

MONACO MANAGEMENT MEETING
Monday 21st April 2008

THE WORLD OF RECRUITMENT: What needs to change and what are the primary problems the market faces today?

Charlie Birkett	YCO
Neil Douglas	Luxury Yacht Group
Stacy Geddis	Crew4Yachts
Laurence Reymann	YPI Crew

Chairmen— Martin Redmayne
Tork Buckley

Good morning everyone. How are we? Good. Welcome to Management Meeting. My name's Martin Redmayne, for those who don't know me. Editor in Chief of The Yacht Report. To my right is my personal assistant, who is the Editor of The Yacht Report, Tork Buckley. Tork and I operate on a double act sometimes, it seems to work quite well in our big conferences in Amsterdam. The Management Meetings are slightly different in the way that they are much more intimate, much more focussed, and obviously with a much smaller group of people, which means we can go down into more detail. The idea is that we can both drive the conversation, not just to talk about the problems which some conferences tend to do, but more to actually as an industry try to create some sort of outline for the future and solutions for the future. Because we often hear from yotcru.com or The Crew Report magazine several whinges or complaints from the readers in terms of crew issues, training and recruitment issues. And ultimately this is a chance for us, as a group of people—I know there are a few still to arrive—to sort of drill down and understand what those problems are and ultimately come up with ways in which we can improve the status quo of the marketplace.

My panel this morning—an esteemed panel of recruiting experts—aren't you? Charlie Birkett from YCO—I had the pleasure of being taken to the airport last Tuesday night and being shoehorned into his car. It was an interesting drive, thank you Charlie. Laurence from YPI Crew, Stacy Geddis, Crew4Yachts and Neil Douglas from Luxury Yacht Group. Thank you for coming from over the pond, you guys.

The first session obviously is to focus on the world of recruitment as a fairly obvious key scene setting session. The idea behind this is the small but perfectly formed group here is going to give their views on a few of the key issues raised on the power point slide there but the idea is to make sure that we discuss it as a group, not just listen to what the panel has to say. Let's make sure that you all participate. There's not a great big group to frighten you all of being participants. It's more to sort of let's say we know what the issues are, let's, as a group, focus down and understand what those problems are and make sure we propose the solution to the problems. That's really what the ultimate process is going to be. Can I make sure that everyone's got their telephones switched off? That's another sort of key rule to make sure we haven't got any interruptions. And make sure that you do participate. I know most of you in the room by sight, so I'll be able to make sure I interrogate you when necessary, and bring you into the conversation, so don't feel you can hide behind—or

sit at the back of the room and skulk behind your laptop, John Leonida. You are a marked man back there.

OK let's kick off. Because Charlie is looking so bright eyed and bushy tailed I'm going to ask him to start off. Do you know what you're going to say? I want you to give a bit of background about you, and your understanding of the world of recruitment. What needs to change, what are the problems the market faces today. That's the sort of key question. So I want you to share your views on the YCO world and where you think we're going.

Charlie Birkett

YCO

OK. Well I think—I joined the industry pretty young, I left school at 16 much to my parents' disgust after their spending thousands and thousands of pounds on my education and chose to go yachting and I think it's an important point that it wasn't until I about 23 or 24 that I actually managed to persuade my Mum and Dad to come and see me on a yacht. It was only then that they realised that I wasn't actually bumming around the South of France, I was actually working on board an entity and I had colleagues and it was all very professional. And since then I've enjoyed a fairly good career, I'd say, in large yachts, from Calixe to Tatoosh and then after Tatoosh I chose to come ashore and start YCO with two colleagues who are much older than me, I should say, and I guess since about early 2003 YCO has been based here in Monaco primarily as a management company and also venturing, after the first year of business, we started looking at brokerage and charter because obviously the clients we were managing yachts for wanted that and we followed it. And I guess as a management company one of the biggest problems we were facing was crew. And so in the early part of 2006 we started putting things in place to set up YCO Crew in Antibes. And I think along with all the other crew agencies in Antibes I think we're all busy enough with lots of enquiries—now obviously the hardest thing, and one of the reasons for today, is trying to find good crew to fill these enquiries and fill these slots on the yachts. And as the industry grows, with another 200 boats coming out this year or next year, of various sizes, I think it is a problem. I think we've all got different ways of looking at it—I think from our perspective we try to come into the crew recruitment with a slightly different angle, with bringing on a slightly more on-line based structure to try and scoop as much information from the crew candidates as we can prior to interviewing them, so we aren't wasting people's valuable time in the office obtaining all these certificates and everything else. We wanted to try and do that all on line and then once we had the information then we could go through the process of interviewing. I remember when I first joined yachting I never went through a crew agency but one of the most important things I see now is that we've got to meet the people. We can't just—they're not a number any more, we've got to try and put a personality to a yacht and from a crew recruitment perspective that's where we are with YCO I think. We very rarely put a crew member on board a yacht unless we've either met them firsthand, we've thoroughly checked their references, or if it's not possible to meet them we've had someone meet them in the location they're in. Whether it be Fort Lauderdale or West Coast States or whatever. I think everyone's got their own different business tactic, but the recruitment side of things definitely has to go more online—I think we should take advantage of the Internet for what it is, I don't think we should rely on it totally, but I think we should use it and all try and benefit from it. The one thing I was going to say—and this may start a bit of a discussion—is that the crew shortage problem now that we're facing is not just a case of trying to find new candidates to come and work on boats. An equal problem is captains and first mates that have come on quickly through the ranks now have their first command and they haven't had, or are not party to have, the sort of experience of running a team, leading a team. And we've had a case quite recently

where we placed a young deckhand, a person that we thought was very very capable, he's only 19, he's joined a boat and unfortunately because of the lack of leadership on board I think or the chemistry wasn't right, and it always starts at the top of course—he didn't have a great time and he left within two weeks. I think if we're going to encourage new people to come into yachting the main thing is we've got to focus not only on the new people and how to bring them through and train them and everything else, but we've got to have that leadership and I don't know how to do it, I don't know what the answer is, but the young captains and the young mates have to have some kind of control over the crew, and they have to encourage crew. And if you don't get encouraged—I wouldn't be sitting here today if I weren't encouraged when I was 18 or 19. And I think that's the most important thing from my point of view in today's problem.

Martin

Charlie, thank you. Laurence ?

Laurence Reymann YPI Crew

OK. I am Laurence, I am the Head of Crew, the manager of YPI Crew in Antibes. I started with YPI Crew 6 years ago. My background is very much recruitment—I have worked in the UK for financial and medical recruitment agencies. And for me, recruitment is definitely a profession, it is the profession I chose to do in my early 20s as I entered worklife. So I worked in the UK for about 8 years and I moved to the South of France in the late 90s. I realised that there was a need for a professional recruitment company within the yachting industry and so initially I started what I would now call a cottage industry, a small recruitment agency and subsequently I partnered up with my mother company, Yachting Partner International 6 years ago. I see the role of recruitment consultant very much that of a problem solver. There's a client who needs crew and there's a candidate who needs a job. And our function is to put these two together in as much respect as possible, because let's face it, looking for work is not a nice thing to do, whether you're a young person or a very established captain. It's never easy, it's never pleasurable. So the idea is that we solve this problem in the nicest way possible. I see that yes, there are some challenges within the industry, possibly lack of crew, lack of newcomers, but this is obviously topics that we are going to develop later on. I guess this is just a small introduction of who I am and how I see my role. Thank you.

