

Better a diamond  
with a flaw than a  
pebble without

— ELLIE BRADE

Sir Michael Hill launched his Alloy Yacht *VuSI* in 2008 which has provided his family with life experiences the New Zealander describes as 'second to none'. Four years on, the 34-metre yacht has been listed for sale with Fraser Yachts and is on her way towards the Med in search of a new owner. With another bigger yacht project on the horizon, Pacific editor Ellie Brade caught up with the jewellery entrepreneur in his home town where he talked about his humble beginnings working in his uncle's jewellery store, the importance of having long-term goals and his dream to one day open his 1000th store.

New Zealander Sir Michael Hill, founder of the jewellery chain Michael Hill International, is a man who likes projects. As well as being the head of a globally successful business, his projects include running a golf tournament, a biannual violin competition, motivational speaking and book writing. "Jewellery is the main project really," he concedes.

One project was Hill's superyacht, the award-winning 34-metre *VuSI*, launched by Alloy Yachts in 2008. Surprisingly, before deciding to build *VuSI*, Hill had never before set foot on a superyacht. "I'd not been on one and here I was designing and building one," says Hill. "How crazy is that? You probably think that's a bit mad."

Although Hill and his family have always owned yachts – "It depends what you call a yacht," he interjects, laughing. "We've always been a boating family and always been by the water and enjoyed boating." – entering the superyacht sector was an unexpected progression. Keen to move up in size from his 56ft Sportsfisher, Hill commissioned Gregory C Marshall to design a 95ft yacht for him.

Things took a turn when, prior to construction starting, Hill and his family were down near Stewart Island at the bottom of New Zealand on the 56-footer,

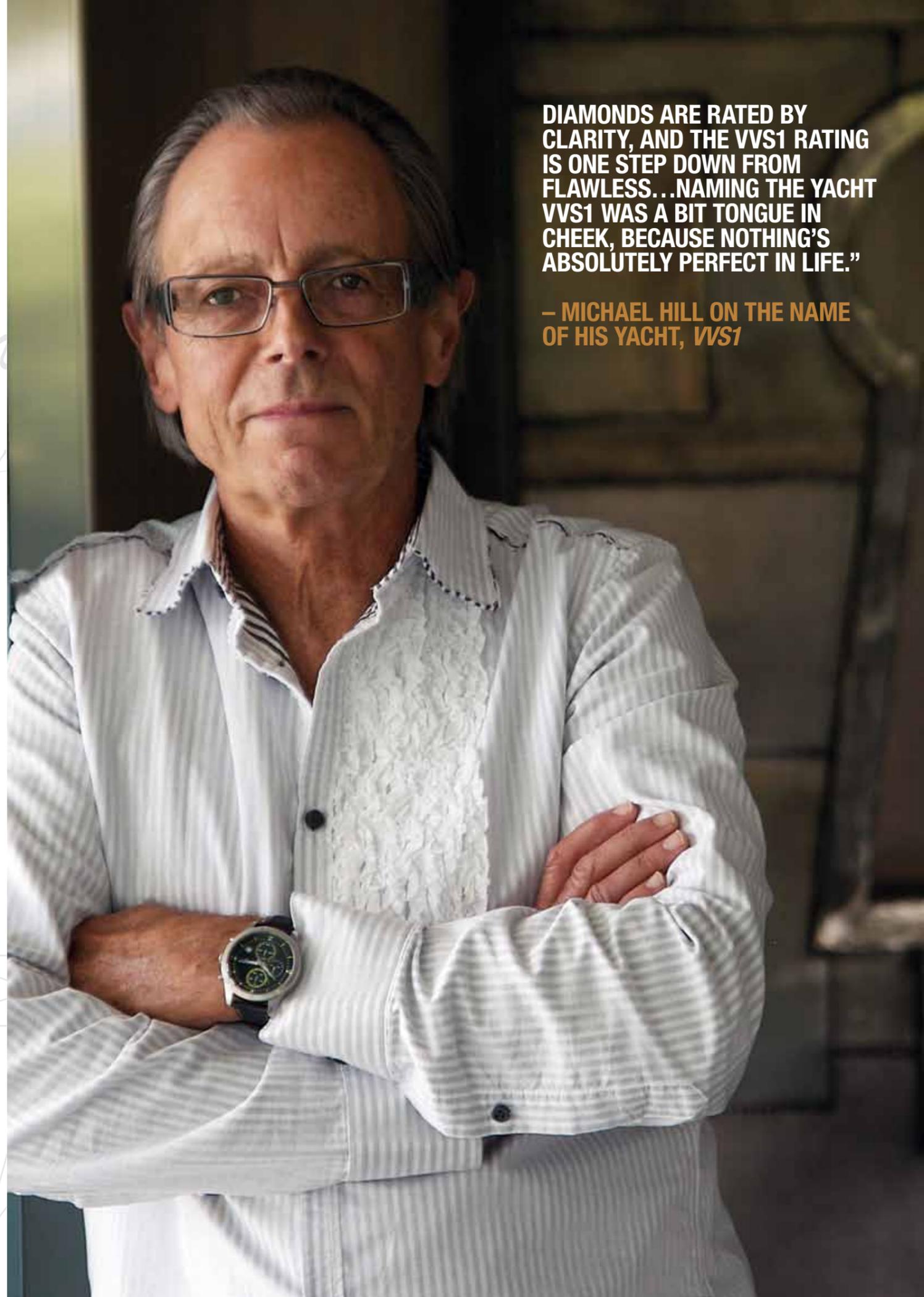
and round the corner came a superyacht of around 36.5 metres. "I looked at her and thought, 'This is perfect, oh my goodness me, I think the boat I've got is too short. We're going to have to do something about it,'" says Hill. "So I rang Greg and said, 'Hey stop, you need to lengthen the boat.' The designer said, 'I can make it 34m and that's it!' So that's what we did and I'm pleased we did."

