
Top yards: the measure of success

With the focus of this issue being ‘the yard’, the editorial team discussed the idea of presenting a league table of the top yards within the magazine. The main question that arose from this idea, and what made us decide not to pursue it, was the difficulty of deciding how you might determine which yards deserved a position in the league table. By number of yachts delivered? By yard longevity? Awards won? Reputation? Location? Product cost? Ownership? Financial security? Who gets to decide which yard is the best? **Ellie Brade** reports.

How to quantify a top yard indeed. With no industry-wide standard for rating or ranking yards or any kind of regulator, ultimately it is the owners who get to decide by voting with their feet. Even if a yard has all of the things that should make it top this can quickly be undone in a short space of time. Historic excellence is redundant when there are no orders in the orderbook and no staff on the books.

The added difficulty of how to decide which yards are best is that because every owner has a very different idea of what a perfect yacht (and therefore the yard that constructs it) constitutes, a quality that might make a yard ‘top’ for one owner might not for another. How can one person (or one magazine) possibly dictate what makes a yard the best? We examined some of the factors worth considering when weighing up which are the best yards.

THE SYBASS DEFINITION

The Superyacht Builders Association (SYBAss) membership criteria – that the applying yard must have delivered a minimum of three yachts of 40m and over in the last 10 years – is probably the closest measure that has been formally laid down for defining a top yard. SYBAss promotes itself as an association that “unites and represents the world’s leading builders of large

yachts”, and “the most experienced and prestigious yards”.

Twenty-one yards are members of SYBAss, while another 22 yards meet the conditions for membership at the time of writing, but are not members. Although these 22 non-members yards have met the membership criteria, there is an additional requirement for membership: that the yachts delivered

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were built “to the satisfaction of their owners”. Potential SYBAss members must also be approved by the members and committee. Therefore there is no guarantee that all 22 yards would be granted membership by SYBAss were they to apply.

If being guided by the SYBAss criteria, this neatly provides a list of ‘top’ 43 yards (although not ranked in any order) straightaway, including those yards with and without membership. It is interesting to note that of around the 150-odd yards which are, or

would like to be, building a yacht, just one-third qualify for SYBAss membership, suggesting that this is a fairly reasonable method for filtering out the vast majority of yards building today if looking to create a league table. Of course, the SYBAss criteria do rule out those successful yards that may have delivered yachts consistently over a ten-year period or longer but which build primarily in the 30m to 40m category. Moonen Yachts, which specifically focuses on building ‘pocket-sized’ superyachts, is one example. Table 1 opposite shows which yards have delivered a minimum of three yachts over 40m over the last decade (2002-2011).

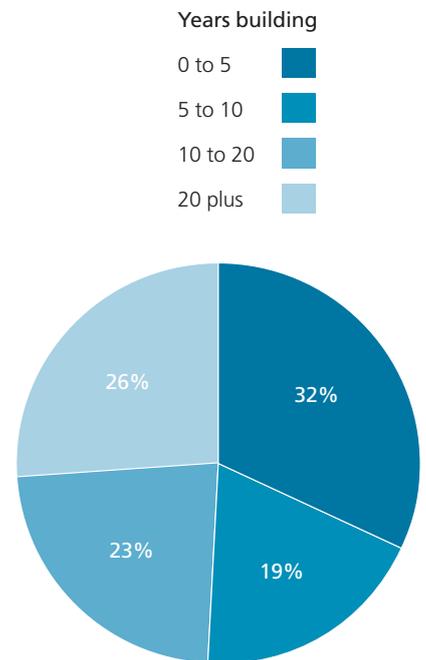
LONGEVITY

As demonstrated by SYBAss’s emphasis on experience, yard longevity and secure financing are two very important aspects when considering which the best yard to build at might be. No owner wants to build a yacht at a yard that may fold during the build period. A long-established yard can, at least, show a potential owner that they have been in the business of yacht building for a decent length of time. Of those yards with orders in the orderbook right now, 26 per cent have launched yachts of 30m+ over a period of 20 years or more, 23 per cent between 10 and 20 years, 19 per cent between five and 10 years and 32

TABLE 1: YARDS THAT HAVE DELIVERED A MINIMUM OF THREE YACHTS OVER 40M OVER THE LAST DECADE (2002-2011)

SYBAss Members	Non SYBAss Members
Abeking & Rasmussen	Aegean Yachts
Alloy Yachts	Baltic Yachts
Amels	Blohm + Voss
Benetti	Cheoy Lee
Burger Boat Company	Christensen Yachts
CRN	CMN
Delta Marine	Codecasa
Feadship	Devonport Yachts
Heesen Yachts	FIPA – AB Yachts
Holland Jachtbouw (HJB)	FIPA – CBI Navi
Horizon Yachts	Fitzroy Yachts
ISA	FNM
Lürssen	Hakvoort Yachts
Oceanco	Jongert
Pendennis	Mondomarine
Perini Navi	Nobiskrug
Proteksan Turquoise	Overmarine
Royal Huisman	Palmer Johnson
Sanlorenzo	Rodriquez
Trinity Yachts	Sunseeker
Vitters	Tecnomar
	Westport Yachts

FIGURE 2: BREAKDOWN OF YARDS BY NUMBER OF YEARS BUILDING YACHTS OF 30M+



per cent between zero and five years. See Figure 2 above.