Martin

Thank you. Neil?

Neil Douglas Luxury Yacht Group

Hi everybody. Neil Douglas, Luxury Yacht Group. Substitute for Rupert who sends his apologies. I started in the yachting industry in 2000, fairly unremarkable career, wound up being a captain by accident somewhat and I've been running the Antibes office for the last two years with my partner Dawn—we've been working together for 15 years and now we're running the office. I'm babbling, sorry.

So yes, having been in the yachting industry, for the time that I was there it put me in a good position to realise what was good and bad about crew agencies. Basically I've been doing it for two years, I'm enjoying it, we endeavour to listen to crew as they're coming through, find out what they want and place them on the right boats. I'm afraid I'm going to have to—

Martin

Stacy please. Rescue Neil ?

Stacy Geddis Crew4Yachts

Hi, my name is Stacy Geddis, and my husband and I started the company Crew4Crew, also known as Crew4Yachts.net and we are I would say an alternative to traditional crew agencies because we are completely web based. We do not do interviews and we do not try to "interview the crew to locate and place them on the prospective yacht". I came into the yachting industry as working in an office as assistant to the President of a yacht broker in Fort Lauderdale. That was in 2001. I came into it with a Masters in social work and counselling, having a background in working with people and facilitating their growth towards their desires. While I was working at the yacht brokerage I noticed that we probably had as many crew coming in looking for work as we did owners, where they were not using the agencies really to try and locate their positions. And then I met my husband who currently works for Paton Marine but has a history of working on yachts for 11 years as an engineer. We both saw the need for developing an alternative for locating work. Most of what I was exposed to was crew networking either at the local pub or calling friends, or calling captains to see who they knew that was available, in somewhat of an avoidance of wanting to go into the crew agencies because they weren't feeling that they were really getting anything out of it and were somewhat disappointed with how they were treated. So I left the yacht broker and we started Crew4Crew and Crew4Yachts in October 04. Basically my desire was to create a resource for crew to be able to have an exposure directly to available employers, where they could take responsibility for their profiles and for putting themselves at the forefront of potential jobs. And not relying on someone else to decide who was best for a position and who wasn't. I think for me coming in as an outsider and not working on boats I have somewhat of a less—I haven't had a negative experience working on yachts, or what it's like to go to a crew agency or actually working on a boat and that type of thing. But what I do have that I think is really important is an objective perspective of how much the yachting industry can bring to crew coming in and being able to come from basically any socio economic level, from anywhere in the world, and if they're intelligent and they have drive, they can travel the world, meet wonderful friends, and they can raise themselves to a different level economically that they would never have had the opportunity for. So for me I have a tremendous passion in trying to help people get into the yachting industry and help them find positions on yachts that they can stay in and that they are happy in. I have to say one of the most incredible dynamics is when you do meet that team of crew that work together and get along well and everything just seems to flow, which actually is a direct reflection back to the owner and any guests. So that's mine.

Martin

Stacy, thank you. We've had a little introduction—a very mixed bag of panellists, all have their different dimensions. The idea now is to make them relax and get some discussion going. We've got four key topics up there to direct some conversation. Tork is going to start off with a bit of a comment from various forum topics that keep popping up. Tork please?

Tork Buckley

Good morning everybody. I don't know if this is going to make you comfortable or not. We recently, The Crew Report that is, surveyed a whole bunch of crew agents and we asked them for tips and hints and important things to consider and do at an interview. I was absolutely astounded because I received an email from a friend, and he said "Have you actually published everything you've got"? So we had a look and we had indeed published everything we'd got. Without exception not one single crew agent recommended the discussion of terms, conditions, contracts, conditions of repatriation, what happens if you leave the job, what happens if you're sacked from the job and so on. Not one. I put the question why to another quite well known crew agency at another conference and since they're not here I won't actually name them, but they felt they should have done it but later in the same conference they turned to a conference full of captains and said well but of course you understand we're not really crew agents. We don't work for the crew, we work for you, the captain and by implication the employer. I'd be fascinated by your comments on both those.

Neil

I suppose seeing that I bailed on the introduction the onus is on me. You're referring in some way—I had a breeze through one of my Crew Reports yesterday, the ILO Seafarers' ?

Tork

No no. We polled a number of crew agents and asked them to give advice to crew on things to consider and on the interview process—what to do, what to ask, what to wear etc. But a notable omission was what I just mentioned, and since we on the Forum have a tremendous amount of complaints about lack of pay, dismissal, am I entitled to be repatriated, what should I do, etc, all those things—my question is, why did all those crew agents that we surveyed not consider it part of their duty to advise crew members going to an interview on that?

Neil

I suppose with all the disparate elements of various different boats and different management companies, owners, flag states and so on that it doesn't even enter into our minds to ask that question. We're more concerned and preoccupied with the personality of the people that we're looking for, and the requirements of the boat as in manning requirements, wages and so on. It's not a coincidence that it's not come into our thoughts, because it's not a question that's asked of us by crew and by owners and captains. So yes, I can understand exactly why that's the case. But there are too many variables, in my view in terms of the money that you're paid, different requirements of boats, itineraries and so forth that it's hard to nail down specific contracts. It's almost as if it's none of my business.

Tork

I mean I got a call from a friend who's a chief mate on a yacht and his chef was leaving. And he gave 4 weeks notice and he said well, is that right? And I said well look at your contract. What does your contract say, what does your letter of employment say? He said well the captain wants me to stay because the owner is coming—fair enough—but I've got another job to go to and I think 4 weeks is fair. Do you think it's fair? And I'm going—I don't know—what was the agreement you made? And I'm not talking about a crew agreement which is an official document, I'm talking about what agreement you have—what was the deal you made?

Laurence

I think that when we introduce crew to yachts we do this very much in a positive way thinking that we are introducing a crew to a good yacht with a good captain, whereby ideally the yacht has a good history of paying and providing contracts otherwise if you know there's going to be a problem we are not going to deal with this client. So our approach is first of all a positive approach; we are encouraging the candidates to interview well, to present well, for his goal should be to be offered a job and then hopefully of course the yacht has either a management agency who is providing contracts and the contracts these days are very much standard contracts so there really shouldn't really be too much for us to discuss at this stage. We must make them aware that yes, they do need a contract and that yes, these contracts are more or less standard.

