



CHEAP OWNERS

We've all heard, seen or worked for owners that don't spend the necessary money to maintain and operate a superyacht to superyacht standards. The question of why they make the decisions they do when the decision is illogical is one we've all asked at one time or another. I've thought many times that an owner would not make that decision in their business world so why do they make that decision in their yachting world.

After going over my 20 years of yachting experience and asking the question to colleagues and industry leaders I believe it comes down to the following factors.

TRUST AND HONESTY

Trust and honesty are the two things that every captain and owner need from each other. If the owner trusts your judgment and they know you are giving them the honest facts all the time then you will have the opportunity to influence their decisions in a positive way. This is how their business world works.

EDUCATION

It takes time for new owners to learn about the many facets of yachting and the expenses that come along with it.

Some owners are misled by brokers focused on their commission. If a broker tells a potential buyer it will cost \$2Mil a year to operate a yacht, the sale may never happen. So a broker may claim the operating budget is \$1Mil, and the new owner may assume he is trustworthy, so this figure becomes fixed in the owner's mind. Fortunately, most brokers value their long term reputation above their commission and this happens a lot less than it used to.

STANDARDS

Yachting has a 7-star standard that we all love and want to deliver. That's our OCD kicking in and some of us are just not happy delivering anything less. However many owners don't

when they provide no value to the owner? It's important to match your standards with the owner's standards. If there is a miss-match of standards you should look for a new job because you will not be happy.

VALUE

The owner is always looking for value, much the same as they do in business. So how do you show them value? Well the owner didn't buy the yacht for the pleasure of complying with regulations and they didn't buy the yacht so they could have someone maintain engines. They purchased the yacht so they could have the experiences that only yachting can give them. So value to an owner is all about the experience. The experience of amazing choreographed dinner service, the experience of the daily activities running like clockwork, the experience of everything perfect all the time without them seeing any work done and the smile they see on their granddaughter's face when she comes back from diving with whale sharks.

So how do you put this all together to deliver what the owner is looking for?

Trust is built by honesty and is something you work on every day. Once trust is gained you will find it easier to obtain a more realistic budget allowance.

Education on budgets is all about the numbers. The captain should provide the owner with historical expenditure and forecasted budgets so they're seeing the numbers in advance, with no surprises. A realistic budget should include regular maintenance, which saves time and money in the long term by minimizing the possibility of poorly-maintained equipment breaking down at inconvenient times.

Wherever possible, breakdown the costs to a daily level. For example, tell the owner how many miles the yacht travelled when informing them of past fuel costs so they understand a per-mile cost. This will provide a baseline for going forward. A similar

planning on cruising destinations where crew food costs will significantly increase.

Crew wages are often a point of contention, and this can be lessened if you use historical data regarding days and hours worked to provide the owners with a per-hour wage - which is usually less than they imagine given the long hours crew generally work. It can be helpful to mention the sacrifices crew make (without harping), such as missing important family events.

Good maintenance and detailed record-keeping increase resale value and makes itineraries far less likely to be interrupted by unexpected problems. A top-notch vessel management system like Total Superyacht provides unparalleled ease of use and transparency into the work crew perform and the overall maintenance of the yacht, as well as the best possible oversight for compliance and safety. Again it is helpful to point out how negligible the per-day cost is for the benefits of such a comprehensive software system.

Lastly, remember operational chaos, expensive wine glasses broken in the dishwasher, damage to fine interior finishers from cleaning and running out of the owner's favourite cereal are a few of the truly endless things that can turn a luxurious cruise into yet another source of stress for the owner.

Because of this, we've found that owners are especially receptive to our Luxe SOP System (stand-alone product or Total Superyacht add-on) because it includes an expert Knowledge Centre that reduces unnecessary damage to the luxury superyacht fitout, promotes superior guest service, reduces crew training costs and provides consistency of service to owners and guests even when crew change.

From caring for fine silver to mixing top-shelf cocktails, from keeping everyone safe to keeping the kitchen stocked, it is truly one of the most cost-effective ways to deliver the kind of smooth and harmonious experience a discerning owner expects. They immediately see the value because it directly impacts their experience.

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