Longevity is also important as it ensures a long-term relationship with a yard, particularly key in terms of after-sales care of a yacht. It also means that should an owner have a good building experience and wish to build again, they can return and interact with the same management team and enjoy the same experience once more with a proven and familiar team. From an industry perspective, this enjoyment of the build process is more likely to lead owners to recommend the build process to others, something that is crucial to the long-term health of the new build sector.

The importance of longevity having been stressed, this tick box also works against any new yard that, although producing a quality and even award-winning product, has not proven itself in age: that new yard may well prove reliable or a risk-free choice particularly if it is securely financed. Nor is longevity a guarantee that a long-established yard won't be a risk. Here we are reminded of the

importance of long-term financial stability of a yard. Sensation Yachts, for example, built yachts over a 20-year period before spectacularly folding and leaving five ordered yachts incomplete and unstarted. Baglietto too fell victim to financial troubles, before its buy-out by Overmarine, despite its long legacy. Equally, a yard may have only delivered a small number of yachts over time, demonstrating inability to secure orders on a regular basis despite longevity.

THE NUMBERS GAME

One way of ranking builders is by the number of yachts they have delivered. Really, this is more an indication of past success, and of capacity, with number of yachts delivered being no firm indication of a secure future. Broward Marine, which has delivered 106 yachts to date and the most out of any American yard by a significant margin, hasn't delivered a yacht in four years. That said, generally speaking, prolonged past success in obtaining orders suggests hopeful future success. The numbers list quantification is hindered by the fact that many builders considered to be

'top', especially those who build highly custom yachts, might not build yachts in huge numbers. Take the example of Royal Huisman and Feadship, both of which are widely considered to be some of the finest yacht builders

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in the world. Royal Huisman has delivered 26 yachts, compared to Feadship's combined 158. Does this make Royal Huisman a lesser builder? Undoubtedly not. Equally a yard in existence over a long period of time might have delivered more yachts than a recent yard, and yet might not rank as highly in the opinion of customers. More important is the consistency of these numbers of yachts delivered over time and satisfaction of customers. >>

The type of yacht desired might also alter the choices of yard an owner is able to build their yacht at. With sailing yachts making up just 20 per cent of the fleet, an owner might want to look at who has delivered the most sailing yachts, as opposed to total yachts. Continuing with the example of Royal Huisman, in a list of all builders ranked by numbers of motor and sailing yachts built the yard comes joint 34th, whilst in a list of just sailing yachts, it comes fourth.

For those builders who build less but bigger yachts, the combined length of yachts delivered might serve as a better yardstick than total number of yachts delivered. Lürssen, which comes 14th in the list of number of builders ranked by number of yachts delivered, is a good example of this, with their average delivered yacht being 73.5m compared to the 41.7m average of Benetti, which holds first place in the same list. When creating a list ranked by length of total yachts delivered, Lürssen leaps to fourth place.

Gross tonnage is a much more accurate reflection of the work of yards than number of yachts built and/or their combined length. Gross tonnage better represents the time and cost of a yacht built and reaffirms the continued importance to attempt to rank orders by gross tonnage and not by LOA.

QUALITY & PRICE

Quality is hugely important as to whether a yard would be recommended by one owner to another. No owner wants to spend a huge amount of money on a yacht and have problems with it; the finish, the functionality and quality need to be exceptional. It is important that owners are clear on what they can actually expect to receive for their money. To one owner, money might be no object, while another owner might have a strict budget. The price of a yacht can probably more often define what is not a top yard, rather than what is a top yard.

If a deal seems too good to be true, it probably is, and although everyone is looking for a good price, a yacht costs what a yacht costs. Squeezing the price

DIFFERING PERCEPTIONS

Patrick Coote, Marketing Director of Fraser Yachts, presented a bullet workshop on marketing and communication at the American Superyacht Forum 2011. In it, he included the results of a small survey conducted on rankings of countries of build by three factors: quality of build, value for money and refit work.