Charlie

I think also that we all have to consider that these people are above 18 years old, so they are in fact adults, and if they—whilst I think it's good and it's important that we tell them all the terms and everything else, if they sit in front of a captain and they get employed it should be for them then to define with the captain what the terms are, what the notice period is, and everything else. Because after we've introduced them, then it's kind of our job done. We always follow up two weeks later or a month later with a phone call or an email of how are you getting on? How's everything going? But the guy is a grown adult, he's—

Tork

But shouldn't the role of crew placement generally be one of also nurturing the career of a crew member ? It's not just putting him in a job, is it?

Laurence

No of course not.

Tork

And nurturing that career is part of what—and as you were saying before, Charlie, when you're on a boat, the captain encourages you, helps you, tries to bring you into the—I mean shouldn't that also be part of the role of a crew placement agency, to nurture careers?

Charlie

Yes, I think—and I'm sure Laurence is the same, and the guys are the same, that we try very hard to give them as much information as possible. To be honest with you, it's quite hard to get the information from the captain—we need a stewardess, we need them to start on 1st May, this is the salary. That's sometimes all the information you get. Maybe you don't even get the salary. So I think yes, it's important but I think we've also gone down the route of trying to put information packs together, so new crew members that come through or crew members that have been in the industry for a limited time, maybe 2 or 3 seasons, they can look at an information pack and a sample contract and that kind of thing.

Tork

Well that's what I mean. That's exactly the sort of thing I'm talking about.

Charlie

But you've got to be careful when you're telling people terms of employment or something, because when they get to the boat it could be very different. If the boat is down the Seychelles and the captain changes—

Tork

I was thinking more of advising them that they should be asking the questions, not doing it for them, if you know what I mean. It's saying to them, when you go to the interview, make sure you ask about this, ask about that. Make sure you understand before you start the job. Because I believe that's protection for the master as well as the crew.

Laurence

But I certainly—one of the points I say to our candidates is not to ask this type of question straight away. This is very much something that we advise them to leave for the end of the conversation. They must establish first of all (a) do they want the job, are they suitable for the job, can they do the job? If all these answers are yes, then the discussion should move on to the next level, which is salary, terms, etc. But that is definitely something that I advise my candidates to leave to the end of a conversation interview negotiation.

Tork

Stacy you were going to say something?

Stacy

You know I think the responsibility of this whole issue really doesn't fall on one aspect of it, just the crew agency. I think it really falls on making all three entities more responsible. The crew member, the employer, and the agency. And I think one of the things that I've noticed is that the recruitment side I believe initially was created to help place individuals in traditional work situations, where you get up in the morning, you go to the office, you deal with your co-workers, but then you go home to your family. And as much as you hate the people that you work with during the daytime, you at least have that time off to get away from them at night and be with your family. And I think that there needs to be more of a development in acclimating it towards the crew industry where you're working with people, and you're living with people, and you're dealing with very high demand owners and guests and I think that for a crew coming in, or for individuals coming into the yachting industry it seems very glamorous but I don't think a lot of them really understand what the demands are, what the expectations are, and what it's going to be like, to get on a boat and actually have to live in a small quarter and work 12-17 hour days.

Martin

Stacy is that a generalisation across the board or is that just recent experiences you've had?

Stacy

No this is since I've gotten into the industry. I mean this was the whole reason I wanted to get into the industry because I think it's probably one of the most incredible careers you can have with the opportunities that it brings, but I just see so much pointing fingers—whether it's crew pointing fingers at crew agencies, or captains pointing fingers at crew agencies or crew agencies pointing fingers back at the captain or the crew. I think that to me, I'm online so I'm very different, but for the traditional agencies and the responsibilities it seems that they kind of need to be the liaison between the employer and the crew, where I think a lot of crew—they just want to get a job.

Tork

But I mean we raised the question, and perhaps ask it again. Who do you work for?

Stacy

Exactly. But I think that the crew see that the agencies do not work for them. That the agencies work for the employer. And that's what I'm saying.

Tork

I mean what's the panel's or the delegates' view? Who should the crew agent be working for? Let's forget the word agent, because agent implies they actually are working for them, but who should it be? I know what I think the answer is, but what do you think?

Neil

I'd say both. Simply because in many cases the person that's looking for the job will one day be looking to employ, so if you do right by them, good business practice means that further down the track they'll be—and I hate to use the word—but a customer, a client. And also back on the contracts and the terms issue—I never received a contract or a term when I was working on boats

Tork

Likewise

Neil

And there's a lot of good boats that don't offer them. So as far as our responsibility goes, with regard to putting that across to potential candidates, in some instances it's a moot point, because—

Tork

I think my point wasn't necessarily that you have to have a contract but you do have to know what your terms of employment are. That can be verbal—it's not very good if it's verbal—but it can be a simple letter of employment. You're hired to do this job, at this much money, if you leave you get this, or sacked you get this, etc, it's sorted. It doesn't have to be a big—sorry John yes—legal contract.

Martin

There are comments there in the front.

Thorsten Bruhn Wallem Services Ltd

I'm from the Wallem Group, we are ship managers, I actually have nothing to do with the yacht industry—I was just curious about the crewing situation in the yacht industry. I would like to understand the difference between a recruitment agent and a crew agency, because in our industry it is very clearly defined what the duties of a crewing agency are.

Tork

Which are?

Thorsten

They're providing contracts.

Martin

So the crew agent provides a contract?

Thorsten

Of the ship manager.

Charlie

I think in the commercial sector when I worked with this a few years ago the commercial sector says that a crew agent supplies crew, they contract crew, they pay crew, and they supply a crew to a yacht all paid and then they just charge a fee for that. Whereas a recruitment—I think we would all call ourselves recruitment agents. A crew agent—

Laurence

I call myself a recruitment consultant !!

Charlie

That's because you're special, Laurence !

Tork

Always a popular word, that one.

Laurence

Yes, very much. Our rule is very much to *present* suitable crew to a captain or an owner, crew that has been vetted, reference checked, certificate checked, that we've met, and that we've interviewed and feel is suitable for the position. And then leave the captain or owner to interview a few and make his own decision with our advice.

Thorsten

Do you think it's enough? I mean protection should work in both ways—the protection of the employee and the protection of course of the employer.

Stacy

I think crew would be more successfully placed if they had a better understanding of what the industry expectations were and what was appropriate for salary, as well as benefits, as well as how much notice you give. And I think it's also important to encourage crew to interview the vessel as much as they're being interviewed. Because no-one wants crew that jumps around. They want to find someone that's going to stay in the position for a fairly lengthy period of time. But if crew don't understand what their expectations are and they don't feel like they have a support with crew agency, to call them up and say hey, I'm going through this and I don't really know what to do, then I think that's where we find a lot of the failure.

[From the floor]

I have a question—of the people that you've placed, how long is the retention typically, is there a term to the contract, do you have an idea what I would call a stick ratio is, how long the person stays in the job?

Neil

We get a bit of a slanted view on that, because obviously someone that skips from job to job, we're going to see more of them. And the people that have stuck to the same thing—

[From the floor]

Oh that's worse.

