

ISSUE ELEVEN
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The Superyacht

TRUTH • OPINION KNOWLEDGE • IDEAS & SUPERYACHT OWNER INSIGHT



OWNER

ALESSANDRO FALCIAI

Enjoying the last of the summer wine with the owner of *Adamas II*.

EMERAUDE

Eric Merlin's unique journey to build a replica of a 1900s paddleboat using an old postcard.

THE FULL MONTE

Part of a new wave of marina communities, Porto Montenegro is more than just a place to berth.

QUANTIFYING QUALITY

Should we do more to quantify a yacht's true value before it goes on the market?



JUSTIN RATCLIFFE

CEO: IN CONVERSATION

ALBERTO AMICO, WHO HEADS UP AMICO & CO IN GENOA, COMES FROM A LONG LINE OF SHIPBUILDERS DATING BACK GENERATIONS. THE YARD SPECIALISES IN SUPERYACHT REFITS AND REPAIRS WITH SOME 30,000SQM OF DOCKING, YARD SPACE AND COVERED BAYS EQUIPPED WITH CLIMATE CONTROL SYSTEMS FOR YACHTS FROM 50M TO 75M IN LENGTH (A NEW 100M COVERED DRY DOCK IS DUE TO ENTER SERVICE IN MARCH 2014). JUSTIN RATCLIFFE SPOKE WITH THE COMPANY PRESIDENT AND CEO AND STARTED BY ASKING ABOUT THE CHALLENGES OF THE REFIT SECTOR AND HOW IT IS EVOLVING TO MEET THE DEMANDS OF THE MARKETPLACE.

ALBERTO: Refit and repair increasingly depend on the logistics of scheduling. Major refits lasting five or six months represent perhaps 20 per cent of our work today; the rest is taken up with following our clients through the history of their yachts, both during and after the refit, warranty or maintenance work. This means that we have had to become more professional in recent years, not just in terms of qualitative standards and understanding the technical nature of the work required so we can provide

the owner or representative with a choice of solutions, but also with regard to scheduling and budgeting. The time available is much less nowadays, because nearly all the yachts are run commercially and we might have to fit them in between charters.

In addition, the yachts are getting bigger. Between September and today [early December 2013] we've had 14 yachts of over 50m in the yard, including a 92m, two 86m, an 80m, two 76m and so on. Clearly, that demands a high level of organisational

as well as technical skills. This is where we've been focusing our efforts as the market has evolved to include larger yachts and more demanding clients. Refitting is a kind of alchemy: it requires numerous ingredients and if there is the smallest imbalance – in location, management, even the ability to find a good marble cutter – then the magic is lost. ☞

JUSTIN: How do you market your services and differentiate them from those offered by your competitors?

ALBERTO: We do very little in the way of traditional marketing or advertising. Instead, the product or service speaks for itself and our branding develops through word of mouth. I have to admit that we haven't always been in a position to guarantee customer satisfaction. We instigated a major change in mentality and management in 2006/2007 that has led directly to the growth in our client portfolio. Not so long ago overseas owners and captains were powerfully prejudiced against Italy for refit work because the country was considered unreliable in terms of timeliness, quality and cost. Today, over 90 per cent of our business is from overseas, which has meant turning a negative reputation into a positive one. We've transferred our experience of working with cruise ship companies such as Costa, Carnival and MSC, for whom timeliness is fundamental, to the yachting sector. We can't allow ourselves to be late if we are to maintain that brand awareness and remain competitive – it's something you have to build day by day without the prospect of an immediate return.

JUSTIN: It was widely assumed that the refit sector would benefit from the economic downturn as owners decided to refit instead of building new. Has this happened?

ALBERTO: In reality, the small-boat market has suffered and the bigger yachts have tightened their budgets. There are many yachts out there that require refit or repair work, but their captains are waiting another year or another season before committing themselves. The only sector that has seen a growth in demand is mechanical engineering, because that is something you can't put off. It's all part of the wider mood of uncertainty. Owners who can invest tens of millions of euros in a new superyacht will usually build at a yard with a very solid reputation. This is the trend we're seeing right now and there are very few players. The same holds true for the refit sector; the clients may be more hesitant, but precisely because they are more aware of the money they are spending, they are also more attentive to reliability and quality. This is the direction the market is moving in.

JUSTIN: So how do you ensure continued growth?

ALBERTO: Partly through investments in facilities, such as the 835-ton travelift and the new covered dry dock. We can get a 56m Perini ketch out of the water without touching the rigging and under cover inside of eight hours, which means savings in time and money that can be passed on to the client. Then there is our investment in human resources. Our in-house painting, engineering, metalwork and joinery departments have the experience and expertise to identify the problems and provide the best solutions, which in the refit business is what it's all about. Do you replace a system or rebuild it, take out an interior or refresh it? We often find that all the faults or weakness inherent in the original project come to the surface during the refit survey and we have to know how to remedy these problems efficiently. When you have a bad knee you go to an osteopath, not a butcher. We have a team of doctors, if you like, who can evaluate the best course of action. □

IN REALITY, THE SMALL-BOAT MARKET HAS SUFFERED AND THE BIGGER YACHTS HAVE TIGHTENED THEIR BUDGETS. THERE ARE MANY YACHTS OUT THERE THAT REQUIRE REFIT OR REPAIR WORK, BUT THEIR CAPTAINS ARE WAITING ANOTHER YEAR OR ANOTHER SEASON BEFORE COMMITTING THEMSELVES.



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