

THE YACHT

report

The leading magazine for the design, construction,
management, ownership & operation of luxury yachts

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The Data Bank

CURRENT SEA EXCHANGE & GAINS

Having just returned from Newport, Rhode Island, after a couple of days of intensive meetings, it struck me that no one really knows the full scope of the large-yacht market. I have a good idea of how large and dynamic it is and the capabilities and movements in the market, but following dinner in Clarke's Cookhouse on Bannister's Wharf (*highly recommended if you have never sampled their excellent food and say hello to Rick the intrepid barman; he has so many tales from the world of yachting and the various racing rock stars that have propped up his shiny wooden drinking altar – Ed*) it became clear to me that there is no central source of intelligence. Dinner was shared with two principals who are investing in a major refit facility in the USA and their investment bank advisors and financiers. A dossier was handed over some weeks prior to the meeting, which detailed the huge investment opportunity and just scanning the pages on the plane en route to Boston I kept noticing the references to source material. Not that I doubt the quality of the source data or suggest that the figures are incorrect, but the issue I have is that surely as an industry we should seek to share knowledge and information more transparently and ensure that we all truly know what is going on.

The report provided figures on the size of the market and highlighted trends in the industry going back some three and a half decades, but the only figures for 2006 were an estimate, based on 2005, so potentially inaccurate and essentially out of date. Yes statisticians can extrapolate and predict quite intelligently, but when I read the following in this investment document, "While there is no single source for monitoring the inventory of existing superyachts, several websites have developed databases tracking superyacht activity and trends" I did think to myself, I have failed. What about synfo.com, what about our data, 3,600 plus yachts and counting, almost every 30-m plus yacht with data and information, our annual order book and market analysis,

it's all there. Unfortunately they only discovered our 'stable' data until after the 'source' had bolted, hence our dinner in Newport – we were invited to meet in order to verify and add to their numbers.

In the same week, I was handed another major tome of information entitled 'Recent Growth, Current Activity, and Economic Impacts of Mega Yachts in South Florida', again delivered by a consultancy firm, for a consortium of interested parties that clearly need to know the facts. Now again I am not questioning or criticising the source material, but am suggesting that there are anomalies and inconsistencies in the information all of these reports use. It is surely beneficial to our industry that we all work together and create better sources and reliable and respected information on which our future growth can be predicted.

After spending a few months crunching some numbers for a couple of major investment houses recently, which are looking to invest in and acquire major superyacht industry assets, it dawned on me that if our market can supply much more information and direct material from source that all sectors of the market can use, it may improve our overall trading position. We are no longer a small industry and the big investment groups are looking very closely at the opportunities that our market presents. Any market place that relies upon the high net worth client bases so directly is not only attractive, but is also incredibly stable in times of media hyped recession.

During the same business trip in Newport, another dinner, the previous evening but in the same restaurant, Clarke's Cookhouse (*yes, it really is good and I highly recommend it – Ed*), I discussed data and market intelligence with another team of individuals. This time they were a new client and one that we plan to work very closely with. The business is called Yacht Record and spookily it almost sounds like 'Yacht Report', but

having met the principals at previous meetings and discussed their strategy in more detail, it is clear that Tom Patterson, Alan Ritchie and Kirstin Tong have a similar mission to ours. Tom and Alan are serial entrepreneurs and investors and see

this business as a major investment opportunity. More specifically, Tom's previous background was in the healthcare industry. Kirstin is a bright woman from Berlin whose background is in the automotive sector and specifically lean and efficient manufacturing and for some time has been talking to the various yards about

the use of her expertise, but the stubborn yacht-building experts did not see the benefit of building yachts more efficiently and with lean practices; perhaps the fact that she is a woman may have also been an issue. Anyway, this dynamic trio have created a working model under the business title of Yacht Record YR and is directly based on the healthcare industry that Tom succeeded in (he also learned a lot when he sold his previous healthcare business and bought an ailing yacht builder, only to find out that it wasn't lean or that efficient). The concept and one that we plan to work on in conjunction with the YR team basically focuses on creating a central secure record of all yachts, in the way that you or I would have a secure set of health records, held on computer, with digital scans of important documents and other technical information, that can be retrieved at a moment's notice, anywhere in the world.

If you visit synfo.com and click on synfoTV the Port Vell Fire, there is a video report on a major fire that happened in Barcelona, involving four yachts. Yes, they were all significantly damaged and perhaps total write-offs, but I wonder what happened to any of the important records, personnel files, passports, insurance documents, statutory records, registration and ownership documents. These are vital in times like these and if the captain could pull down and print any of these records via the internet and perhaps deliver a digital inventory for his insurers of what was on board, especially expensive items like art, tenders and other capital equipment that may have been added to the yacht, but not adjusted on the policy, it would be worthwhile. A central record of the yacht's inventory and other vital data could be seen as a lifeline for situations such as these, but also a more day to day use like



e.mailing crew details and other documents when entering port under an NOA in US waters.

The combination of the Yacht Record model and the data currently stored in our Yacht Register on synfo.com

could create a Central Intelligence Agency for the large-yacht business. Now obviously there will be sceptics and doubters, but in almost every other mature industry like commercial shipping, aviation and automotive, these types of digital, secure records are the backbone of their market.

Transparency has always been a concern in this business, but I think now is the time to share data and provide a central source for all sectors that need to have a clear picture of the market. The paranoia and protectionist nature of this business has in some ways created mistrust and misinformation and if we are to keep growing and make our business much more stable and professional, the idea of information sharing and creating this data bank will be of direct benefit to all sectors, but perhaps more importantly to owners and other types of investors. Let's face it, when a yacht owner buys a private jet or even a commercial ship (if that's his industry) today, he and his entourage have very trusted sources of market intelligence and perhaps more importantly some support data for price indices and history. It amazes me that for a \$50-million-dollar yacht a sales tool and data sheet used in the process can be a nominal specification and a few grainy images. Yes, I know that the primary tool is getting the buyer on board to view the vessel, but surely it would benefit everyone in the industry if yacht owners, captains, the industry, investors, banks, insurance companies and other key market players had some form of central market intelligence source. This is obviously a work in progress and Yacht Record and Yacht Report, coupled with synfo.com and our Annual Report, would like to have your feedback on the concept.

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For market data on all yachts launched and on order over 30 metres, please visit synfo.com and click onto the Yacht Register.