Neil

Yes, precisely. I don't see somebody that's been on the same boat for 5 years so we have a slanted view. When I was in the industry, in fact having come from the industry, I felt that everybody I knew had been in the same job for 2, 3 or 4 years but coming into it now it's all of a sudden sped forward and I'm thinking crikey, no-one stays on the boat for any length of time here. We have to remember that it's because we're in the business of finding people jobs, so we're probably the wrong people to ask. Because I'd say under a year.

Charlie

If you're talking to a crewman though, if they're green or a chief engineer or a captain, like any other job you can't say to someone you've got to go into this job for any longer than 12 months. To get a minimum of 12 months from someone in any career I think you've done well—because people have ambitions and everything else. They want to climb up the ladder. But it's up to the boat—it goes back to the same thing—to try and nurture that career. If they want to keep that crew member for 24 months or 36 months it's up to the captain, first mate, chief engineer, whatever, and also the owner. If the owner is only using the boat for one week a year they can't expect to keep the same crew. So I think the responsibility switches.

Martin

Rod please ?

Rod Hatch Vectis Maritime

Charlie's early point about onboard training and bringing people on—giving people some kind of leadership incentive when they come on board—I think one of the things that maybe holds back some captains and perhaps engineers in their own department in the industry is the general insecurity. There's not much in the way of job protection, there's no retirement plans, that sort of thing. So that can make a captain insecure. If he trains his first officer too well his first officer could push him out of a job. The same with the chief and his second. I think if we can deal with the security issues a little, that would help. And also perhaps some management backup behind captains so that captains do feel that there is somebody looking out for them as well, because when I bring a deckhand on board I'm not looking to keep him as a deckhand for 2 years. I want to bring him up as fast as I can to a position where he may qualify as a bosun. I may not have room for him on my yacht as a bosun but I want the sort of talent that can be developed and I like to do the same—sometimes I can bring someone up to be second officer. I like to see the look on a bosun's face or the second officer's face the first time when I stand back, put the chief officer on the bridge rig who can drive the boat already and say chief, take this young man through the steps, he's going to bring the yacht off the dock today. And when you see the look on that chap's face it makes a lot of things worthwhile about this industry.

Tork

But don't you think that unfortunately that attitude that you have is increasingly rare in the industry? It's absolutely 100% the best way to do it, get new people, bring them on, allow them to share in the love of the craft that we're involved in. But I've been at a few meetings and I've heard some quite remarkable lack of enthusiasm on behalf of new and young masters to pass on their craft.

Rod

Well the reality of it is that you're constantly creating a vacuum and into that vacuum you actually suck other people. And that's one way that you go about feeding your own recruitment. Because people know that they can move through you. So other people want to join that flow.

Neil

It tends to find its own level as well, though Rod. As crew agents we get a lot of anecdotal comments from crew that have worked on specific boats with certain characters, yourself included, and it makes—you require certain things of the crew that you recruit and as a result we find crew that will step up from being a deckhand and might look to stick with the boat long term to make themselves a better candidate over a period of 4-5 years, so that when they do take mastery of their first vessel they've worked with a good bloodline, so good crew tend to find good boats. I don't know whether conversely that means that bad crew find bad boats. But that vacuum can and does seem to get filled.

Tork

Charlie, you commented earlier that you find it quite difficult to get hard data from the captains that want whatever. Why do you think that is?

Charlie

I think it's a little bit like the property market in the UK at the moment. The press that we're all putting out saying there's a massive crew shortage is in some way frightening captains because they're looking for so many crew—the enquiries that we're seeing now for the Summer, 2 or 3 boats coming in with 'we're looking for 3 deckhands, 2 stewardesses, this/that' –it's such a broad—they don't know what they're looking for necessarily. It's not like they're looking for one specific crew member with a specific skill, they're looking for stewardesses, deckhands, engineers.

Tork

So you're saying that because the supply/demand is so out of kilter that they're happy to take anything they can get?

Charlie

Maybe, but I think it's changed in that—when I started, my wife had trained as a masseuse and she wanted to go on board a boat as a masseuse. Nowadays I think if a captain rang a crew agent and said we're looking for a stewardess with 2 years experience with masseuse training with a first aid certificate, wow, it's quite a big thing to ask.

Laurence

And also it might be that when I was working in the UK with corporate companies there was always a human resource department who would produce fantastic and detailed job descriptions. But the yachting industry is not that, and maybe the human resource recruitment element is not part of the skills that maybe a captain has always developed. It's something that came with the job of being a captain but he hasn't received possibly any specific training in human resource.

Martin

So how sophisticated is the process?

Laurence

Well it depends. We have some clients who do give us some really detailed job descriptions, specific skills, duties, details of the yacht, the programme and everything. And that is of great help. And as Charlie said, we have some other clients who call up and say oh I need a stewardess. Now this is all very well if we have a long established relationship with the client, and that's sometimes is enough. We know the client well OK, yes, I know straight away what he wants. If it's a new client, to tell me he needs a stewardess, that is not enough.

Tork

We have up here managing the expectations of crew, but I mean if they don't give you enough data it seems to me that almost everybody is wasting quite a lot of time.

Laurence

So then it is our duty, our work, to then drag the information out, as much as possible from the captain—if possible go and visit him on the yacht, but it's not always

possible. And it's also sometimes not feasible. But it's really then up to the consultant to try and get as much information out of the captain. But it's not always a natural thing—

Martin

Should it be standard practice? Should there be a form or a basic process of doing this?

Charlie

We've got our own—we've developed probably a bit more online than maybe other crew agents, but we've got our own administrative part where we collect the information from the captain and we try and get as much information as possible, but I think that's what I mean. If you've got the captain looking for 3 stewardesses, it's very difficult to pin him down on exactly what he wants. Do you want trained stewardesses? Do you want stewardesses that have been in the industry for 2-4 years—and I think—

Martin

But how long does that take, Charlie, to give you that information? Not long, surely.

Charlie

Not long at all.

Tork

Maybe we're coming here to one of the key things of why there's high turnover and things go wrong. Because the employer or his agent, which the captain is, cannot explain what he wants and the crew member is fairly new—I mean it's the blind leading the blind here. It's not surprising that it doesn't work out sometimes, is it?

Stacy

I think sometimes it's the responsibility to pull that information out of the captain and find out exactly what they're needing, and have your own set guideline. The more you pull out, the better you're able to get a visual yourself of what the setting's going to be.

Tork

We got some anxious questioners, starting off with a legal eagle at the back.

Martin

Yes—John?

