

DESIGNER BUSINESS FORUM
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DESIGN CENTRE CHELSEA HARBOUR

Chairman—Martin Redmayne

Charlie Ford	Design Centre Chelsea Harbour
Terence Disdale	Terence Disdale Design
Andrew Winch	Andrew Winch Designs
Dickie Bannenberg	Bannenberg Designs

Charlie Ford

Good morning. My name is Charlie Ford, and on behalf of Design Centre Chelsea Harbour I'd like to welcome you all to the Designer Business Forum. Firstly, please could I ask you to ensure that your mobile phones are all switched off or at least turned to silent mode. Thank you.

Well it gives me great pleasure to introduce Martin Redmayne, Chairman and Editor in Chief of *The Yacht Report*. I'm going to leave it to Martin to introduce our VIP superyacht designers—however I just wanted to say how thrilled we are that *The Yacht Report*, the leading authority in the superyacht industry, is hosting this unique forum. Over the last 20 years Martin has visited countless shipyards and stepped on board literally hundreds of yachts so his knowledge of the superyacht industry really is exceptional. So without further ado, please give a very warm welcome to Martin Redmayne.

Martin

I don't know whether to be Jeremy Clarkson or Jonathan Ross, but we'll have a go at making this entertaining for you. Welcome. The idea was put to me by Chelsea Harbour to bring a designer into the room and give you a lecture. But you're all too old to be lectured, you know everything. The idea is that this is going to be interactive, where my panel on my right talk to you about their experiences and their views on the marketplace, but also you interact with them and ask them questions. Because ultimately this is a learning process. As Charlie said, I've been in the business for about 20 odd years, it's a dynamic industry—in that 20 years the market has changed beyond belief. We've now got an order book of some 600 yachts, and when we talk yachts in my world, we're talking about over 100 feet, 30 metres and above. And they are anything from €10million up to—the last big quote I saw, we had privy of sight, a big tender, was €500million. So these are private yachts, for very seriously interesting people. The 3 people to my right—Dickie Bannenberg, who's looking like a design student today. He has this very trendy converse all stars, but he's a very talented designer. In the middle we have the godfather, Terry Disdale, avid fisherman, and obviously Andrew Winch who's now a lawyer, judging by the suit. In terms of the yacht market, just to give you some perspective on what we're seeing in the market today—you're looking at a situation where everyone's talking about the world collapsing, it's a very negative press coverage in all the broadsheets. But in reality what we're looking at now is, 5 years away from today every yacht that's commissioned or ordered today will be delivered in about 5 years from now, and there are people out there who are being very very sort of clever I think in their

thought processes and trying to hedge their bets on what the price of a boat will be in the future. And there's a lot of negotiation going on, a lot of people who are fighting for better deals, but it's still quite dynamic. There are people obviously who have been very badly damaged by the crisis, but there are still a lot of people—I've just come back from Abu Dhabi on Sunday and obviously everyone knows Abu Dhabi is an incredibly wealthy destination and that market is here to stay and will be investing heavily in yachts in the future. The individuals walking around the Yacht Show, the entourages walking round that show, are unbelievably focussed on building a yachting infrastructure, a yachting destination, so there are some new markets happening around the world. And we want to be aware of that, and develop information that you guys can use to understand better where to focus your efforts. The other thing I want to talk to you about is that this marketplace that we're talking to you about today has about 4,500 or 5,000 yachts in the world that are over 30 metres. That's growing at about 300 yachts a year. So it's a tiny marketplace in the real scope of the potential out there. We're looking at, what, 90,000 people in the world we estimate can afford to buy a yacht of this size, and the penetration is still quite small. So we hope the next 10 years will be quite dynamic in terms of yacht development. And at the end of the day, if you're an individual who's made a fortune in your life, you've got the houses, you've got the planes, the next thing you own, by definition of the asset base you collect for your fun time, is the yacht. And that's starting to evolve—every show you go to now you're meeting new people that have never done yachting before but the first boat they buy, I'm sure these guys will add testament to that, the first boat they'll buy is maybe a 70 metre yacht. Never had a yacht in their life but they just know they have to have a piece of floating real estate to add to their portfolio.

I'm going to introduce the 3 guys by—what's the order we're going to use? Alphabetical order in reverse, because that'll give Dickie the chance to compose himself and deliver his insight. Look at them—you're fine now, you're feeling relaxed now, let's go for it. The key thing I want to just add here is, the opportunity is to hear what the 3 design luminaries, we call them, are seeing today in terms of the marketplace. Because these guys are the litmus paper of what the market is doing. The first person a high net worth individual speaks to invariably today is one of these 3 guys. Not always these three guys, but one of the many top designers in the world will understand whether a guy is thinking about a yacht, now, in a year's time or maybe 5 years time. They get a real feel for the marketplace. On top of that I want to explain that this is about how the market moves, what is the actual process of ownership, how owners think, how they make decisions, how they buy things. Because that's really what it's about. The business opportunity here for all of you to understand the marketplace. How you penetrate it, how you break down the barriers. Cracking the superyacht code is what we're trying to get to here. So you've all got a vested interest in hearing and interacting, and if there's something you don't understand please put your hand up, don't be afraid to ask a question. It may sound a silly question but ask the question because I'll make sure you don't look silly. I promise that. Right, I've done my bit, nearly 10 minutes. I had a very fixed schedule, according to Charlie, I'm not allowed to overrun. I'm going to bring Andrew Winch onto the floor now, and you can sit there, relax, in your Philippe Starke designed transparent chair, and impart your knowledge—yes, they're not electrocuted! Andrew, please?

All right, another anecdote. I'm going to tell you about the bizarre nature of this market. I was in Abu Dhabi as I said earlier on. I met a guy last week who represented a sheikh. This sheikh has 1,000 metres of yachts under ownership. One kilometre is his personal fleet of boats. It's a bizarre marketplace. But the interior

value of some of these boats is unreal. You're looking at €12,000, €18,000 per sq metre of costs in installation, in many cases. It's unbelievable what's being put in those boats. And I think there's an opportunity for everyone in this room to maximise on that opportunity. Andrew, are you ready?

Andrew Winch

I'm Andrew Winch. I've been running a design studio, yachts, residential and aircraft for the last 23 years. I used to work for Dickie's father Jon and I love the job I do, I love designing yachts, I love designing in general, everything. Yes the market has changed enormously. It's grown, my wife Jane and I started, just the 2 of us, working from home. Our first yacht project was a 36 foot boat, our second was a 46 foot boat, our third was an enormous 140 foot sailboat. As we heard, 100 foot is probably the bottom line of our market at the moment. At the weekend I was at a dinner party, I didn't know anybody else there. And 2 people started talking to me about boats. And both of them were as passionate about the boat they were building and the boat they wanted to talk to me about, both of them were sailors, both of them were sail boats. And one started talking about the 57 and one started talking about the 86 and I didn't know quite what they were talking about. At the end of it we started talking—both of them were Ron Holland design naval architecture, but one was a 57 metre Perini, 57 metres, and one was an 86 foot Ron Holland sailboat that was built in about 1982. In 1982 that boat was probably one of the largest that Ron Holland had built, the Perini has got a Remi Tessier interior, it's highly decorated, it'll be an unbelievably beautiful boat, and the hedge fund owner and his family, and he's probably about 44, 43, is going off for a two year sailing sabbatical. It's a nice time to go sailing if you're a hedge fund dealer. He's going to do it in style, he's going to do it with 8 crew, he's going to have a cinema on board, he's going to have his high audio equipment on board, he's an audio buff. He's spent his money, he's bought his toy. And ultimately I think that is what the 3 of us here all still do. We do 'aspirational' products. And they have to work perfectly, they're for very high net worth individuals, and my business has now grown from my wife and myself up to 35 people. Which is fun, I love working with people, I enjoy a team approach, I enjoy bouncing ideas around, I'm fairly autocratic about the direction because that's what the client is asking me to do—to know where I'm going, and deliver, at the end of the day. And in between, there's an awful lot of work, a lot of responsibility, a lot of design planning, a lot of engineering, a lot of hand holding, politics, looking after the family of the owner, whether it's the children, or the project manager, whether it's the shipyard. To make sure at the end of the day we all deliver the product, which has to be first class. That's what I do.

Martin

Terry?