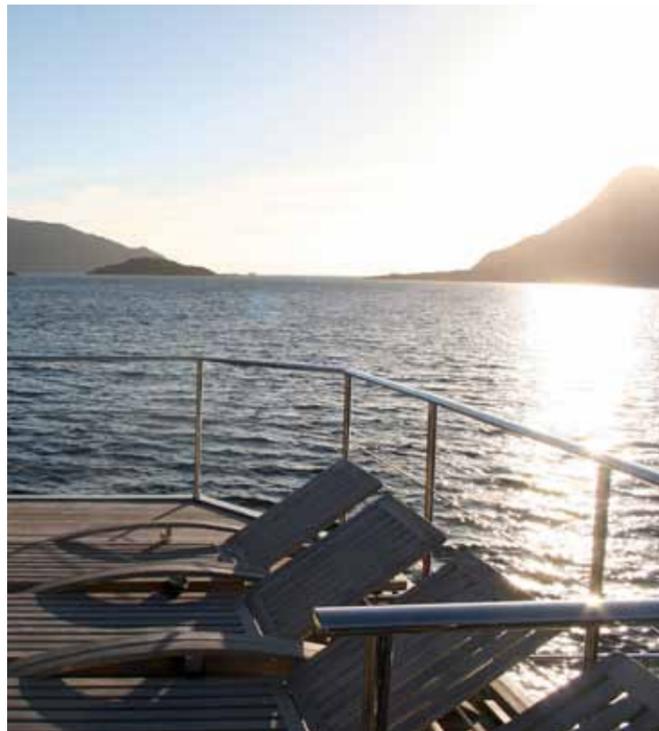
Since her launch, *VuSI* has been a well-used family and charter yacht. Hill is enthusiastically proud of the yacht, which is named after a grade of diamond. "Diamonds are rated by clarity, and the *VuSI* rating is one step down from flawless. *VuSI* means there is a very, very slight inclusion. Only a trained expert if he really looked would be able to detect a minor flaw in it," says Hill. "Naming the yacht *VuSI* was a bit tongue in cheek, because nothing's absolutely perfect in life. To call her 'Flawless' would seem a bit full of yourself. It's a bit arrogant to say your boat's flawless. People might say who the hell does he think he is? The name's a little bit tongue in cheek and fits where I come from."

Hill's origins are in the Northland city of Whangarei. There, having canned his dreams of being a professional violinist, Hill worked in his uncle's jewellery shop for 23 years, along the way meeting his wife, having

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— MICHAEL HILL ON THE NAME OF HIS YACHT, *VVS1*





two children and building his dream home.

Disaster struck in 1977 when the house burnt down, shocking Hill into reassessing his life. "It was only when that happened that it woke me up and I thought, 'I've been working for my uncle for 23 years, I've never had a share in his business, he doesn't like me and the best thing I can ever do is be manager.' I knew that underneath it all I didn't have the guts to stand up to him or face that fact," says Hill.

Having secured financial backing, Hill offered to buy out his uncle's business, but was turned down. Undeterred, in 1979 Hill and his wife opened their own store just down the road from his uncle's shop, with the aim being to make jewellery affordable to ordinary Kiwis. By 1987, Hill had 10 stores in New Zealand and Australia and from there the success of the business snowballed. Michael Hill is now a household name in New Zealand, and in 2001 he received the Companion NZ Order of Merit, was named Ernst & Young Entrepreneur of the Year in 2008 and was made Knight Companion of the New Zealand Order of Merit on the 31 December, 2010, New Year Honours list.