John Leonida Clyde & Co

Most of you who know me know I do a lot of yacht work, but I also do a lot of commercial shipping work. And with a foot in both camps, it's interesting to see the differences between the commercial shipping world and the yachting world. In the commercial shipping world when crew go on board they are working for a business

and all crew know that they're working for a commercial ship operator and it's organised professionally, there are human resource departments, and they are there as workers in a business sailing around the world. In the yacht world, it's still very much seen almost from an amateur hobbyist point of view to the extent that, notwithstanding that the yacht is a place of work, the way that it is run from an administrative point of view—and I've seen it time after time—more often than not it tends to be quite amateur. There are yachts that do operate professionally, as Laurence mentioned, but more often than not the captain is left to hire and fire the crew. We talk about standard contracts, for example. But I see a lot of those standard contracts and frankly they're arrant nonsense. There is a lot of misunderstanding, misrepresentation, a lot of the contracts are frankly illegal. But the yachting industry has to treat its crew with respect, the crew choose this industry as a profession and the way that you guys—

Martin

I'd like to challenge you there John. Do they treat it as a profession? Or do they come into it for a couple of years still?

John

There's some that come into it for a couple of years but crew that I've known for 10 years came in as deckhands and see it as something that will last for many years. And the more people treat it as a profession, the more professional it has to become at every single level.

Martin

Nicola, have you got the microphone?

Chloe Collet Peter Insull's Yacht Marketing

Just one thing that one must also remember, there's a very big difference on longevity whether one is talking about male candidates or female candidates. Because as a male candidate you can start off as a deckhand and you can see yourself up there being the captain, and having this as a continued career for 20 years or 25 years. I think when you're starting off as a stewardess at 22 or 23, we have chief stewardesses possibly on a larger yacht as a purser but I think your career is already a lot shortened, viewing how the yachting industry is today. Things are changing, we do have lots more women candidates on the exterior where their careers are a lot longer, but on the interior, it's very very limited. And it's also limited by quite a few discriminative practices where at a certain age one is too old to fulfil this duty, that has got nothing to do with skills or qualifications.

Tork

Jackie, would you like to comment on that since you're right next door?

Jacqueline Lyne Edmiston Yacht Management

Well I agree whole heartedly with Chloe and I think I've been saying it for years, that this industry has—you know, there's a certain amount of regulation on the deck and engineering side, and that's good, that the crew are much more professional. But the interior aspect has never really been addressed properly. I think the industry is in a certain amount of trouble now because you're losing key people with the skills, at just

the time that you really need to keep them there. And certainly all the interior crew that I've worked with over the years, they see a very definite cut off line at 36, 38 maybe. And unfortunately they have no transferable skills to take elsewhere, so you can't move from there into a hotel management course, perhaps you can start your own small business, perhaps you can do something shore based, but the actual skills that they've learned, over the time that they've spent in the industry are not transferable. And I think that's something as an industry we really need to address. Because you lose the people just when you need them.

Tork

But you're sort of the example that doesn't prove the rule, because you've actually gone from that to a shore based career.

Jacqueline

But I think I've probably been quite fortunate—I did do a spell of 8 years running my own business which was quite tough, and now I'm working for Edmiston, I'm heading up their management division. But I think I'm probably an exception in some cases that does prove the rule. I think for people who are based down here on the coast, there are limitations. It's not easy to get a good shore based job, it's not easy to get a good well paid shore based job. I think it's a very limiting industry in that respect. I think that's why you're losing people on the interior side, because they can't see any future progression. Where do you go from here?

Tork

But I also see, in terms of deck crew, quite a lot of them dead ending at a certain skill level because they can't progress any further. So I wonder how different it really is interior and exterior. Many are called but few are chosen.

Katrina Arens YCO

As another female, I also worked on boats for 6-7 years. But it comes to a point where you have to make a decision about what you're doing with your life. I think the big difference which no-one has said—there is a difference between male and female. Come the late 30s the last thing you want to be is on a boat, because you've made a decision then not to have a family—you can be a male and have a family, but you can't have a family being a female working on a boat. So that's one of the big decisions I made last year to step away from boats and get a shore based job.

Charlie

You have a family? You never told me !

Katrina

Soon Charlie!

Martin

There are rules about that, Charlie.

[From the floor]

There is a point I want to throw out to you. You're not only losing interior and exterior people, but you're also losing superyacht owners. I have two personal friends that have sold their yachts, their superyachts, because of crew problems. And that's part of the reality of the situation.

Martin

What were the problems specifically, do you know?

[From the floor]

Both of them dealt with some form of incense, on board ship, drugs, and also theft. So it's a series of those 3 things in different combinations in two different continents, with two different superyachts and basically after 2 or 3 crew cycles that they went through they basically decided I'm done with superyachts.

Neil

Do you think this is not the responsibility now of the management company?

[From the floor]

Well I think it's the responsibility of everyone. Of the owner, of you guys, and the crew members. And what I'm hearing, and I'm relatively new in the industry, is that somebody's got to put a bell on the cat's tail. I mean the bottom line is, if you guys keep going on like this, you're not going to have an industry. You're not going to have businesses of recruitment. Because to basically drive it into a train wreck is not where good owners want to go, and I think the bottom line is that's not where I think you guys want to be either. But somebody's got to take the responsibility of stepping up to the plate and get some contracts, get some legal things in the works, basically outline some specifications and make it work. The other thing that amazed me too was, I asked some crew agencies about how much fees they were charging. And sometimes I heard a one month deal, or 75% of one month—well I mean if it takes more money to do the job correctly I think really then you've got to do the job correctly. And doing the job half ass is not the solution in my mind. It's absolutely—you're driving—I've got to believe that owners will step up to the plate and pay the correct fees if the correct work is being done and the correct matchmaking is being made. If we all ran businesses—if you had a business that had a turnover of— every year you were turning over your staff 100%, I mean you wouldn't—(1) I wouldn't use that crew agency anymore and (2) I'd really seriously think about where we needed to go. I'm sorry to be so blunt.

Tork

Some of this is about managing expectations and I mean as Rod pointed out earlier, one of the great problems that is probably never going to go away in yachting is the difficulty of advancing your career without leaving your yacht. Now there are some possibilities where there are multi yacht fleets but they're very few and far between. There are some possibilities for management companies to create the possibility to move from one yacht to another within a managed fleet but it's still currently very very difficult to retain crew that are ambitious—and do you want to retain ones that aren't? So I think you have to accept a certain amount of turnover as part of it. You mentioned in terms of the illegal activities, for want of a better expression, yes sure. That's undesirable but I don't know how common that is overall, of the entire private yacht fleet.

[From the floor]

I think one gentleman spoke before, that sounded like a captain, had the correct attitude of an upward mobility and then basically—I think if you plan that way, and basically manage those expectations of the owner, the captain, the agency, the crew members, I mean to me it seems like the right way to go. And not to try and manage those expectations, I don't think you're doing yourself a service at all. I think you're doing yourself a disservice in not doing the data collection correctly, and then basically matching up those requirements correctly. It's almost like a paper shuffling exercise rather than really studying through, trying to make that match.

Tork

I agree.