Terence Disdale

Good morning, I'm Terence Disdale. Pretty much like Andrew, I started life working for Dickie's father, in 1969, when Dickie was about *that* size, and I'm amazed to see him here today not in his school uniform. But that's another story. I started working for myself in 1973 when indeed I was also a one man band. We are as strong as 15 and 16 today, only half of what Andrew has got but I think we work in a very different way to Andrew and I've got a very very tight, dependable bunch of people that I work with, who've been with me for many years. Our average project probably runs at about €60million, €70million and takes three or four years to build. We're responsible for usually the whole conception of the boat, from a blank piece of paper we work in line with the naval architect who will advise us on the shape and form of the engine

room and how much air has to come in and out of the vessel and then we clothe that with a superstructure design and plan the interior accordingly to fit the owners' requirements of accommodation. In doing that you might often come up with one or two solutions of how to fit everything into the hull form that you've got. And I've always kind of likened that to packing a suitcase, because you've got all these various elements and there's one way of fitting it in neatly and another way of fitting it in, and it all goes in but you've got to sit on the lid to actually get it all to fit. Which is not the right way if it's a yacht, so you need to plan so that everything is usable and functional. After the planning comes the interior design, which is a secondary thing, plus of course the superstructure styling. As I said, it takes 3 or 4 years to build one of these projects and the engineering drawings that go into it are incredibly comprehensive and I think the guys here would agree there is nothing on dry land that has the kind of detail work that a yacht has, in terms of its assembly and how perfectly it's put together. Most yacht interiors are usually built 100% inside a factory first of all, it's cut, assembled, pre-assembled, finished to a 90% rate, taken apart, and then put together again inside the yacht. And usually everything fits perfectly. Our work then takes us into the decoration and the procurement of art work and *objets d'art*, and that kind of thing. Currently we've probably got 4 or 5 different projects on the go. Usually I'd say the smallest we work on is about 45 metres and the biggest we're working on at the moment is over 130 metres. That's kind of in a nutshell what we do and how. Each of those projects, as I say, has got a lock, stock and barrel story attached to it in terms of finishes, fabrics, decorations, cushions, linen, knives forks and spoons, crew baseball caps, we deal with every single component part. And the value of that to the supply industry other than the fitted concern, the value of all the loose things that we usually supply in one year is about £3million. So it gives you an idea of what the market space is for anyone out there that wants to get their foot in the door and supply stuff to us.

Martin

That's per project?

Terry

No, that's the total annual concern. But they are the loose stories. I can break that down for you into reasonable form by saying you know we probably deal with £800,000 of fabric, £100,000 of lighting, £350,000 for carpet a year, loose furniture about £1.2 million, and then there's various artwork things. So that's kind of what we do. Thank you.

Dickie Bannenberg

Good morning everyone. Dickie Bannenberg. I'm sorry Terry planted that image of me in a school uniform image in your mind, a bit unfortunate there. Actually I walked here this morning from my office, because it's down the road, and established my green credentials immediately. Also in the office we've got, deep in storage, time sheets and appraisal reports for both Terry and Andrew, which currently open negotiations with them, or anyone in the room actually, about whether they should see the light of day.

Martin

I would like to publish them!

Dickie

So just briefly about me. My dad started the company in the early 1960s, I probably don't need to do too much sort of description about my amazing dad but he died rather suddenly in 2002 and I picked up the reins and continued the business after him. Down the road we've got 12 people in the studio, quite small, we're delivering 5 yachts this year, ranging from 39 metres to 60, and that involves a reasonably full house of shipyards, from Feadship, Benetti, Abeking & Rasmussen, and Trinity. So quite a big sort of geographical spread. Martin asked us to give a brief bio—brief bio—which is good, to prevent us all from puffing up chests, so briefly on me, 47 years old, don't have a formal design background or training, have a geography degree actually. And then I spent four years working for Conde Nast, the magazine publishers, specifically on House & Garden's editorial side, and then really my design training as such was on the job next door to someone who was pretty good at it. And so I worked for 14 years or so alongside my dad and we did several projects together. I guess the most notable ones were Siran and Thunder, Talitha, Rising Sun, projects like that. But the studio does about 90% of its work in yachts, and then there's a balance which can be residential, and then a few offbeat things, whether it's an aircraft exterior, or even a replacement for the Royal Train project, which involved lots of long thin rectangular drawings, which was quite interesting. Like Terry and Andrew, we do offer a whole design process and service, ranging from the exterior right down to stressing about the spacing between letters on crew uniforms at sea—it's the complete package, so it needs a big range of skills in the office and a big organisational infrastructure within those offices to support it. Martin I don't know if I'm straying off message, you talked about our thoughts on the market and where it's heading?

Martin

Well what's happening today?

Dickie

Well currently that feels a bit like asking the Mayor of Orleans what the weather was like, a couple of years ago. So it's a turgid kind of time, and I think we'll shake out some of the excesses that we've been seeing in previous years of people buying build slots for the express purpose of flipping them and when there's some of the sort of take it or leave it pricing that we have typically seen from shipyards and people further along in the chain and like any kind of correction, an estate agency, stock market, it's going to ultimately have beneficial effects. And I think everyone has probably got anecdotal evidence, in the room, about contracts which have been cancelled, or frozen, or deferred, and I think there could be proven evidence that some of the production size yachts, that's where things are hurting the most at the moment. And I think probably we may have seen some of the—perhaps the end of—some of the big, the Titanic sized yachts, and 55 or 60 metre yachts will suddenly feel like a sensible size to go.

Martin

Andrew, you're disagreeing?

Andrew

I disagree totally.

Martin

I think the point is I agree on some levels with Dickie but as Andrew nods his head, or shakes his head, there is still activity out there if someone is willing to take the 5 year investment plan, let's call it. So Andrew, enlighten me?

Andrew

I think we're all still very very lucky. What we do and what this building, Chelsea Harbour, does for us is provide the quality products that clients aspire to. There are going to be people everywhere—or can I rephrase that, there is always somewhere where people are making money and hopefully, for all of us, we can tap into that and provide the quality of pleasure that they want from their spend. I think that the market sector for all of us, as we've heard from Martin, is going to be Abu Dhabi and I'm sure my colleagues up here already know that. Abu Dhabi, Qatar, Bahrain, Middle East. Maybe not Dubai—maybe that is slightly—

Martin

It's now known as Abu Dhabi Dubai.

Andrew

Well there you are. It has been submerged. I think the market there is going to be for significantly large boats and large planes. They are royal kingdoms, they are stately kingdoms, they have large entourages, and they need large products because of that. They need large accommodation vessels. I think the smaller vessels and the more private vessels will probably take a slightly backward step for 5 or 6 years. I think the escape vessels, the sailing yachts rather than motor yachts, probably, or the expedition motor yachts will still continue over this period. We 3 here I think are very lucky to have work currently in build. That will spread into supply from the first class contacts and suppliers of everything from carpets and audio and bed-linens and turnkey product that we put into the boats. But I actually think we're very lucky to have quite a lot of business still in hand, as long as that business doesn't get suspended or cancelled. What I was chatting with someone earlier about is I think that everything at the moment seems to be about money. Or it is about money, as we all know. So everyone who can't afford everything, they had 100% capacity, they may now not have 100% amount of money to buy those products, they will have to sell something. They don't want to actually sell, if they can avoid it, the toy that they aspired to own, however big that toy might be. They wanted it, they still want it, they'd rather sell a bit of business but keep the boat. Or keep the plane, or the place that they can relax in, the place that they aspire to, the place that they enjoy most, be it a boat, a plane or a house. But everything is on the market, for all of us probably. All our products and projects are probably on the market and might get sold underneath us without us even knowing it.

Martin

I think the key thing to add to that though is that we are looking at a situation where individuals may have lost 30% of their wealth but they're still incredibly wealthy, and they still need to escape, and as you said about the sailboat going around the world for 2 years, some guys are just disappearing for a bit until the market comes back. Several guys in the City are taking 6 months or a year off to just literally go and capture their thoughts and come back when everything is well. Because they can still do trading, they can still run their businesses wherever they are. And take up

opportunities as they come up. The thing I wanted to just throw into that mix was that are there any markets that you think have disappeared? Like where's Russia in your perspective at the moment? Because I was talking to a Russian two weeks ago who was saying that yes, Russia is quite quiet at the moment but it will come back stronger than ever, because it's still got huge amounts of resources and huge amounts of wealth being created still.

