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# The Superyacht

TRUTH • OPINION KNOWLEDGE • IDEAS AND EXPERT INDUSTRY ANALYSIS



# REPORT

## VIVE LE VOYAGE

A tour of the 76-metre explorer yacht *M/V Yersin* as she nears completion at the Piriou Shipyard.

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Flag registries discuss how they're refining their superyacht offerings.

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*TSR* talks to Benetti and Perini Navi about their positions in the market.

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Ways in which paint can be protected, restored or even replaced.

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# GETTING PAST THE DOOR MAN



**Terry Allen**, project manager of Terry Allen Marine, looks at the way that project management has changed over the last two decades.

‘**E**volution’ is defined as ‘the gradual development of something’, but rather than evolving, the size of the superyacht fleet has burgeoned in the past 20 years. Although in no way comparative to the growth of the industry, the demand for project management has also increased significantly, and here are some of the reasons why.

In the past 20 years, the number of project managers, management companies and independent companies marketing a wide range of logistical and technical support has increased tenfold. This is due, in part, to the fact that there are no governing bodies and no educational

People in the industry have their own ideas; from owners who think, ‘I really want to see my boat in good shape, I have to be reasonable about the cost, but I want it right’, to advisers who believe, ‘I can do this, I can save the boss money and win some brownie points.’ Some management companies are also guilty of invoicing a load of money every month and are not capable of managing the refit because they don’t have the technical resources, but take on the task anyway so they can invoice additional services.

Be an asset, not a liability and respect the golden rule: Never compromise yourself and don’t compromise quality for price. It’s

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prerequisites required to be a project manager. Regardless of the reasons for the proliferation, if there is more demand, more ‘project managers’, and more management companies, why is the concept of a project manager such a hard sell?

Owners’ representatives are like doormen at a nightclub – if you look like a threat, you’re not getting in! Egos are at stake and it seems better to look like an idiot when you’re late and have doubled the budget than by saying, “I believe this is quite a lot of money, maybe we should get a project manager who can save you money and time.”

all about numbers, and as a project manager you have to be in the black column. Save more per month than you cost, and in doing so it means there is a good chance that you’re doing your job well.

Project managers run the show, and as such, their greatest skill is very often their ability to manage people. They have to identify the strengths and weaknesses of the opposition and play the game accordingly. Project managers who are ‘hard front-rowers’ and try to bully the shipyards create two significant things – high blood pressure and a lack of respect from

the other team. At this point in the equation, as a project manager, you are what is termed in accounting a 'liability and deficit' and headed for disaster. Whether it be new build or refit, the shipyard has already worked you out, knowing full well that you argue about everything, therefore inflating the price of additional work orders so they can score a moral victory when negotiated down.

There have been, and will continue to be, some horrendous stories of refit budgets being more than doubled and the quality of the work being very poor; this scenario has a negative impact on the industry as a whole. The owners talk and it reinforces the belief that they don't need a project manager. Yet all of this has little effect on the growth of the refit market. The fleet is getting bigger and longer, the classification societies require that vessels are slipped and serviced, owners always want changes, paint jobs are required every five years or so, and the healthy turnover of clients continues.

The direction that we take to improve the situation will only improve with owner awareness and more transparency – through stringent budget controls. There must also be an industry standard created, similar to an ISO rating for shipyards, that will allow open audits of procedures and accounting for vessels during and after refit.

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Commercial shipping companies know, almost to the dollar, how much it will cost and how long it will take, with huge penalties for the shipyards if they get it wrong. Owners need to be convinced that planning should also apply to the pleasure industry, so that they realise the underlying cause for all of their heartaches and disappointment is a lack of preparation and specification.

A well-planned project with a correct and well-written specification will save the owner 10 times what the specification costs to create. If you don't believe me, you're in the red column under liability and deficit! ■



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WITH SUBJECT: GETTING PAST THE DOOR MAN