

# The Management REPORT

## YOU'VE GOT THE POWER

*It seems my last Management Column ruffled a few feathers, particularly among some of those who have 'Project Manager' on their business cards.*

WALKING around sweltering piers in Ft Lauderdale (quite unashamedly lingering in the really air conditioned – unlike Monaco – tents), there were comments like, “Don't you know, this is a cottage industry?” and “Superyachts ARE different, they're 'complex' projects,” implying, I guess, that nuclear submarines and civil engineering projects like dams and cross-Channel tunnels are not.

Remember, I was simply asking why it seems to take so long to build a superyacht; so much longer than a comparably sized commercial vessel. (After all, Queen Mary II took just 18 months from keel laying to delivery. At least, can we agree, THAT was a pretty complicated project?) I suggested that by applying standard project management techniques like Critical Path Analysis, surely it did not have to take so long?

There is no question, the industry is changing fast. Vessels are getting bigger, more complicated and the regulatory environment is becoming excruciating. A yacht captain will have to run very hard to continue to be the boss's captain, nautical superintendent, friend and new-build project manager.

### Superyachts Are Different

So, I started talking to more people, made a few calls and do you know what? I think, from a project management perspective, superyachts ARE different from purely

commercial projects, but not because of their technical 'complexity'. It's down to people again.

### What's The Objective?

The superyacht is someone's dream; often any financial objective may be secondary. The project manager's classic responsibility is to ensure the client/owner is satisfied that the work is completed in a quality manner, within budget and on time. Amongst other things, they need enough clout to make things happen. For clout, read 'empowerment'.

### Hey, That Closet Was Bigger On The Plans

Often, owners come from non-nautical backgrounds while always, by definition, being incredibly well funded. (I'm told even owners with shipping backgrounds lose their objectivity when it comes to their yachts). They have become used to having it their way. They want their boat now, exactly how they want it and they can pay for the changes – sometimes in the extreme.

The story goes that an owner finally managed to find time to visit his new-build in the yard. Standing beside the bare hull and superstructure and only then comprehending her size, he was heard as he marched off, obviously dissatisfied, “That's too damn small,” and started another – bigger – yacht. The mother of all change orders.

And if it was down to just the boss, that would be one thing; but there are advisors, accountants, corporate wannabes, spouses and partners as well as interior designers who've never been to sea.

### Changes, Glorious Changes

Where there is confusion, there is opportunity. Speaking with yards and project managers, it would seem that often when there's the boss, the boss's lawyer and accountant, the family and 'friends', and executives of the boss's company trying to make points by putting in their two cents worth, when a decision is needed by the yard, a weak project manager, in self defence, simply 'waits for the boss to fly down'. If the yard has excess capacity, this is manna from heaven.

To be honest, if I was the shareholder of a shipyard with spare capacity, I wouldn't really like having a truly competent project manager representing the owner of a superyacht either. Frankly, I might find it just a little annoying, their popping up from below decks saying, “That's not welded with the proper rod; take it out and do it again”. “Sorry, I helped write those specs, so there'll be no 'or equivalents' or 'to best yacht practices' – do it per the contract.” As that shipyard shareholder, I would long for simpler days when project managers waited to be asked or to approve lots of costly last-minute changes. After all, by changing, the project manager is doing

*The new Management Report will become a regular column in TYR, looking at the importance of the management role and the relevant issues surrounding management as a whole. Bransom Bean, from Fine Focus Ltd, is the column's writer who works as a Management Consultant and Mariner helping people and businesses identify and achieve their goals specialising in the superyacht market.*

what my marketing department can't seem to do – racking up revenue. But while delays and certainly changes can be a profitable diversion for a yard whose marketing department is not up to speed, they are an anathema to owners who just want to get out on the water in their new toy.

## It Is A Boat We're Building Here

All this means is that the superyacht project manager needs to get inside the owner's head and understand what the owner wants at all times while keeping the project on track by driving it – not being driven by it. Unlike the manager of a typical commercial project, there are probably few constraints on financial resources, which means, if the owner really wants it, last-minute/costly changes are fundable and can be frequent, if not anticipated and controlled.

Project managers for today's superyachts must be focused technical specialists in their field and able to surround themselves with experts even more knowledgeable in steel construction, coatings, electrical, heating ventilation, and interior design,

etc. But they also require leadership, management (not the same), people skills and a clear mandate.

In a nutshell, it's managing the often conflicting interests of the owner, the yard, the captain/crew and the owner's spouse; not to mention the interior designer, who did the boss's house in Switzerland and who's never been on a boat in his life.

A new friend in the industry, technically qualified in a non-nautical field, a deckhand who rose to superyacht master, but most recently managed quite a big yacht project told me, "A project manager needs to get a handle on the whole project, anticipate the need for a decision, and be willing to stick a nose in where it may not be welcome. His primary objective is to give the owner the best finished vessel to the highest possible standard, within the constraints of the contract and specification, on budget and on time." Professional project managers will probably never sail in their creations, except for sea trials. In short, their interest is to get the boat to sea – not go to sea in her."

So – and this brings us back to last month's article – the project manager needs to have the picture of the finished

project, "the path" to it and to control the decision points BEFORE they arise, being careful to consult the owner early, thus giving the owner time to think about it. In addition to a good plan and clear budget, the specifications must be very, very tight.

## So This Leaves The Captain...?

It seems to be accepted that the very special skills that make a successful superyacht master, of which only 20% is 'ship driving', do not necessarily make a good project manager of these ever-larger vessels - and that's not bad news for the master by the way. Read on.

Although often trusted implicitly by 'the boss', having perhaps grown up together from their first 72-footer, through three more vessels; four children, a divorce or two; mergers and near bankruptcies of the boss's business interests, there definitely should be a rapport. Sadly, that does not necessarily mean competency as a project manager. That's why the big brokerage houses have their own technical services department.

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However, when the boss says do it, it must be hard for the master, almost a friend, to say, "No". Perhaps there's another side to the story: job security. A captain who stays at sea in the boss's old boat while the new one is being built may fear finding that the project manager of the new boat becomes her captain.

However, if project managers have no sea-going aspirations, many professionals won't have licences and most want to go home every night anyway, they can't be a threat to the captain. In fact, they would benefit from the captain on their team.

Captains who want to be project managers should consider if they really have the skills and the experience. If not, let someone else do it and help them understand the boss.

## Have You Seen The Light?

A buzzword in the bloated management consultant's lexicon of jargon is 'empower-

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ment'. Ironically, as applied to project managers/project management, it refers to the key skill of project managers being able to 'empower' their teams.

But what if the project manager is not empowered herself? (Please don't tell me that in superyachts, project management is a man's world'; that certainly WOULD create a problem, even for the most competent individual armed with all of the Critical Path Analyses in the world.)

## The Bottom Line

If you're the boss, once you've found a professional project manager – probably not your captain – and confirmed their competence, give them the mandate, tell everyone else to butt out and let them get on with it. Insist on watertight specifications, a tight budget and a Critical Path you can follow.

If you're a captain and don't feel you can do it – quite yet – tell the boss. Join the project manager's team instead. If you're a real project manager and you don't see a clear chain of command with a clear mandate and can't get tight specs – find

another project.

Finally, if you're a shipyard with extra capacity, forget the change orders; get your marketing plan in gear. The world is changing, and in the words of Credence Clearwater Revival, "I see a bad moon arising..."

Bransom Bean

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