Dickie

Yes, slightly from my perspective, and again, looking back at my dad's time, you can almost identify bands of geology or dinosaur areas when certain people ruled the earth, and in the 60s and 70s he had a Greek period, and then in the 80s there was a sort of discernible Middle Eastern period and then it sort of slid into a West Coast US software period. And we're now in a certain stage, whether it's the end of the Russian period—my dad didn't live to see the Russian period—but I don't know if it's in its final years or not. It will be interesting to see the Eastern European one and then what's next, of course? I think people say there might be a Chinese led period, I'm not so sure about that from a cultural point of view, whether they're so comfortable with such a visible display of wealth. Possibly India is another avenue.

Terry

I think you're right in saying all those different movements from the Greek period because I was indeed working for your father in the Greek period and there has been that movement across, up to what you might call the Russian moment. But certainly there are still Russians with a hell of a lot of money and there are—I know of several projects that have stopped that were with what I would call junior Russians. We're blessed with working for some more senior Russians you might call them—and you can look at their so-called wealth demise on the rich lists—oh my god he's lost €5 billion or something. But he's still got the same amount of money that he had when he ordered a boat two years ago. So that drop isn't significant in his little melting pot. When he thought he was going to buy that boat he had X amount of money, then it went up, then it went down. So there certainly is Russian money.

Martin

And are you seeing clients at the moment discussing projects for 3 years, 5 years, from now? What's the activity on your radar?

Terry

We don't have a great radar, because we probably only get 4 enquiries for new work every year, and of those 4 we probably get 2, Andrew gets the other 2.

Andrew (I THINK THIS WAS DICKIE THAT SAID THANKS – AS HE WASN'T MENTIONED AS GETTING ANY ENQUIRIES)

Thanks!

Terry

So our phone doesn't ring every day with someone saying hey, I want to build a 100metre boat. It doesn't work like that. And no-one comes to us as a time waster. Usually people come to us because they want a Disdale boat, they know what

Disdale boats look like, they know what they feel like. They've either got one already or they've been on one. So we don't meet a lot of tyre kickers. They're usually very genuine people. So our phone doesn't ring with enquiries so to say *oh god it's really quiet at the moment*, I wouldn't be able to comment on. Because we're never really quiet.

Andrew

Terry's brought up a couple of things there—one is that my business has grown only because of current clients, a club of clients, and a small club of probably 12 or 13 or 14 clients requesting me to do other projects for them. So I was saying yes to clients, to something like 10 clients, and then I didn't really want to work with, or manage more relationships with clients because that's my end of the business. But when they said well could you do me a plane, or would you do me another boat, or will you do me a house, I either said yes, in which case I needed more team to support me, or I said no, and they'd go to Dickie or Terry here. And I said I'm not going to lose my clients because they are going to go to someone else. Two years ago, or for the last 3 years, they have been wanting, whatever they wanted, they wanted it, they wanted to get on with it and they were going to get on with it. So they weren't going to hang around and wait for me to have a capacity to do their project, so I had to expand my capacity to say yes to them. So I've said yes to more projects but not from more clients. The same clients. Are they are all carrying on with their projects? Probably yes at the moment. Are some suspended? Yes. We've had one client whom we've been working for for many years and he hasn't proceeded with his project; I hope he will now proceed with the project because when we saw him at the end of last year he said well actually the dollar is good now. I said what do you mean? He said well I made up my mind 7, 8, 9 years ago the price I was going to spend on my boat. And in euros I can now get that price. So I want to go ahead with the project. It wasn't a project that I even thought would start again. It hasn't started yet, it's been going on for ever. But maybe it will start. And it's only going ahead because he's hit the price that he made his mind up to do the job 8 years ago. So he sat on it. I was waiting for him to start, I was motivating him for ever, isn't it a wonderful thing, getting it all ready. But it was all down to a number and at that number he'll push the button and get going on it. I hope. We all hope.

Martin

Let's talk about the actual purchasing process. Within your studios, what is the typical way in which things happen, from the equipment, or as you said, the procurement process. Is it all controlled within your domain, or is it very much owner driven, or—talk about the actual dynamics of the market?

Dickie

Andrew and Terry might agree—it's incredibly varied, the driver of the whole way we procure. We can have a client who wants to talk for a couple of hours about which of these 20 shades of cream fabric is the correct one for the small headboard on guest cabin 2? We can have that discussion. Or really we can have someone who will slightly shrug their shoulders in response to a question about the whole design direction. So it's very varied, the level of sort of hands on involvement. So you may get a client who drives the procurement process closely, even down to the point of specifying a fabric house that they like, or a particular thing. But more often than not we're all hired to give someone direction and guidance so it's coming from us, in the general sense. Again, I don't know if you find the variety within that?

Terry

Well we hate people who want to be part of the process. Anyone who wants to sit there and say what shade of cream they're having on the walls—it would break my heart. Absolutely.

Dickie

Is to be discouraged at all cost? I mean my dad used to give people one choice and there was no further discussion. But I find that's a bit hard to get away with these days.

Terry

Yes, but your dad was the master of persuasion, you see. And there's a fabulous story about Dickie's dad, because I'm going to move into it now because it's just stirred a thought in my brain. And it's about designer/client relationships. And we were designing a project and the client said I don't like this, the mast is absolutely vertical, the mast should be sloping. And Dickie's dad said no, the mast has got to stand absolutely straight. So the guy says no no, the mast should be sloping, a really nice sloping mast. So Jon said no, the mast has to be absolutely vertical. So the guy said to Jon, Jon this is my boat we're building here. And Jon said I agree, it's your boat. *But it won't always be your boat, and I will always be the designer.* So there's a nice persuasive thought at times about what you can say in defence of your product. But I slightly digress there. But the way we run the sort of decorative approach is we do the overall colour scheme, we tend to remove from the specification of the project anything that is a loose item, so it's not covered by the shipyard or the shipyard's sub contractors, so we have quite a comprehensive list of what we call owner's supply items. And that will cover every dining table, dining chair, coffee table, bedside cabinet, the whole gambit of loose items, including fabrics for blinds and curtains, all the carpets in the boat. So we have a budget for those which we produce and then we design all those individual pieces of furniture and get them priced accordingly from wherever we need to throughout the world. And we then take that on board as part of our project to supply all of those items.

Andrew

Andrew Winch Designs has, as I said, expanded and so we do have more projects to do in large yachts and large residential projects—we do tend to get far more decoration to do a turnkey project than we used to get when I was solely doing sailboats about 10 or 12 years ago. You get very little decorating in a sailboat and hardly any curtains! But on large motor yachts, large residential projects, we expanded our decorating team and I have 10 in my decorating team, Winch Interiors, and they have their own stand alone building, they're run—there's a design boss into each of them, there are 3 studio girls who run their independent projects but the difference between perhaps what the Winch team do and Dickie and Terry is, we have a signature but we don't have a certain look. So our clients are more diverse perhaps, they're not coming to me for my look, they're coming to me for I think a quality that they can see me giving them, in their own taste and flavour. So our interior decorating team has to rethink every single project. It might be a contemporary project on one side for a Palm Beach 84 year old art collector who wants the whole boat in white—white carpets, white sofas, white woods, to offset his Mondrians and Picassos, or it might be a client who wants a baroque red, gold and

opulently curtained motor yacht, bordello style, or it might be a art deco. We're doing, having completed one project for a client it was French art deco inspired, now we're completing for the same client an art deco project that is more New York inspired, more Chrysler Building, probably. So the furniture we're designing, the carpets, the look, is around that flavour. Another one is a Russian client and he said I don't want an American art deco. I want Russian deco. And I sat there, and we thought about it, and he said *hammer and sickle*. I want it powerful, I want it strong lines, I want it monumental. And he knew exactly what he wanted, but he didn't know what it looked like. And our job is to give him that look.

Dickie

Yes, I mean that whole process of trying to smoke out or tease out the initial design concept or look is quite a science at one level, but quite an inexact science at the same time. We've got a client who's in the early stages at the moment and we're trying to get a feel for the look and feel of what kind of interior style. And he said he wanted a German style interior. And we're still quite honestly slightly feeling our way with that in the office, about what constitutes the German style.

Martin

Any Germans in the audience?

Dickie

But of course that's more helpful frankly—if we all had a pound for every time someone said I want it classic modern—or modern classic—I think we really could retire, because it's interesting how often those two words come up as a sort of sweep-all description for things.

Martin

There's probably a difference between the two—classic modern and modern classic would be two different styles?

Andrew

They are very different—the word that comes first is the bigger word.

Dickie

Yes, quite.