** Poll of 25 American employees of Fraser Yachts and 25 European employees of Fraser Yachts conducted in May 2011.*

Participants were asked to rank each country from 1 through to 10 in each category.

This small survey shows how differently the European and American survey respondents ranked the countries of choice, again highlighting that everyone has different perceptions of what is the best for certain tasks, and subsequently the difficulty of creating a universal means of ranking yards.

125 TOP YARDS FRASER YACHTS DATA

Build Quality

European Opinions		US Opinions	
1st	The Netherlands	1st	The Netherlands
2nd	Germany	2nd	Germany
3rd	Italy	3rd	Italy
4th	USA	4th	USA
5th	France	5th	Turkey
6th	New Zealand	6th	New Zealand
7th	Turkey	7th	France
8th	South Africa	8th	Brazil
9th	Brazil	9th	South Africa
10th	China	10th	China

Value for Money

European Opinions		US Opinions	
1st	Italy	1st	USA
2nd	Turkey	2nd	The Netherlands
3rd	The Netherlands	3rd	Italy
4th	USA	4th	Germany
5th	Germany	5th	Turkey
6th	New Zealand	6th	New Zealand
7th	France	7th	China
8th	China	8th	Brazil
9th	Brazil	9th	France
10th	South Africa	10th	South Africa

Refits

European Opinions		US Opinions	
1st	The Netherlands	1st	USA
2nd	Germany	2nd	The Netherlands
3rd	Italy	3rd	Germany
4th	France	4th	Italy
5th	USA	5th	France
6th	Turkey	6th	Turkey
7th	New Zealand	7th	New Zealand
8th	Brazil	8th	South Africa
9th	South Africa	9th	China
10th	China	10th	Brazil

TABLE 3: TOP AWARD WINNERS, BY AWARD CATEGORY. SOURCE: ISS

Sail Categories	Awards Won	Motor Categories	Awards Won	Motor & Sail Categories	Awards Won
Royal Huisman	12	Feadship	11	Royal Huisman	12
Alloy Yachts	7	Lürssen	7	Feadship	11
Perini Navi	7	Amels	4	Alloy Yachts	10
Vitters	4	Alloy Yachts	4	Perini Navi	8
CNB	3	Hakvoort	3	Lürssen	7
		McMullen & Wing	3		
		Oceanco	3		

too far will see costs cut somewhere and those cuts will probably be on quality and staff. Add to that driving the cost of a yacht down too far, or accepting a price that seems extremely low, is just creating a risk that a yard might not be able to finance themselves to see out the build.

Returning to the budget of an owner, the cost of a yacht can vary according to many factors, such as brand, or location of the yard it is built at. For example, the cost of wages can heavily impact the cost of a yacht. Low wage cost is one of the leading points that Turkish yards advertise as advantageous. Some owners may choose to invest in a strong brand, and pay for the strength of that brand.

Money invested early in the build process may be money saved later on in the ownership process, when the yacht comes to be sold and value is retained. On the note of resale, questioning whether a broker or advisor's motivations are prompted by an existing relationship with a yard or by the desire to ensure resale in the future rather than the right yacht for that owner is crucial. Ensuring that the yard selected is right for the owner, and not for anyone else, is very important, as this experience can dictate whether the owner wishes to remain in the industry or not.

What owners might want for their money can vary across a wide scale. The cost of a yacht can also vary by its length and particularly gross tonnage, or whether it is custom or semi-custom, or sailing or motor, and so it is difficult to establish a sliding scale of yards by cost. The budget of an owner should dictate a listing of the yards

available: therefore the listings, and the top yards in those listings, will vary from owner to owner.

LOCATION

Location too can heavily affect other aspects of yacht building, such as cost. While northern Europe is considered the leading area for yacht builders, it is also impacted by higher costs, such as wages, material and facility rent or maintenance. Are all yards in northern Europe the best or in the Top 50 list?

The main keywords for choosing the best yard should be quality, reputation, stability and an ability to listen to what the owner wants.

No. However, for an owner wishing to remain very involved in the build process – especially if it is a custom build – location may be extremely important. A yard in New Zealand, however excellent and regardless of whether the costs are lower, is no good if the owner is based in Europe and unable to make regular trips to the other side of the world, should they desire us to. A top list of yards for a British owner may be very different from that of an Australian owner.

AWARDS

For a more light-hearted angle to the discussion, the worth of award ceremonies and how valuable they are as an indicator of the success of a yacht/yard/designer could be added into the debate. Taking the case study of the International Superyacht Society (ISS) Design Awards we examined the lists of winners of ISS Awards going

back to 1990, looking at the yards with the highest number of awards in a) all categories, b) sailing categories c) motoryacht categories. Leading the awards tally are Royal Huisman, with 12 awards won, all in the sailing yacht categories, followed closely by Feadship with 11 awards and Alloy Yachts with 10. See Table 3 above.