Laurence

I think that all placements are always made in good faith to start off with. It's in nobody's interest to not do a job properly. So as far as the reference check, the certificates check, is concerned that is an exercise that we all employ ourselves in doing. We cannot forget, I think, that we are very much also dealing with the human factor, we are not introducing a piece of equipment on a yacht. We are presenting a human being who may or may not, but may change, may evolve in a bad way possibly. We cannot be held responsible for this, because again it's the human factor. We can do the best we can to hopefully prevent that, and do a good selection but at the end of the day sometimes—

Neil

And the demographics of the people that are coming into the industry are such that they're going to be sticking with it for a certain period of time and they might not be coming at it from a serious career minded career path—you know, in 20 years' time I'm going to be doing this, this and this. They may have just been travelling or they may come from a yachting background or from ski chalets at this time of year. And you can't expect them at this stage to guarantee that they're going to behave well throughout their career. It's very different—

[From the floor]

But I think it's matching expectations and trying to basically get a mutual match. And if you've got that mutual match—but I'm not hearing the panel say that they're really looking for and exactly trying to match up expectations versus outcomes. So that to me is I think a critical thing. So if it's a one year match that the person is looking for, then the owner and more importantly the crew should know.

Neil

As Laurence said, it's vital, and that's what our goal is—you know you've had a good day when you've put some—you've found a good match for boat and crew. And it warms your heart to hear that they're still there two years later having bettered themselves and learned a lot.

Martin

Jackie please?

Jacqueline

Can I just say something. I think that maybe there's a problem here, because I think the crew these days have unrealistic expectations about what's out there for them in terms of the higher end of the market, what they can expect to earn, and the terms and conditions—

Martin

Whose fault is that?

Jacqueline

Well I think it's the way the industry works. A lot of it is happening at the bar at the Blue Lady—you know you get girls who offer them a job and they come back the next day and they're starting off on £2½ thousand euros and then the next day—

Tork

But Jackie that can be corrected outside the bar by us. All of us.

Jacqueline

Certainly.

Charlie

Is there anybody from the PYA here?

Jacqueline

Anyway can I just finish. To say there are unrealistic expectations and also there aren't enough crew actually and so it's become a sort of sellers' market and that's certainly been evidenced in the engineering aspect. It's a sellers' market and they can demand the salaries they like and the working conditions they like because there aren't enough of them, and I think that has a very very detrimental effect on our industry because they're pushing the prices up and up and the salaries are going up and up and of course that impacts on owners, on management companies—and it's all very well saying matching the right person for the job, but if you don't have enough people—if you speak to any crew agent now—and all the ones I speak to, and I speak to lots, they don't have enough people and they said well we haven't got people to put forward for the jobs that are out there. And that's without all the new builds that are coming out.

Tork

Just to briefly play devil's advocate, I mean supply/demand inequality is why yachts are also selling in mid build for extensive profits, and it's just part of the capitalist system. But crew have as much right to play the supply/demand imbalance as everybody else.

Martin

Phil please.

[From the floor]

How can you expect to have people if you don't invest in training and career plans?

Phil Rose IYC -- representing PYA

I'd like to follow on from the gentleman in the audience down here and come back to the responsibility aspect of it. Because a very brief story—something that occurred last year and something that concerns me—as a yacht manager I spend tens of thousands of euros a year per vessel in security services and as far as I'm concerned, security and responsibility starts with crew agents. It's fine employing security services to keep an eye on the boat while it's travelling, but the biggest security risk we all face is actually the people we put on the boats in the first place. Something that occurred last year, on a very major boat, on this coast, using a very major recruitment agent, they supplied a member of senior crew who a couple of weeks later the captain was not happy with, who very quickly disappeared off claiming a back injury, who very quickly had a solicitor's letter threatening to sue the boat because the guy was disabled and to cut a very long story short it turned out the guy was a conman, all of his references were false, none of the references had been checked, and when this was pointed out to us at the PYA and we made a number of calls to most of the major crew agents the majority of them said to us they don't check references any more, they don't have the time.

Charlie

I'd go against that, totally, I think it's very unfair.

Phil

I'm not pointing fingers at anybody particularly, there are an awful lot of recruitment companies and I understand entirely that not everybody works to the same level. But unfortunately just because you're big and large and have been in the business for a long time doesn't actually necessarily mean you're doing the job the right way. The point I'm coming back to is, that was perhaps a one-off. But that guy slipped through. That guy could have been a terrorist. The implication actually frightens me—as a yacht manager, who relies heavily on recruitment agencies.

Tork

But therefore as a yacht manager, I mean if you're dealing with an ISM over 500 gross ton vessel, you can actually make the crew agent responsible within the ISM for doing their job. Do you do that, when you go to a crew agent for crew? Do you actually say that under ISM, you are required to verify XXXX ?

Phil

As a company now, we only use a very small number of crew recruitment agencies and we do have that agreement with them. Partly because of that incident, it made me realise things in the industry are perhaps not how I thought they were, and I know an awful lot of people, certainly within the PYA, suddenly realised that things were not quite as we thought they were. And I know there are very very good recruitment agencies out there who take their job very seriously and I'm not trying to point the finger. What frightened me is the number of comparatively large, well known,

companies that don't share that responsibility, don't share that feeling of responsibility.

Tork

Charlie, you were asking who was here from the PYA. Did you have something to —

Charlie

No no I was just interested. I think just following on from that—we've got to have a culture in the industry, it can't just be the responsibility of the crew agent, because anybody can fake a reference and with two or three phone calls to the right people you've got some different phone numbers—if you really wanted to, you could fake an employment history. But from a management company perspective, if you're placing crew on large yachts, you've also got the task of saying OK well we're going to control everybody that comes on board the boat. And it's only—you're talking \$220 or \$300 per person. A well spent \$300 if you find out the guy's a conman. Also a well spent \$300 if you find out he's a child molester or whatever. All these things. So I think OK, there's definitely got to be some responsibility put to the crew agent and that we take on. That's a given. But back to the management companies as well—I think if you're representing clients properly you're suggesting— and clients have their families on board, they're chartering their yacht to some pretty wealthy people, it's also their responsibility to make sure they've got a good crew on board.

Phil

Can I just add that the particular boat was not one that we managed and not a captain that works for us. In fact the boat I'm referring to isn't managed, the captain—going back to the comments we've had earlier where the crew recruitment companies all say we work for the owner or the captain—the captain had assumed that that was the case. The recruitment company works for him and therefore when a candidate is presented, in fact the references have been checked and the certificates have been checked. And in fact this particular guy—it only took 2 or 3 phone calls to realise that the entire history was fabricated. Nothing more than that.

Martin

Rod, please.