Martin

In terms of design today, let's go back to that focus. Where have you seen it come from, in terms of—your father obviously set the standard, let's say. But where can it go from here? Is there any limit to the market, do you think? Because there's a lot of standardisation happening and semi custom type stuff. Is that driving your businesses now, where you're being dictated to by the budget control, the actual marketing process of the shipyards to say right, we're doing a Winch Amels 212, this is a standard platform. Is that where you think the market will definitely go more, or is the custom market still very alive?

Andrew

The 212—we're doing a pair of 64 metres at Amels and the first one was a spec design—I was asked to design what I felt would be right for the market. I don't know if we got it right but they have a second client who wants his own taste in the interior, he likes his current boat, and it's very contemporary, it's got contrast between dark woods and light woods, it's very chic. It's not classical at all. But the two boats actually have very different owners, but they are both Russian. So the layouts have changed, the decoration will be very different on both. The sofas will be different. Neither of these two owners—they're spending €70million each on these vessels, they're going to spend €2 million each, or €1½ million or something, on the decoration that goes into it. And we'll be doing all the sofas, the carpets, the china, the bed linens, the crew uniforms, as Terry said, they're both turnkey products. The clients will arrive probably in the South of France and not even go to the shipyard. Last year we delivered an 82 metre, the client never went to the shipyard, and we delivered the boat in Santorini because he said that was his favourite island to start a cruise from. And I've worked with the client for the last 15 years—he then said Andrew I know it's going to be nice so don't bother coming and delivering it for me, I'll just go on board and have a few days on my own on it to get used to it.

Martin

That's an exception, surely?

Andrew

That was exceptional. It was very frightening, I have to say. He'd never seen what we'd done for him, he'd never seen the decoration, and then he called up and said I think the dining room is a bit blue, let's make it more red. And that was it. That's what we've changed. And Sarah Caddy, who I think is here, did the whole of that project and the client gets on extremely well with her, and completely trusts her. And that's something that is very very important. And the trust that all of our clients have in us is probably the most important, the most valuable, thing we have. We have to maintain that trust. And we can fail if a sofa isn't comfortable. I mean it's trusting, but it is wafer thin. So the quality of the product we have to deliver and manufacture has to be unique and has to be perfect. So the standard of the items we all have to purchase or deliver has to be impeccable. There can be no failure when that item is first seen by the client. Because he is seeing a total ambience of the interior and he is saying do I like it? He's not often involved in the choice of all of it, but when he sees it together he's saying do I like it? Has Terry done a good job? Has Andrew, has Dickie? Have we done a good job? He then touches things, probably. Or she touches things. And they go oh, it's a bit cheap. Bang, we lose them. We've lost that client on the basis of a piece of carpet that isn't fitted well, a sofa that has bad stitching on the corner, because they'll sit there and they expect it to be perfect. So A grade suppliers are probably the most important thing for our projects, our projects and product.

Martin

On that point, of an A grade supplier, what is the process of breaking down the barrier between the supplier talking to you to get through the procurement process? How do they approach you if they want to sell to you? Is it a very straightforward process? Or is it a matter of timing, let's say.

Dickie

I think it's a pretty straightforward process. I mean for someone who wants to be a supplier and has a new product to show us at the office, come to the office, bring samples, in fact bring lots of samples is the best. If it was a timber or a piece of something—we're notorious in the office for an office saw, and we're often sawing in half bits of timber for presentation boards. But come and show us a new product, and lend us a sample, lend something we can show at a client presentation, that's the way to do it. Come and check that our library has the up to date catalogue, chuck out the other one without chucking out competitors' stuff. You know, it's quite straightforward really. We don't have in the size of our office a sort of overall head of procurement, it's quite a sort of open plan, democratic thing. People ring me up, we encourage everyone to chip in with ideas. So it's just a question of getting us on the phone and making an appointment, come and we see what you've got, and support us in that way.

Martin

And are you always looking for new stuff, or is the scope so huge that there's no need to keep searching?

Terry

We're always looking for new surfaces, I mean that's the thing that fascinates us the most. Surface structures for furniture and walling, more and more I'm finding you've got a client base that wants something that's 100% unique, they want something that no-one else has actually got. Which is sometimes difficult to achieve. So quite often I find someone that makes something—well if you could do that, maybe you could do *that* to it, and that might be something they've never ever thought about before. And they can come up with the goods. So we're always looking for people who are flexible, that can partake in the experimentation in the process of unusual surface finishes. And when I say surface finishes I'm talking about you know the use of shagreen and parchment and marble and crushed shell and just ways of covering surface areas that are out of the norm. But of course they're slowly becoming the norm, so I've got clients who've got 3 of my boats and that's when things get difficult because you come up with an idea and they say no, I've got that. And you go oh, OK. And then you show them something else and they say I've got that as well, on the coffee table. And you go what about this? They say no no the bedside cabinet, I've got it. So it's sometimes really difficult to keep coming up with unusual finishes. And also to offer things that are not mainstream. I remember we did one colour scheme for someone and we did a beautiful guest room and it had I thought a really nice colour scheme, my girls were looking after it, there it was, fabulously blue and white fabric on the bed cover and the client said I can't have that. I said why, it's beautiful. She said yes, it's beautiful but I can buy that in the Kings Road. It was a Designers' Guild fabric. God bless them. But that wasn't the product for a €30million boat. It was just not to be. So we're always looking for something that's a little bit classy, a little bit more unusual, and something that's not necessarily mainstream.

Martin

And the clients are willing to pay for that sort of premium bespoke nature?

Terry

Absolutely. Yes.

Andrew

It's a dangerous area. Because as Terry said, the clients want to have never seen it before. And especially not to have seen it on their best friend's boat, who likes Terry's boats. So they've all got them! So they're all looking round, oh I don't want that, no no. And they love them but they want something unique and individual. But when you go with the market that we've had, which has been growing so fast, and the volume of work that we've all been doing here, you do get into pushing the quality to such a high level that it becomes pretty scary. Both the cost of the product, the gold plated hand turned cast door handle. The ormolu mounted edge that has been specially carved and cut and cast for the edge of the honey veneered blah blah blah. Or the silk carpet where the client says *I like silk carpets. I want my carpets silk.* So you appreciate that you're talking about probably 3 to 4 times the price of the carpet—I like silk carpets, right, so we'll design the whole carpet. *Why is it so expensive?* they say at the end. Well it's silk carpet, you requested silk carpet. *But I didn't want all of it silk.* Well, you can't tell them they did want it all silk. You can only make sure they're happy with the price at the end. But there's no point in having a fully silk carpet, because you don't see the beauty of the silk. So you have to make it so they can recognise the value. We had a dining table that we built for a boat and it was built at Benetti, a very classical boat, very glossy, glamorous boat for a Jersey based client—it's one of the ones that's coming up here—quite a flamboyant interior, and he wanted a marble dining table for the upstairs terrace but he wanted it to go smaller and larger. So we found a company that would kind of try and make it for us, it was incredibly complicated and unfortunately at the end of the day it broke the supplier. He couldn't actually make what he'd promised us he would deliver. We'd sold it on to the client, we'd offered it as something unique that no-one else in the world had, it was incredibly difficult to do, and at the end of the day we had to bin it and had to make another, it got scratched. It was electric, it should never have been electric, it was battery operated, it should never have been battery operated, it should have been mains. The motors weren't strong enough, it was one of these things where you get into a spiral to try and do something that excites everybody but you don't appreciate at the beginning how complicated that one object can become. It was more complicated than designing all the guest rooms. And it became something that we made no money on whatsoever. We lost money making it, we ended up having to manufacture a complete marble dining table that didn't get smaller, it was a 12 seater table. It looked exactly the same. He was happy enough because he got a beautiful boat at the end of the day and really he's never going to make it smaller, he's always going to have a party on board. So we'd probably said we could make it smaller and bigger, and we'd given ourselves this dangerous thing to try and make. We're the risk takers, we have to have support from our colleagues and suppliers in the industry, to not let us down. That's the biggest issue.

Terry

Can you mention what this table might have cost?

Andrew

Yes. It probably cost at the end of the day about £45,000. And I had to swallow about £25,000 of that myself, because it failed. There's another table being made for another of my clients at Rinka in Paris, it is an electric table, it's in wood and it works. And it is an exquisite piece of furniture. It probably cost £60,000 for a table.

Martin

Did you do that as a talking point?