As Table 4 (overleaf) indicates, some of the awards tend to show a strong trend for builder success in particular size brackets. For example, between 1993 and 2006 a Royal Huisman yacht won the 'Best Sail 36m+' category six times, as did Feadship in the 'Best Power 43m+' category.

Of those yards nominated for awards since 1990 that are still in business, 73 per cent are or could be SYBAss members, supportive of SYBAss's members association with quality. Awards can serve as a useful tool of the success of a yard amongst its peers. Worth noting, however, is that of all the winners between 1990 and 2010, 11 yards that received awards for their yachts are no longer building. This returns once more to the importance of yard longevity.

CONCLUSION

As these points of discussion demonstrate, there are a large number of factors that might go into what makes a top yard. There are lots of reasons a yard should not qualify to be in a list of top yards, of which there are but a few. There is no way of establishing which yard is top without a universal means of deciding. A yard can be right or wrong for an owner for so many different reasons. The main keywords for choosing the best yard should be quality, reputation,

stability and an ability to listen to what the owner wants. Top yards, by right, should be those that could be recommended to a potential owner without hesitation.

The best advice to impart is to create a checklist including following questions when considering which yard to build a yacht at:

- How long has the yard management been in place?
- Who owns the yard – what is its financial stability and pedigree?

- What is the staff turnover?
- What after-sales service is available?
- Is it possible to speak to three owners who have most recently taken delivery of a yacht from the yard?
- What is the total allocated budget and can the yard deliver the quality and yacht that is expected for that price?
- How involved do I want to be in the build, and how easy is it to get to and interact with the yard?
- What existing relationship does my broker have with the yards being presented to me?

The yards that are ‘top’ should be able to satisfactorily answer all the questions being asked of them, and tick enough boxes to ensure that the build process, and the resulting yacht, is what is expected.

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TABLE 4: ISS DESIGN AWARDS WINNERS (BY YARD), 1990-2010. SOURCE: ISS

Year of Awards	Best Power 24m-40m	Best Power 40m-65m	Best Power 65m+	Best Sail 24m-40m	Best Sail 40m+	Best Interior
2010	Moonen	Abeking & Rasmussen	Oceanco	CNB	Alloy Yachts	CNB
2009	Alloy Yachts	CMN	Blohm + Voss	Yachting Developments	Alloy Yachts	CMN
2008	McMullen & Wing	Feadship	Oceanco	Claasen Jachtbouw	Vitters	Perini Navi

Year of Awards	Best Power 23m-32m	Best Power 32m-43m	Best Power 43m+	Best Power Interior	Best Sail 23m-36m	Best Sail 36m+	Best Sail Interior
2006	Azzura Yachts	JFA	Blohm + Voss	Alloy Yachts	Chantier Naval Garcia	Perini Navi	Perini Navi
2005	McMullen & Wing	Alloy Yachts	Lürssen	Lürssen	CNB	Vitters	Vitters
2004	Hakvoort	Millennium Super Yachts	Amels	Feadship	Alloy Yachts	Royal Huisman	Royal Huisman
2003	Royal Denship	New Zealand Yachts	Lürssen	Lürssen	Wally	Royal Huisman	Royal Huisman
2002	Lyman Morse	Feadship	Lürssen	Oceanco	CNB	Royal Huisman	Perini Navi
2001	Sovereign Yachts	McMullen & Wing	Feadship	Abeking & Rasmussen	Yachting Developments	Alloy Yachts	Alloy Yachts
2000	Sunseeker	Heesen	Feadship	Sunseeker	Royal Huisman	Alloy Yachts	Perini Navi
1999	Lazzara	Codecasa	Feadship	Amels	Pendennis / Wally	Camper & Nicholsons	Vitters
1998	Wave Piercers NZ	Hakvoort	Oceanfast	Oceanfast	Pendennis	Royal Huisman	Royal Huisman
1997	Hakvoort		Amels	Amels	Concordia Yachts	Sensation Yachts	Sensation Yachts
1996	Oceanfast		Feadship	Oceanfast	Jongert	Royal Huisman	Royal Huisman
1995	Lürssen		Feadship	Feadship	Camper & Nicholsons	Perini Navi	Perini Navi
1994	Codecasa		Feadship		Alloy Yachts	Royal Huisman	
1993	Derecktor		Admiral Marine Works	Sovereign Yachts	Royal Huisman		
1992	Feadship				Palmer Johnson		
1991	Lürssen				Camper & Nicholsons		
1990	Derecktor				Heesen		