Rod

I concur with this point about the difficulty of weeding out people when they first come in through the crew agency. And like every other captain I struggle to find crew, because as Jackie said, there's this huge shortage out there, but I won't cast my net far and wide because I know that there are so many crew agencies out there that are only interested in getting a fee for sending me a set of arms and legs. And there are a few, the few that I deal with, who I can trust because I know they've done some background research, they know the type of candidate I'm looking for. It curtails my options to a degree, but I think it's something that's well worth doing because although I may wait longer, in the end I'm more likely to get the person I want. Now another thing that's come out of what Jackie said about the supply/demand situation pushing up salaries. I found that there's a compression going on, where you get these young stewardesses who won't get out of bed at the crew house for less than €3,000 a month and this is something that has been going on for a while now, to the

extent that one of my friends who's an independent crew placement agent says the lunatics are running the asylum. The entry level salaries are starting to squeeze up now against the salaries of highly trained engineers, particularly second engineers, who are hard to get hold of anyway. And I find that stewardesses salaries are coming up too close to what it's possible to pay chief stewardesses. I don't know how we can deal with that problem unless we get very proactive in going out to all the schools and colleges that exist in the UK and maybe doing it en masse through the industry with a combined operation with all the management companies and all the crew agents, all contributing to a central fund to keep a permanent roadshow travelling round the UK all the time, telling people about this industry and bringing in a new flood of candidates from people who don't even know that we exist.

Tork

But that should actually happen worldwide anyway—that's the only way you're going to change the supply and demand thing. We've talked about this at incessant meetings and we've never actually come up with a way to make it happen.

Martin

Well there are some things happening out there. I'm going to bring Terry in first then we can answer that question and maybe Sir Tim can have a few comments on that.

Terry Wilson Wilson Halligan, Large Yacht Recruitment

I think actually Charlie has stolen my thunder a little bit because I was going to answer the gentleman on the right, or try to, with the incident.

I've worked in HR for many years before I worked in recruitment and certainly I think that crew agents, HR departments, should check references. I think also that in our industry, the yacht industry, when a crew agent checks those references he expects and feels that the management company or the captain will also check those references, and we understand now today why this didn't happen on this particular incident. What I do believe is that the best run yachts in terms of getting the right candidate to the yacht are those where the crew agent works very very closely with the captain or the management company, whoever's putting the job to them, so that they both work together in checking references and looking at personality, and they talk about it.

Tork

I'm a little surprised as to why you would expect the captain to recheck the references that you've checked? Because it's a bit like hiring a mechanic to fix your car and then fixing it yourself.

Terry

No, I disagree, Tork. I think that when the crew agent checks those references, he phones individuals he may not know. That captain may be slightly less than truthful, shall we say, in terms of the information he gives to a crew agent and he's more likely to give that kind of information to another captain that might phone him, or that captain might have some synergies with him—he might have been parked alongside him or something similar, or he may know him—and it's very interesting to get two different sides of a story.

Charlie

It's a very good point. The onus is on us to check references of course for two reasons; firstly to show due diligence and process so that we make sure we can back the candidates we're putting forward for any given job. And from a business perspective sometimes when you check references you then get job orders flow from that as well, so it behoves us to do as much reference checking as we can. But the captain or management company—if I were captain on a large vessel I would want to recheck those references because you get—

Tork

There's already a difference there. You said the captain or management company and the actual time resources available to a management company are significantly different to those available to a captain, who may be in the middle of a busy schedule. That's why I would be hiring your talent because I'm too busy.

Charlie

But if we were all sat in an IT consultancy meeting in London and we were talking about recruitment, would you, if you ran a company and you were responsible for 100 people on your team of sales, IT, whatever you were doing, would you take someone from a recruitment consultancy and not check his reference?

Tork

Well it would depend on the resources that I had in-house and why I was actually—because most captains have a fairly wide database of crew and you can also just do it yourself and cut the recruitment agency out of it altogether. The reason for not doing that is because of your skills at choice and representation and checking. That's why you're worth your salt. That's what you do.

Charlie

That's why we get paid. But I think I agree a little with Terry. Because if you've got a captain who's running ten, twenty or thirty crew or whatever, there has to be some kind of—if I were recruiting someone from our company and I was using a recruitment specialist in Nice and they were supplying me a secretary, I wouldn't just go with the fact that they said this girl's really good and that's it. I would of course call up one of her references and ask what kind of person she is and everything else, because that's my duty as being a manager—

Tork

Sure, but presumably you have her shortlisted. You're not going to do that for every candidate that comes to you then.

Charlie

No, but before I recruited them I would do.

Tork

On that basis, yes. But if you have to go through 20—

Charlie

Of course. But I'm talking about the final stages.

Mark Geddis Crew4Crew

More often than not, from my experience on yachts, I was 11 years on yachts and I watched the hiring and firing—the final say came down to—if you're hiring an engineer it would be the chief engineer. I used to call round the references, if it were a stewardess, the chief stewardess would call round the references. The captain—if he was too busy, which more often he was, on smaller boats, he'd have his first mate call around. And on bigger boats they've got even more crew to do that. And that should be the final say.

Charlie

I'm not suggesting that a crew agent would flower up a reference check that they've done, far from it. And certainly not in a room full of professionals. But there's an inherent conflict of interest. We're looking to put somebody on the boat—if I were looking to hire someone I'd want to get it verbatim from somebody who'd worked with them before, rather than through another conduit, i.e. someone who's looking to charge you for their services. There should be some onus on me to double check that reference.

Mark

I think it's just my belief that the final say, there's only one person in charge of the vessel really. And it's the captain. That's what he signs for.

Charlie

I think our role—and you could talk about it for a long time—is to present good candidates that have been reference checked, that have the right qualifications and everything else. After that captains or managers are going to go through the list and say I like those two, and then from there on to finish off the whole path it's like you do in every other industry and yachting shouldn't be any different.

Martin

Charlie, how qualified are the captains to actually conduct an interview, and actually judge the candidate?

Charlie

Well that goes back to the point I made earlier on.

Martin

Because I know within 2 minutes of a conversation with anyone I'm recruiting whether they're going to work with it or not. And surely that should be the same process in some ways. You know—once you've got a recruitment company, which I use in London, have sent maybe 6 candidates, you'll see all 6 of them but you'll know

within 2 minutes of the first conversation whether they're right or not. But is that happening in yachting?

Charlie

You've had years of experience. And perhaps—

Martin

No I've not had years of experience.

Charlie

I'm not saying you're old !

Mark

This is a point that Charlie brought up earlier. Which is something that I believe, coming from 11 years in the Royal Navy then 11 years on yachts—that's missing in yachting—and that's man management and leadership training for crew. Which in the end, again, is training the captain to carry out interviews. All the way through.

Martin

I'm with you 100%. Tim, you have your sort of 5 minutes of fame now, because that answers all your propositions, doesn't it?