Andrew

Absolutely that. It's a talking point. The fun was going to be showing everybody this flower opening toy which would then be covered with a table cloth. So the value of spend wasn't equivalent to the cost of it. We can sell a lot of things, the 3 of us here. But they have to work. And ultimately they have to be unique. But the last thing we want is for them to be dangerous. And there's an awful lot of stuff—

Dickie

But it doesn't always, to keep it—there are some grounded clients out there. I mean for instance I was busy trying to say let's have this wonderful safe, let's put ostrich drawers in it, let's have watch winders—but there's a reality check when they just say I'll have a hotel mini safe, that's fine. So it doesn't necessarily have to be the triple gilded lily.

Martin

It's not always off the scale.

Dickie

Although there are exactly what Andrew and Terry are saying, signature pieces, things to cause attention.

Terry

We actually sand blast our lilies, we don't gild them at all.

Martin

Until there's no more lily left?

What frustrates you in terms of—you talk about suppliers letting you down, Andrew. What are the frustrations you see in the market from a design point of view, with suppliers, or with installations, or with budgets etc? Oh, Terry has none?

Andrew

It's responsibility. The thing that we—when I mentioned the A quality supplier. It is managing what we all need, which is for the contractors to accept the responsibility for the quality of their product, and the quality of their own staff to make sure that product is delivered on time. And we had a package—nothing to do with you guys—but we had a package going out for a very important client in Warsaw at the weekend, the client said don't send it over, send it DHL it'll be fine. So it went on Wednesday, and on Friday we still found that DHL had it in their London store. It hadn't even left the UK. So I had to put a member of our staff on a plane with the portfolio, he flew over and hand delivered it to the client on Saturday morning and the presentation was on Sunday morning. It got there, the client was happy because we'd turned round and done the deed, we'd got it there. He was trying to save money, the clients' manager was saying you don't need to buy the ticket—that is happening everywhere. Saving money all the time now. We have to deliver quality,

but we have to deliver it for less money. And to do that we also have to deliver reliability and from all of the suppliers, whether it's the shipyard or whether it's the carpet manufacturers, or whether it's a piece of furniture, or bed linen, it has to be perfect. Absolutely perfect. And it needs checking. Checking, checking and triple checking. And then I go home at night and don't worry about the pillowcase that might have a little bit of something that's coming off at the corner. Because the client is lying on that pillowcase as he goes to sleep, and he calls me in the morning and says a pillowcase is crap.

Martin

A slight case of OCD, I think?

Dickie

I mean Andrew is right. Quality and reliability, those are the two key watchwords. And if you get let down by a delivery problem when everything is coming down the wire with things about to be installed on board, that's a big problem.

Martin

What's the typical cause of that delivery delay, because it happens a lot, obviously?

Dickie

You know, a custom bit of furniture, there can be problems laying up the veneer, something's gone wrong with the final coat of lacquer, it can be—when there's not enough time built in. And we have to take it back to the client too, inasmuch as yacht owner, say, you have to sign off and make this decision now otherwise we're just going to run out of time and we're squeezing the delivery time too tight. So that has to be made very clear to clients, who are still very happy to change their minds or re-specify something if they could, far too close to the finish time. You try to be as accommodating as possible but you've got to be tough about when the cut-off point is to choose something. Slightly unfairly, I guess, you could have something like a chair which you will love, and it's supplied by a supplier who's very dependable and to the highest quality and you've also got to be careful that you don't get into some kind of homogeneity—where someone says oh, Bannenberg have used that chair again. It can cut both ways for having a supplier of something that you really like and you've got to be bear that in mind too. So that's not attaching itself to it.

Terry

I think one of our big problems in the supply zone is usually textiles. We prepare a colour scheme that might have 4 or 5 different materials on it, on a sample board, and you might be busy weaving a carpet to match a key fabric and then eventually the key fabric stock cutting comes in and it's a million miles away from the colour it used to be. And it's too late to change everything else, because some of the other fabrics have already been ordered. And that's the most frustrating thing in the world and we never understand the variables in stock cuttings to what people were originally marketing. I mean sometimes it's a million miles away. It's very scary and very upsetting, because you've often got to do your whole scheme again.

Andrew

One of the things I have to try and drive into my team is that they should never specify anything unless they've seen it with their own eyes, because I have to trust them and the client is trusting me and he wants to think that I have literally seen everything. I can't see everything, but to check the sofas that have been custom made, to sit on them, to check the frames, to check the fabrics, to check the stitching, to check the item before it's packed and shipped, because it all comes together, as Dickie said, in the last week to ten days. The accessories and the decoration. We had on one project last year 29 lorry loads of furniture of our supply which went on board this yacht. The boat got to Gibraltar and we had 22 people carrying off the boat cardboard boxes unpacked—it took that long to get the stuff off the boat. And everything down to the little flower vases beside each bed were on board but the client gets hay fever so he didn't want any natural flowers on the boat, but he wanted flowers in every room, so they were all silk flowers, all colour coordinated to every colour scheme of the room. They were bagged, they're put out every year, they'll be exactly the same every time he cruises on it. But every single thing has to arrive in a lorry and come out and be put into the room—and if you put it out and say oh, this isn't working—it's the first time we see it all together. And it's two days before the client sees it and you go oh no, it's not going to work, it looks awful. And you run around moving things from place to place to try and solve the look. But it's the volume that actually gets sent, and the packing. But to go back to the beginning, to get our team to actually make sure they've checked what the suppliers are supplying—the websites and the brochures are all wonderful but it's very dangerous to choose things from the websites and brochures. Everybody should be, the bosses of those companies should be making sure they've sat on that, because if they're asked by me is it a comfy chair? The first question should be, if they've never met me, well do you have a big fat ass or do you have a small fat ass? Because it matters to me. If the client is enormously long legged he'll find one type of sofa comfortable and another sofa completely uncomfortable. It's very very personal.

Martin

OK. Let's talk about taste. In terms of the clients you deal with, do you ever challenge them on their taste?

Terry

If I don't like their taste I send them to Andrew!

Andrew

And if I don't like their taste I don't take the job.

Martin

Can you challenge a client on taste?

Terry

No, but you can challenge them whether it's the type of project you would like to do. I have had people that would come along and say oh I want it like this or like that and I say oh you've come through the wrong door, because that's not what we do. If you want that look—I do recommend people to go to Andrew now and again, I've recommended people to go to John Munford because someone wants a beautiful mahogany panelled room. It's not what we do. We can do it, but it's not what I want to

do. Life's too short for me to spend 3 or 4 years of my life designing something which isn't going to have my whole heart in it. So I want to work with the palette that I love to work with.

Andrew

It was on your list, about plagiarism. There's no point in me trying to do a project that has Terry's signature on it. I don't want to do it either, because Terry is the master of what he does. My work and Dickie's work is independent and different. There is plagiarism out there but the next project you do should be more individual and creative than the last one you did. Otherwise you're just treading water. And that's what we have to do, is re-invent ourselves every single time.

Martin

All right. I think at this stage I'm going to open it to the rest of the audience to have their say because I've said too much. So I have 2 microphones coming your way—please think about your questions, short sharp questions, and you'll get short sharp answers. So any hands please? Yes, thank you, at the back.

[From the floor]

We've heard a lot about finishes in here, I mean fabrics. My question actually is where's the boat in it? Where's the superstructure? Where's everything else, that's the rest of the stuff? I mean for me that's the very beginning of the stuff. How does this sit in it? Is this client interested only in the finishes, these fantastic images we see here? Or is he really interested in the ship as well? How does it work?

Terry

Obviously a client is very interested in the superstructure and the look of the boat. I thought we were here today to discuss the internals of a boat. But certainly people are passionate about the exterior design, to the point that you'd always make a model, sometimes you make a model that has two different sides to it, it might have windows of one shape on one side of the model and different windows on the other. Sometimes you'll make a model that's got two or three different funnel configurations that would fit on top of it so you can argue and deliberate what's the best look. So all the clients are really involved in what the boat looks like, that's what motivates them from day one. But then comes all the nitty gritty that's really the story of Chelsea Harbour.

Martin

Thank you. There's a question here? Oh, did that cover your point OK?

Andrew

I think there's just one point on it. The two must harmonise, but they don't have to be—the interior and exterior must harmonise. Especially the exterior decks to the interior accommodation, as you walk in and out of these terraced rooms that we all try and design. The pleasure of being on the boat going from the deck to the interior. But the exterior—some clients say I want the exterior to be very powerful, contemporary, and have a certain signature, but they don't want to live inside that style of interior. They want that softer, they want to have a different signature inside.

But you have to make sure that the boat has its own soul and has a harmony of spirit. It's a very difficult thing to describe.

Martin

But when a boat is designed inside out, it can look hideous? There are several examples of that.