Although daughter Emma is involved in the management of the business, retirement is not on Hill's to-do list. In fact, it is something he fervently discourages. "Whatever one does, I think one needs to keep going and, in fact, the worst thing we can do is slow down," he says. "I think the moment you start slowing down or putting the handbrake on, that's when it's all over, I really do. I think we're meant to keep going, I think we mentally need to be pushed and stimulated and if we lack all those things and we lack a long-term goal, then the future doesn't look too rosy."

A prominent motivational speaker, Hill has also written two best-selling books, the aptly named *Think Bigger* and *Toughen Up*. "I probably have got one more book in me. I wouldn't mind doing something in a cartoon-type book or for children on

goal setting," he says. Goal setting is very important to Hill, who explains: "Not a lot of people have long-term goals and I think if you have a 30-year goal and you can even loosely think about that and you can write it down and start visualising it, it's going to change everything you do. If we don't have a long-term vision then we get stuck into going round in big circles and that way we don't ever achieve greatness unless we fluke it, which is pretty unlikely. Goal setting plays a very important part in everyone's life."

As a young man, Hill admits that he lacked long-term goals. "I had a very clouded vision so I'm probably the last one to talk about that. It wasn't until my house burnt to the ground that I rapidly wrote some goals and started cracking on myself. My uncle's shop numbers one and I've got 250 shops, so there you go."

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**— MICHAEL HILL, OWNER OF VvS1**

Even with 250 shops, Hill is not yet satisfied. "My ambition is to have 1,000 stores as rapidly as possible, so we are working on that model. We are ferociously trying to crack the US market: we have nine shops in Chicago and every month things seem to be improving. If we can get those into profit, there's no limit to how many shops you can put in the States."

Hill and his team learnt a lot of lessons in their bid to take America. "It would have been easy to stay in Australasia, but it's the old story: if you don't

extend yourself and you don't take the knocks and try on the best of retail, you will never be able to compete. We've challenged ourselves and it's actually paying off. What we've learnt has been brought back to the core brand in Australasia and it's made no end of difference to the strengths of our business and to our people who are very passionate and dedicated. We've got a great business here."

Diamonds and gold are known as a fairly stable investment, but would Hill say the same of a superyacht? "I wouldn't say any yacht's a great investment in today's market, no. But as a life investment it's the best investment you could possibly make. So you have to weigh up what you would pay and what you would lose on a resale with the advantages of such an amazing lifestyle and the freedom and the experience, which are possibly second to none really. There is something about being on the ocean. I think it is good for us. I think we are meant to be bobbing around on the ocean a bit, and we all feel so good when we're on the vessel." To potential owners his advice is: "The main thing is do it. It's an experience in my life which I have no regrets having done whatsoever. It's all happy memories, so very exciting."

As a business tool, hosting on the yacht also proves invaluable to Hill. "It's a lovely way to

**Previous page:** Michael Hill is looking forward to a new superyacht project.

**Opposite:** VvS1 is now for sale with Fraser Yachts.

**This page:** The earth interiors of the VvS1 library.

entertain and if there's somebody in our company that we are looking at for our board it's good to get them on the boat for a week. You really find out about a person. In that week they are on board they change and the real person comes out. It's very interesting from that point of view," he says.

Importance of people in a business extends to the way Hill runs VvS1. "The one thing we do on the yacht – some do, some don't – is recognise our staff. I like to motivate them, I like to talk to them, they can talk to us and call us our Christian names and really they're part of a big family. We prefer that way, interacting with them. If something is really lovely, we'll say. If something's not right we'll tell Captain Andy so he can tweak it. On a lot of superyachts there's no communication with the crew and that's a pity because I don't think that brings out a greatness in people. Everybody needs to be noted and praised and encouraged to get the best out of them."

After spending all her time since launching in the Pacific, VvS1 is now on her way to Europe and has just been listed for sale with Fraser Yachts. Hill's plan is to enjoy time on board during the year or so she will be in the Med, before looking to begin another, bigger, yacht project. What if the boat were to sell tomorrow, would he take the offer? "You'd have to speak to my wife, Christine, about that," he says. "I'm not too keen. If we sell we would be straight into building one with twice the volume, which would be a massive project really."

And with that, Hill is off. "I'm always dreaming, I'm always visualising something else," he says. "I can't sit still, I'm not one of these people who sits down very often. I'm always on the go and I prefer to be like that." □



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