders share, it is hard to imagine that it’s not going to happen. The next 25 years will be interesting and I look forward to one day seeing two of their apprentices filling Mike and Henk’s very well used steel-toe-capped shipyard boots.
Awards and Accolades

PENDENNIS SHIPYARD
Winner: Large Employer Category – Learning and Skills Council Awards, 2008
Winner: Large Employer of the Year – National Training Awards, 2009
Winner: Queen’s Silver Medal, 2011 – Best Apprentice in UK shipbuilding industry, Worshipful Company of Shipwrights. Also runner up 2006, runner up and third, 2013
Winner: SW Large Employer of the Year – National Apprentice Service, 2012
PWC: No 45 in PWC Profit Track 100, 2013

A2
Winner: Rebuilt Yacht Award – World Superyacht Awards, 2013

Heavenly Daze

Hemisphere
Shortlisted: Sailing Catamaran 20m+ – IY&A Awards, 2012
Finalist: Sailing Yacht 40m+ – ISS Design and Leadership Awards, 2012
Winner: Interior Layout Award, Sailing Yacht – ShowBoats Design Awards, 2012
Winner: Interior Design Award, Sailing Yacht – ShowBoats Design Awards, 2012
Judges Commendation: Sailing Yacht 40m+ – World Superyacht Awards, 2012

Akalam
Finalist: Sailing Yacht – Interior Design Award, Naval Architecture Award, Recreational Space Designed for Guest Use ShowBoats Design Awards, 2012
Finalist: Sailing Yacht 30-40m – World Superyacht Awards, 2012
Finalist: Best Sail Boat 24-40m – ISS Design and Leadership Awards 2011

Christopher
Finalist: Sailing Yacht 40m+ – World Superyacht Awards, 2012
Finalist: Best Sail Boat 40m+ – ISS Design and Leadership Awards, 2011

Illusion
Finalist: Best Refitted Yacht – ISS Design and Leadership Awards, 2011
Finalist: Best Refitted Yacht – World Superyacht Awards, 2011

Va Bene
Finalist: Refitted Yacht – World Superyacht Awards, 2009

Elisabeth F
Winner: Best Refit – ShowBoats magazine, 2008
Finalist & Highly Commended: Best Refit – World Superyacht Awards, 2008

Margaret Ann
Finalist: Best Sailing Yacht – ISS Design and Leadership Awards, 2005

MITseaAH
Finalist: Best Sailing Yacht – ISS Design and Leadership Awards, 2005

BooToo
Finalist: Best Sail 23 to 36m – ISS Design and Leadership Awards, 2003

Kenora
Winner: Best Sailing Yacht Under 34m – ShowBoats magazine, 2000
Winner: Best Sail Boat 23-36m – ISS Design and Leadership Awards, 1999

Wally B
Winner: Best Sail Boat 23-36m – ISS Design and Leadership Awards, 1998

Adix
Winner: Best Refit – ShowBoats magazine, 1992
A GREAT BRITISH SUCCESS STORY

It is hard to comprehend that in a country with such a rich history in ship building and its maritime legacies, as well as being an island nation, we are limited to a handful of companies that can build or repair large yachts. The success and growth that Pendennis has achieved needs to be recognised and applauded as a true British success story, that should inspire others to follow suit.

Falmouth is an ideal base for a superyacht business, with easy access granted by its harbour – the third deepest natural harbour in the world, and the deepest in western Europe. The town has a rich maritime history, having been the base for the Packet Ships from 1689 to 1850, which carried mail to the then extensive British Empire. Britain has long been known for its calibre of mariners and ocean explorers, and in modern day a vast number of captains and crew hold British passports, the leading design names in the superyacht sector are invariably based in the UK or are British by birth, the majority of business contracts in the large-yacht industry operate under English law within a sector that is dominated by British lawyers, and if you need a broker to help buy or sell your yacht, it is hard to find one who isn’t of British origin, even some of those in Fort Lauderdale.

We have witnessed the expansion and growth of other major British yachting brands, Princess and Sunseeker for example, but as they now operate under French and Chinese investment ownership it is fair to say that Pendennis is one of the remaining true British superyacht brands in the market, one that employs a predominantly British workforce, making things on British soil for export. The other interesting aspect of the Pendennis story is the fact that over the past five years they have managed to increase their turnover, increase their profits, grow their workforce and still invest in a £20 million plus facility expansion plan that would make many CFOs wince.

This is a company that has survived turbulent markets, wrestled with negative cashflow and at the same time built some landmark projects, repaired and refitted a fleet of majestic assets and restored a list of famous classic yachts. The past 26 years and some steep learning curves have taught the management and the expanding workforce that with the right people, the right facilities, the right shareholders and the right attitude, anything is possible. I cannot imagine that any Owner or captain in the superyacht market today can afford to ignore what is emerging as one of the landmark facilities in the European shipyard circuit. The fact that it is in the UK and in the stunning county of Cornwall is an added bonus. Designers, lawyers, brokers, consultants and suppliers are all within a couple of hours of this major player. So if you have a yacht from 30m to 90m and you are looking for a refit, remodel or new build yard with a dedicated 340-strong workforce and stunning brand-new undercover facilities, covered dry docks and a non-tidal holding basin, then it is all about to become a reality.

This is a shipyard to watch closely and after a few days getting to know the team, the apprentices and the customers, it seems to me that the future for Pendennis is looking very exciting and they will soon rule the waves.