Andrew

Yes, the three of us like to design the exterior of the boat, I like to design the whole turnkey product and most of all make sure that that vessel, when you look at it, when you go inside, you get what you expect but you get it more beautifully or more comfortably than you expect.

[From the floor]

An easy question, but probably a very difficult answer. I just wondered how you get to your price point when someone comes along and you've got your blank sheet of paper. And you say well OK it's a million dollars a metre, but I mean how do you actually charge, as a designer, your own price out?

Terry

Well, who's going to answer that?

Andrew

By experience. There's no point in losing money. You have to make—none of you guys out there want us to lose our jobs. We have to be able to afford to have the best people in our teams, to service our clients to the quality that they expect and none of that is cheap.

Dickie

Just picking up one of Andrew's points—experience, it's quite interesting. We did a very unscientific sort of test the other day in the office where we right clicked on the email folder for a couple of different projects, similar sizes, 40 metres projects, one being done in let's just say Northern Europe and the other being done in Southern Europe, and the Southern European job had 4 times the amount of email traffic and attachments and every other thing that goes with it but the price and fee was the same for the two projects. The Southern European one also took a year longer than it should have done. So that point that Andrew makes about experience, knowing who you're working with, you need a sort of matrix really to put in the different variables.

Terry

And obviously where it's being built has got a huge configuration, as Dickie was saying. I mean for me to build a boat in de Vries shipyard which is 10 minutes from Amsterdam Airport is a lot more cost effective than it is to build one in Viareggio, from a management point of view. And with all due respect to Italian shipyards, the Dutch are a lot more reliable and trustworthy so the project management is—

Dickie

But the pasta's not so good!

Terry

The food is definitely not so good. I wouldn't argue about that.

Martin

You can afford to fly your chef with you!

Andrew

We get different lunches when we go and work at the shipyards. The Dutch is always white bread and cheese sandwiches and a glass of milk, sometimes it's sour milk. And eels as well. Sour milk and cheese sandwich. But you get pasta and you get Barolo and you get cheeses in Italy. But you get hassle! The two come hand in hand. You get love and passion in Italy.

[From the floor]

Given that a boat is a little bit like an aircraft where weight is obviously a very important factor and also given the fact that you're designing some wonderful huge dining tables that must be extremely weighty, how do you approach the overall weight for all the interior furniture and fittings, because that presumably must be very crucial otherwise you're overweight?

Dickie

I might pick that one up only because having done Predator last year, which was a 72 metre high speed motoryacht delivered by de Vries in Holland they had exactly what you're saying, a very lightweight interior to make sure that she met her contract speed and the yard didn't go bust. So there was a bit of inherent design of having to design a style of interior with detailing that would lend itself to the method of construction, which was foam board, balsa cores, honeycomb structures, and at the same time designing a visual language that didn't make it look like a half kilo caravan door—you had to give things a sense of massiveness and solidity while still respecting lightweight construction. But then beyond that, like you say, the various bits of furniture we supplied—with our suppliers we had to give them a specification to try and meet in terms of it being lightweight—it was still too heavy for de Vries who were very cross with us. They literally sort of have a giant set of scales by the side of the boat with a tough Dutch guy with a clipboard who just doesn't let, who's weighing everything that's going on and off the boat, so every little bit counted. And when we delivered a dining table which was heavier than they would have liked, they were cross about it. We're only talking kilos, but that's how it's done for projects when weight is such an issue.

[From the floor]

But are you not working out each individual piece that you're producing, before you actually put the whole thing together? Are you saying that we need, say, 14 dining chairs and they're going to have to weigh this much, the table is going to weigh that

much, the bed is going to weigh—etc. Are you not approaching it from that point of view? Or is that too complicated?

Dickie

From the point of view of the percentages of the loose items that go on board, the dining chairs are almost un-measurable. So something like that doesn't really have any effect. The overall construction of the vessel is what's important, all your walls, floors, ceilings, marble finishes are obviously 3 millimetres on honeycomb board or aluminium. That's where the nitty gritty is. And of course that's where the responsibility of the shipyard lies, because if they've agreed to produce a boat that does 45 knots and their boat doesn't do 45 knots, there's a cost penalty for them. So obviously you pay some attention to what you're putting on board, in a loose furniture manner. But I would say—

Andrew

I mean all of us again—we get an owner's supply weight-list for the projects and for the yachts, and on a boat we just delivered last year at DML there was an owner's supply weight-list, but I cannot ask the Prince how many pairs of shoes he's going to bring on board. I can't ask his wife how many she's going to bring on board. She probably brought 450 pairs on board in Louis Vuitton cases. I mean the stuff that comes on board at the end—but it's still an owner's supply item, so as far as the yard is concerned they weigh everything going on board but the volume of things that can come on board that you have no control over at the end of the day—as Terry said, the dining chairs are relatively insignificant, on a typical displacement cruising yacht. For a lightweight racing sailing yacht or sailing yacht that the client wants to go fast, or a plane—we were talking about costs earlier but the plane interiors, and a yacht interior, are very different as well. The cost to do a plane interior, which still has to be as comfortable as the owner's yacht or the owner's home, and we're all working on private planes for the clients, is enormous. But you can't really make a lighter plate to eat your dinner off. But we had one client who, when I said what's the key thing in the plane, he said I want a big dining table. So I said how big is the dining table? He said well I want 36 people to sit at the dining table. And I thought God, I've got the china to put on board. How much china have we got to store? And how many glasses have we got to store on board? Not the value of the order, but I've got to store that much china, that many glasses, that many knives and forks. And on a plane you've got to store every single item independently so they don't touch another section.

Martin

Did you have plastic trays?

Andrew

They're all in shagreen covered felt, you know, something or other.

[From the floor]

This follows on quite well from what Andrew was just saying, actually. Because we've talked a lot about the aesthetics and the design and peoples' taste, but what about the practicality for the people who're actually going to be providing the service for the owners? Do you speak a lot to crew? Or do you have Ex-crew who work with you? How do you know exactly how they want the yacht to work for them?

Martin

Just so that you know, Esther is the editor of the Crew Report.

Andrew

I'll just quickly jump in. I actually worked as a yacht skipper before I started designing at Jon's office. But it was a 52 foot sailboat so when I was asked to do a cockpit table and have one made, I had the brilliant idea of doing it out of solid teak and when it was in English harbour I couldn't get it up the companion way and put it into place, it weighed so much. But yes, you talk to crew. You listen.

Dickie

And that's fundamentally operationally and ergonomically but as important if not more, day to day, the cleaning—we've had a few kicks in the shins from stewardesses and crew members with a particularly lavish use of nickel inlay strips or something—it's a pain in the neck for maintenance and cleaning, or can be. So we try and take it on board as much as possible.

Martin

Do you get someone to teach the crew how to maintain it though, to your level? Because obviously you hear lots of stories about crew cleaning things that destroy the finish?

Dickie

We'll supply a manual, which gives details of how things should be cared for and a stains test.

Andrew

We need it from the suppliers—I mean the supplier has to tell us how to clean their product. Because you can't blame the crew or blame us for over-cleaning a product or cleaning it with the wrong liquids or whatever, and then tell us afterwards oh well you shouldn't be doing it with a blah blah blah. You should be cleaning it with such and such—when the gold plate has just been worn off and someone has spent a lot of money having it gold plated—or sand blasted—I do the gold plate I think. I think I'm the gold plate boy!

Terry

Well we actually have had the unfortunate experience of stewardesses that try to clean the marks off the antique mirror and indeed there was a manual which told you how to clean the mirror but of course there's no guarantee that the stewardess can read the language that's in the manual, so—a lot of it is commonsense. From the point of looking after a boat, most stewardesses are pretty intelligent. From a point of view of designing something that's practical, there is for ever feedback from every boat that you do. We've just finished a 60 metre boat and I was amazed to find the garbage that was in the pantry which wasn't garbage but it was all the stewardess' paperwork because she looks after the well-being of 18 crew. So she's got all their passports, their documents, their medical certificates, their paperwork for when

they're going on vacation, who she's going to get to replace them. She's got piles of books about recipes that she's going to give to the chef—and I was immediately made aware—the chief stewardess definitely needs a bit more space for dealing with things like that. So there's always a learning curve, even if you've been doing something for 35 years.

Martin

Yes, a question at the back please?

[From the floor]

How long do they keep the boats, and do they often sort of redecorate them as well?

Martin

This is the life cycle.

