

The Superyacht

TRUTH • OPINION KNOWLEDGE • IDEAS AND EXPERT INDUSTRY ANALYSIS



REPORT

SUPERYACHT INDUSTRIALIST

A conversation with Peter Lürssen, the fourth-generation co-owner of German shipyard Lürssen.

THE PRICE OF PRIVILEGE

After several delays, the 127m motoryacht has resumed built at the Privilege Yard in Italy.

INVITING INVESTMENT

Why the marina model is seen as an increasingly encouraging investment in the superyacht industry.

FAR DISTANT SHORES

The challenges encountered by agents operating in territories less accustomed to superyacht traffic.

Local Knowledge

ANDY SHORTEN

Principal, Lighthouse Consultancy

Local knowledge is the chief reason our consultancy was started and it remains at the core of our evolution in the yachting industry in Indonesia. Having an integral knowledge of the inner workings of a country is vital to understanding the culture of the people and what can be expected when cruising there. As a result, owners and crew benefit hugely from having local support. Our experience enables us to identify and predict issues or move quickly to solve the challenges that do arise.

Focusing on one area enables you to constantly learn how to improve and streamline things, to have redundancy. If a company is spread too thin, that focus is lost.

Indonesia is a vast region, spanning nearly the same area as the USA, so we wouldn't want to encompass other countries at the same time. We prefer to focus solely on Indonesia and support cruising to the best of our abilities, rather than stretch ourselves too thinly, which could result in our yachts experiencing a drop in service. Indonesia has complicated regulations – they even vary from one domestic cruising region to another – and they take time to understand, with new issues constantly arising.

Focusing on one area and understanding the inner workings of one country creates greater knowledge and thus a better position from which to make educated decisions. It has taken years to understand the nature of the place and how things develop and evolve. Time has been invested in learning the language, in order to really understand what is happening, and so we believe that focusing on one specific territory is logistically and businesswise the most sensible decision.

It's easy to think that expanding into a new area would be a simple, natural stepping stone because you've been successful elsewhere. However, as there are so many things to develop and learn about any location before

you can really benefit a yacht, you're basically starting from scratch. A strong support network is vital, and this takes time to develop; in the early years of operation you can be let down by other people so you need a back-up for every aspect. Focusing on one area enables you to constantly learn how to improve and streamline things, to have redundancy. If a company is spread too thin, that focus is lost.

As a single-territory shore support, the aim is purely to attract yachts to that region and develop the most efficient way to support their individual needs. Being specific to one country enables a company to focus and refine its expertise. All captains know how to run a superyacht, otherwise they wouldn't have the job, but they need expertise in any new region that they visit. It can be very frustrating when regulations or systems seem strange and unnecessary; patience is often tested and we act as a buffer between officials and yachts in order to help people understand each other's position.

Offering services in multiple destinations can be presented as a way to offer a more streamlined approach over a longer timeframe, and to make things easier for captains or management companies due to the similarities amongst all in the franchise. In reality, two companies under the same franchise can offer very different levels of service, reporting methods, ethical practices and so on, so it is not to be assumed that working with a multiple-territory agent is going to guarantee a similar experience throughout the different regions.

There are so many anomalies and idiosyncrasies in remote areas that it would not be cost effective for a large company to commit resources to education; they are always going to need people with on-the-ground experience. Learning how to respect the local officials, governmental systems and the culture of the people takes time, but is fundamental to smooth operations. We're still learning every day, even after 13 years in Indonesia, that growth can't be rushed. It has to happen organically. >>



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– Andy Shorten



Our greatest focus is on communication and we are proud to offer a very personal service and efficient reply systems for emails. It's hard enough to get to Indonesia, so we wish to make it as easy as possible for people who do show an interest in visiting. We also offer advice, ranging from technicalities relating to permits and cruising requirements, to which flowers ship best to remote parts of Indonesia or where the best watermelons can be found. We try to make life as comfortable as possible for the whole crew.

These days it's not simply a case of having to choose either single-territory support or a big multinational franchise; a yacht can choose a combination of each as they meander across the south-east Asia region. As industry awareness grows and word of mouth develops, reputations rise and captains can choose the company that they gel most effectively with. From our independent standpoint, it is liberating to be able to recommend the services of others based solely on their performance and work ethic, and not through any franchises. When we are asked about other regions, we prefer to recommend the best shore support offering the best service, regardless of whether they are part of a competing network. After we recommend one or two options in a region, it is important to then step back and

allow the captain or management of the yacht to contact them. As with all of our company practices, offering advice isn't purely about our company's bottom line. We genuinely want yachts to have the best experience wherever they go and feel that recommending the right people to provide that support will benefit us in the long run.

It's very difficult to build a strong reputation in the yacht industry, as one mistake with a digit on a date or missing a single permit for a helicopter or vessel can cause significant problems. When a company is tied in under a franchise, they are essentially risking that reputation on the actions of other entities over which they have no control. It takes great focus to ensure that everything is in order and nothing has been forgotten, and so anyone who has developed a strong reputation must really deserve it. ■



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