Andrew

We had a client who hasn't sold his boat, the one I mentioned at the beginning, the 140 foot sailboat. He's still got it. 19 years. Some of our clients will get rid of them because they can't afford them any more, some of them because they're bored with them, and some—I think if we get the job right at the beginning, they're not going to redecorate themselves. But we do have redecorating projects. And I think in the future over the next 5 years the second-hand market is going to be phenomenally successful for all of us and redecoration of a good boat is going to be a bigger part of our business. I was actually asked to take one of Terry's boats, very early boats, Sea Jewel, a fantastic boat, lovely boat, a little bit dated now—

Terry

Thank you!!

Andrew

But an incredible layout. I mean 44 metres. Fantastic layout. It had so many cabins in it. But the client said it's a great price, great boat, great layout, but I don't want it to look like that. And that sort of quality boat—it's a Feadship—yes, it's worth probably doing it, doing a new boat inside. And then you go and put a price together for doing the whole rebuild of the interior. You don't have to take out the bathrooms, you're just taking out the wall cladding, you're not even probably changing the beds, just re-cladding.

Martin

I hope you're changing the beds.

Andrew

He didn't buy it. He was a property developer, he's gone bankrupt.

Terry

We've just done a refit on a boat that I designed in 1980 and has been in the same family ownership all that time, and she's just come in for—there are areas that don't need touching at all. But its family lifestyle has changed, there's not enough laundry facilities for the owner, they've got a nanny that needs her own cabin, the engineer was unhappy because he had to share a cabin with someone else. So there's those kind of modifications that happen but the redecoration is pretty much all in line with what was there in the first place. So that's one story. And how long does someone keep a boat of ours? It varies. From the financial point of view, other people sell because they move up, they've got a 45 metre, now they want to buy a 50 metre, and so forth. So things do happen on that basis. And then boats also get refitted out of someone's taste—a boat gets sold as a second-hand vehicle but it might only be a year old. But they might not like the colour of the wood, or they might not like some particular marble. So there's a refurbishment happens. But generally a boat doesn't get worn out. They're looked after.

Andrew

Most yachts are purchased by men, and decorated for their wives or their girlfriends to enjoy—

Martin

Or both?

Andrew

Or both. But the best thing is pillow talk and—do you like my boat darling? Yes I love your boat darling. I'd like another boat. Let's have a bigger boat. That sort of stuff is very important for all of us! But often you can have the other side of the spectrum, and the husband says I don't love you any more, and you're off, and I've got a girlfriend coming in. And half way through the build the girlfriend comes in and wants a completely different boat because it's got to be her taste throughout the interior and we'll have to redecorate the whole thing. But before the boat has been finished the girlfriend has gone and the man has married someone else and had a child, and all of a sudden you've got a nanny on board, you've got a changing bed on board, you've got a completely different decorative scheme. So in our contracts we have a one-design contract situation. One decoration package. If it's to be redecorated, we have to do it all over again and we have to be commissioned for it. Because I did go through one project where I had a sailboat where I had that all the way through. Before we delivered it he'd got divorced, got a girlfriend, got rid of the girlfriend and got a new wife and baby on board.

[From the floor]

I was just thinking about tableware and whether most of your clients ask for special designs and what sort of depth of plates and I mean how many? What sort of quantity?

Martin

Is that the business you're in?

[From the floor]

Yes.

Dickie

We've done special designs for ranges of cutlery and silverware and specially commissioned handles and it depends. It can certainly happen—and then you can also get clients who wish to do no more than just the logo of the boat on. Or even less, some who are anti-label, don't want the ship's logo on. So it's a complete spread. But the quantities of course can be a lot—people deciding they need a breakfast set and a casual dining set and a formal set, times 24 of each piece, the quantities become pretty significant.

Andrew

We had, as Dickie said, a client who said there's no way that I'm going to spend more than £120,000 on china for my wife. By the end of the project she'd spent £700,000 on china. And he was very happy.

Martin

What percent of your turnover is that?

Dickie, you're saying that a client is sometimes going more simple. Is that simplicity part of the taste of the interior, or is that just a budget choice at the last moment of the project?

Dickie

I'm not sure if it's budget driven like that. I mean it's quite rare that we get someone who wants customising to that kind of degree. I'm trying to think—in the office we haven't done custom cutlery for quite a few years. Andrew will remember some of the last times when we did special services, or something like that.

Andrew

Special knives and forks. It was wonderful. I mean I left Jon's office and was doing a sailboat down in New Zealand and I came up with the idea of well of course you have to have your own china service and knives and forks, and it has to be unique. Because I'd come out of the Bannenberg stable. So I designed a set of glassware with gold leaf laid under the flute of the glass and under the flute of the champagne glass before the shaft, the stock. I'd laid in a piece of gold leaf into it. And it oxidised in a certain way and it was fantastic, looked beautiful. It didn't last very long because it kept breaking. So I loved doing it, I enjoyed myself. But I'm not sure—you have to have things that will do their jobs. So there's so far you can risk, in doing custom.

Martin

Do they have to be designed to be used at sea? The glassware, for example?

Andrew

Yes. A low weighted centre of gravity. But a number of our clients now adore their wine so you probably spend more building the wine cellar that's on display and have Riedel glassware—I mean lovely glassware—they say they have to have Riedel, it's

the wine connoisseur's glass. It's the most boring looking glass you can buy, probably, but it is a beautiful glass to drink beautiful wine out of.

Terry

But it won't go in the dishwasher.

Andrew

No! Oh dishwashers. That's a big issue.

Martin

There's a question over there, please?

[From the floor]

This is more on the supply side of things. We obviously are all dealing in a very international industry but yet here we are in the heart of London with 3 very eminent British designers. Are there any disadvantages, or advantages, or working with a British supply base?

Terry

I don't think we're restricted to a British supply base. We actually purchase things from all over the world so we just use whoever is the best. So if you're the best, we'll use you, if you're British, if you're the best, we'll use you if you come from Bali. So we don't have an axe to grind. It's nice to be kind of pro-British, obviously, because we are British, so a lot of our furniture we make very locally in Fulham, a lot of the craftsmen we use are very local to the area. But if it's not the right thing for the specific purpose we're looking for, then it comes from another country.

Andrew

It's important to be able to inspect things that are being made, so I haven't built things in Bali, but—

Terry

You'd enjoy it.

Andrew

I know, I feel like going to Bali. But you've got to put against where you build it to the cost of supervising the manufacture of that custom item. Or the piece of furniture has to come to us to be inspected. So that has to be negotiated and discussed with the manufacturers whether the item literally is air freighted over for site inspection, rather than us going there. But we have to make sure that it's right. We're our clients' agents for everything. We're looking at the quality of everything that's being manufactured.

Martin

Any comment Dickie? Do you buy British?

Dickie

We do buy British but it's just like Terry says, really. You build up a network over the years of suppliers and craftsmen and artisans and you know they're not all in Britain. You just build a network of people you like and as long as they do a great job that's who we'll use.

Martin

Yes, thank you?

[From the floor]

I'm here for Gates Burwell who do furniture. And one of the questions that keeps coming up particularly round the RHS and Chelsea and everything else is with regard to the sustainability of items, wood, and also its manufacture. With your striving for doing something different every time, are you not forcing yourself down a very narrow alley of looking for things that perhaps aren't sustainable in terms of their goods and services, and is that important to you?

Dickie

It is important to me and in Martin's email to us I think he used exactly that word, sustainability. And thinking in its greener sense. I joked about walking here earlier, but more importantly the trouble is, in yacht design it would take about a second for any attempt to sort of preach environment to be demolished, because it doesn't ring true. But I think there are things that can and should be done—we try and encourage our clients to build to Lloyds EP notation where we can, which is an environmental set of guidelines that I think is a bit of a no-brainer, frankly. I think you've got to make an effort on anti-fouling paint and waste management and stuff like that. But that's something we do at construction level. From a supply level I'd personally have a big interest in sort of sourcing and trying to find out about the sustainability of items. I got an email a few months ago from one of the very best cabinet makers and they were explaining about a new hoard of Macassar ebony they'd found from their source in the jungle, literally in the jungle. And it was interesting but slightly unsettling at the same time, the message that it was giving. I would love to see things like someone coming up with alternative to teak decks, teak handrails and stuff instead of seeing whatever it is, 1,000 sq metres of teak everywhere. No-one has the balls really to be the first to break ranks and say I'm not going to do teak decks this time, I'm going to do something else. There are compounds and stuff. Yes, I think there's a lot that can be done but recognising the broader picture of someone having a yacht and everything that entails, it's hard to fly the green flag and sound convincing about it.

Terry

Unless it's got sails, a yacht isn't a particularly green vehicle in any case. And going back to what you were saying about the teak deck, you do wonder about the deforestation of the world and you say OK let's not use teak, let's use a synthetic. But what's the cost on the environment of using a synthetic, which is going to look awful in any case. So I think we are in an industry that's not particularly green from day one.

[From the floor]

But oak was and could be an alternative, but the difference is that actually it breathes and it moves and it therefore doesn't look perfect all the time. So from a designer point of view we're currently looking at the industry I think there is an educational aspect for designers to actually go out and talk about the natural movement and shape of different materials, which will take time, and perhaps it's not your mission. But there is a solution I think, as long as owners don't mind things looking as if they're cracked, which they're not, it's just wood, changing.

Andrew

That's a big question. Oh, how often have we all had clients who said *the colour of the corner of that cornice is not the same colour of the corner down this side here*—well sir, it's a natural material. *I don't like it. Stain it so it's all the same.* We all love natural stuff but—

Martin

Hullo Malcolm!

Malcolm

As the subject came up, and I don't want to get too political, but I think the superyacht industry should really look at the green side, because it's an industry which is looked at quite hard now due to world economic climate, this that and the other, I think a move to the green side of the industry is very important, because the last thing people want in the superyacht industry is to have a lobby against it, like the aircraft industry has a huge lobby against it because of the noise and the pollution. And I think the superyacht industry, although very small, has got to look at trying to give more comfort to the rest of the world. I mean everybody including myself has earned a very good living in the superyacht industry. There is an alternative to teak, I don't know—you may have been campaigned a few years ago by the Burma people—that was a political lobby not to use Burma teak. I was getting letters all the time. And I think teak is a beautiful material and there probably isn't an alternative to it in the marine trade, on the decks, but I think it should be used more carefully. And you see a lot of teak used outside the superyacht industry for very cheap and commercial furniture which is a waste of a very good material. And there is an alternative, this is an advert, there is an alternative to teak handrails and I've got it and I've got samples here, it's available, it's British made, and British built and it's available from Timeless Limited. Thank you very much. I'll pay you later.

Martin

The new QVC. Any other questions before I wrap up? Because I saw Helen just arriving in the office. We have one there, and then you're the last question because you've been so patient.

[From the floor]

Can I just ask you how much time you spend thinking about the lighting on any of the boats that you work on? What sort of light sources do you favour at the moment and how much as a percentage of the overall budget are you spending on lighting?

Andrew

Hello Lucy. Well I like to look in great detail at lighting, but partly it starts from not being able to see very well now when I'm reading at home so getting good lighting to be able to read makes a relaxing atmosphere. Lighting for aesthetics that doesn't work is a complete no no. It's a waste of time. Lighting has to do a job but it has to then be aesthetically attractive. Light objects that are purely aesthetic are another issue. They're sculptural objects. And they are trophy corner pieces in a design, I think. And again, we probably all of us use that sort of statement lighting. But at the end of the day lighting that does its job properly. I can't stand those lights—we went through a phase of, not to name them, but we went through a phase of putting light fittings on bedside tables or bedside bulkheads and the clients would say that light fitting was so hot, I can't move it, it burned my fingers when I touched it. Well, we chose it from a brochure. We chose it because we thought it did its job. But it was dangerous. It's too hot. We've done a boat with LED lighting. Fantastic, no heat at all. But it's such a cold light, it's so difficult to get the atmosphere with LED lighting.

Dickie

I mean I think it's improving a lot. There's still unfortunately a sort of box of default down-lighters in particular shipyards and if you're not smart and quick enough to intervene you'll find an old favourite slipped into the project with a whole galaxy of down-lighters. But fortunately I think that's becoming rarer now and the sophistication of layering it and low level lighting and things washing across the floor and picking up textures—it's a lot better. We'll do a lot of it in-house, sometimes we work with a lighting consultant to help bring some additional expertise into the team, because it makes or breaks, in certain atmospheres.

Terry

Certainly I think the lighting is critical and it's one of those things that I pay particular attention to because I always supervise my photography at the end of the day and you know then if you've done your job right or wrong, if when you go to take a photograph of the room you've got to go and add some spotlights in it so that you can see what's going on within that space. That's not to say you'd light it like you would if it was Tesco. But one obviously has to pay a great deal of attention to lighting, indoors and outdoors. I think we're all very versed in how you actually light the external part of the boat so that in the evening you've really got a nice ambience on deck and indeed that the boat looks handsome at anchor, so you've got underwater illumination, you might have illumination highlighting your mast structure and your funnel. It's a big area, lighting. But we do it all in-house and it's one of the things I enjoy.

Andrew

Just a small thing—one of the pictures that's coming up of one of our projects here is a 52 knot 115 foot powerboat. The client called it *Carcharias*, which is a baby great white shark, and he is a computer nut and a speed nut and a light nut. So he got incredibly involved in the lighting design to the point where we've got a logo of a shark on the transom and it's illuminated with colour changeable LED lighting and all the lighting is computer set so the client spent nearly 3 days in a 115 footer through the evenings setting the lighting himself. But the transom shark logo pulsates like the shark is breathing when it's sitting in the water. So when you look at it at anchor, the lights and the underwater lights are actually pulsating, it's wonderful, it's really really great. But you can spend a fortune just hanging around trying to sort that one out. And if it doesn't work, he's not happy.

Martin

OK, one final question. Because I've got someone twitching and looking at me, tapping watches.

[From the floor]

Without making this too much of a personal question, obviously finance is very important for all of us designers. And given that you're dealing with some very wealthy people and you're dealing in several millions, how do you structure your fees from these people? Because you're handing over at the end of the day a huge amount of your time and money in product, so is there a sort of guideline that you all follow or do you all do it on a different basis?

Martin

They all pay up front!

Dickie

Is that what you mean by the structure?

[From the floor]

Yes. Most of us are asking for large deposits and stage payments and payments on delivery etc. So how does it work for you in your industry?

Dickie

Well I won't claim to know these guys' contracts and things but I suspect it'll be a similar stage payment base thing, you know they typically are—certainly from an interior design involvement—our package of deliverable stuff, CAD drawing packages are done deck by deck and linked to milestones of the yacht construction programme. So more often than not our fees and the time at which we're paid is closely aligned to that. So for the sake of argument there might be twelve stage payments, something of that nature, over the course of the project. So it's split like that. With perhaps as big an initial payment as one might be able to get.

Andrew

I nearly went bankrupt at the beginning after the first two or three years of running our business and I sat down with my father who was a businessman and he said how are you charging? And I said well, I send them a bill when I've done the work. And he said oh, no, I think you should be sending them a bill before you start the work. And I went from a £40,000 or £50,000 overdraft to £20,000 in the bank, in about three months. And it saved me, literally we were just about to go bankrupt. But with our clients, a commitment fee is the first thing we do. After that we're always cash positive because of the commitment fee. Charging and buying furniture, we try to make sure we are funded by our clients or we will only purchase things from all of you here if we're funded by the client before we purchase it. We may not have all the financial strength to purchase it all, but we want to limit our risk for the unique and specialist items. But ultimately they have to be delivered on board, and they have to be perfect. And we have to accept responsibility. But it's cash flow. The same as you. We just have to keep cash flow. And often we're asked to re-draw something and you

say can I ask the client for more money for this? No you can't. You just sit down, you've got to be passionate. You've got to sit down and draw it again. And hopefully you've got enough funds in the bank to look after the clients and keep them all happy, and at the end of the day if they're happy they pay the bill.

Martin

Right. Thank you very much everyone for your patience, your attention, I hope it's been interesting and fun, insightful. Panel—you've been amazing, as usual. As a wrap up, I hope it's clarified some of the issues that the yacht market faces or where the market is going—at the back of the room the two beautiful cloakroom girls, the most beautiful cloakroom girls I've ever met in my life, they're normally old and wrinkly and white shirts and stuff. But these two girls are going to provide you with a bag of goodies from The Yacht Report Group. We only allocated 120 bags, so I apologise—we've had such an over-subscription. If you haven't got a bag, please leave a business card and we'll send you the goodies that are in there. In there is a copy of the magazine, a copy of a book called Ideas, which features all these guys and about another 20 other yacht designers, and again, thank you very much. I hope you enjoyed it.

Charlie

Well, I would just like to extend my thanks, and also on behalf of The Design Centre Chelsea Harbour, to extend our thanks, to our fabulous panel and to Martin Redmayne, so thank you.