Tim McClement

Flagship Superyacht Academy

Yes, and it takes away what I'm going to say when I'm sitting on the stage. But I do believe that with the boats getting more sophisticated and bigger, and the crews being required to do more, and look after the sophisticated equipment on board, then you do need training. And it goes back to a number of points that have been made, particularly Charlie's right at the beginning. What training is given to the captains, the mates, the senior engineers, to enable them to manage their departments and the complexity of the boat. Whether it's just day to day running or emergencies. And one of the things that you can do is, you can't just say there is only one way of doing it. Here is a training course, if every captain does this training course run by every single training agency it works. It doesn't. It all depends on the individuals, not just the captain but the mate, the engineer, and everyone else, their qualifications, their characters and the boat they're in and the thing that Flagship does is we act as a catalyst to help that team come up with the best way to operate. And to do that, they need to know each other. And if they all get put together on a bigger boat, a new build, for the first time, and they're doing it in the last few months of the build, they haven't got the time to get off and get to know each other and sit down and work it. And that's something that the owners therefore need to do, to be part of that, saying I must give the captain and the crew time to train, so that they will give me the service safely and professionally that I want in my boat so I really enjoy it with my guests.

Martin

Agreed.

Terry

I'm really sorry about this Martin. What you've said really epitomises all that's wrong in terms of interviewing and selection of candidates. To say that you know who you're going to take within 2 minutes, I think is totally wrong. I agree with you that with your experience and you've got a very successful organisation under you, that you will know instinctively, you have a gut feeling about that individual. Many many times I've talked to people for 20 minutes to three quarters of an hour, and my own opinion has been changed by talking to them in depth and applying certain interview techniques that aren't rocket science, psychometric profiling, things like this, which we don't actually use but it's really a question of in-depth talking to people to try to understand them, put them at ease, and find out what their aspirations are.

Tork

Do we have a training provider in the house? Would one of them like to speak up as to whether you think if you created a course in how to interview, whether there would be any uptake on it?

Chloe

I'm not a training provider but just having seen what happens in a crew agency over the last ten years, you also have to take into consideration that a lot of your captains are all from very different cultural backgrounds. Even though everybody is speaking in English you have people who are very very different. Northern Europeans are very very different from Southern Europeans, and what they're going to expect in an interview is very different. You have some people who can do a very successful interview in 25 minutes or half an hour. Whereas other people will actually take three quarters to an hour with every single candidate. Which is why it's very difficult for us even sometimes as a crew agent when we're setting out interview timetables, we'll say well we'll give ½ hour for everybody. Sometimes it might take an hour with each candidate and other times it will take 15 or 20 minutes. And the length of time spent in the interview is not always "they've spent a lot of time so it's a successful interview". It doesn't always correspond. And on the question of references and qualification checks—also there's a cultural difference there. There are many nationalities who are used to just giving what they call a *certificat de travail* or a sort of work reference saying so and so was on board from this date until this date. And they are actually expecting people to phone them and get the extra information, because they won't write in a letter of reference other elements that might be necessary for a verbatim. So therefore in those quick cases it's very important to actually go back and check those references. And also you'll have some captains who will just be expecting that you verified that they were on board from that date until that date, and that's your job. But they need to go into the fact of the other questions that have got to do with letters of reference. But for training—I don't know if it should be part of captains' courses, or chief stewardesses' courses, or chief engineers' courses.

Tork

But I mean it's going to be something that people aren't going to want to incorporate into mandatory training but the trouble with non mandatory training is, with most training companies I've met, that they create the courses and there's no uptake at all.

John Ely

UKSA

Yes, we have a training company. I think Tork you're absolutely right. There's no doubt that there is a need for training, as Sir Tim was saying, there's a need for whole crew training and management training. But we come back to a case of the opportunity to train means time off the yachts, and quite widely the finance, the cost of the training. So I think there's—

Tork

We'll get to that later. I just wondered if you felt that there would actually be an uptake of an interview technique course? Because I mean you're right, it's lamentably lacking.

Charlie

Is it something—I'm sorry Laurence, you should go first—she's been dying to say something?

Laurence

I was thinking that maybe as an industry that there is a need for a workshop at that level and I believe that many captains would like to attend on this issue for sure. But there is no as such HR training and I think that, yes we should do that as an industry.

[From the floor]

One of the things that's often put together in industry that would be beneficial all round is very often they're tied together, interview techniques with personnel management. And I think one of the big problems we have today, when it comes to interview techniques, or personnel management, it's very easy to do if you know your own job. If you're confident in what you're doing, you've got lots of experience. One of the problems we're seeing across the entire industry is that when I came into this business I joined a crew that had been together for 7 years with a captain who'd been in the job for 25 years. Now if you find a crew that's been together for 7 months with a captain that's got 3 years in the business you're actually doing pretty well. And that lack of knowledge, lack of experience, and lack of confidence, is also reflected in the way that people recruit and their ability to recruit correctly. As you said a minute ago, you can make that decision quickly, because you know 100% your business. You know how it runs, how it operates, you've got lots of experience doing it.

Martin

You've also got the personalities involved. The team.

[From the floor]

Exactly. You know what they need. You know what you require from them. When you get an inexperienced captain interviewing inexperienced crew, to do a job that he's not too sure about because his last boat was a 40 metre and now he's running a 50 metre vessel—the concept changes.

Tork

Isn't that where Terry's specialist techniques come in, that actually help you if you're lacking the experience and confidence. At least they prop you up a little bit.

[From the floor]

The point I'm making is, we are driving ourselves into having to provide training because we now don't have the experience. Up until 10 or 15 years ago the experience was there, which tended to replace the training. We're now driving the need more and more to provide that training, not just in interview techniques but in basic management, in personnel management. How many captains today actually manage their crew? Most of the boats that I see now the crew manage the captain.

Charlie

I think it should be part of the class book. It should just be a given. Someone should make it a 5 day course—I know there's a lot you can't cover in 5 days, but there's a lot you can in basic man management, and I think before the guy gets the ticket to drive his 40 metre or 50 metre he should have done that course, and it should just be written in.

Martin

Yes, please?

[From the floor]

OK, this is a sample size of one. But I mean we've got a new build going on right now. The yacht's supposed to be done in December so we've basically hired 2 or 3 people to run a pre selection process for us, in other words we pulled in about 100 resumes for 4 positions, we then vetted those down to 18 resumes, with background checks, thorough background checks. And then we are bringing those 18 people to a one week pre selection process, where they go through an assessment relative to their skill sets, team management, working together as a team, so we can study the people together, we're using various different psychological profiles, we're observing that week assessment and then basically we will select 4 people out of that group and we run them through a 6 month training programme prior to the yacht hitting the water collectively together as a team.

Tork

Can I ask you broadly how much that's costing you?

[From the floor]

it's a lot.

Tork

That was pretty broad.

[From the floor]

But I mean it's easily in the neighbourhood of \$¼ million. But the bottom line is the horror stories that you hear about crew, the problems that you hear about teams working together, and basically competency levels—I mean we've got in there a security module, we've got safety module, we've got engineering training, we've got

obviously yachting skills and various different tickets that are going to be signed off on, and so we can watch this team work together as a team.

Tork

I'd be very interested in a year if you could come back to me candidly with how it worked out.

Martin

From the point of view of retention, as well, because it's obviously a key investment.

Tork

If it works, it's a very interesting model. If it doesn't, it was an expensive exercise.

[From the floor]

But you still end up with the crew. At least you've ended up with a crew that's starting with you, and basically a well trained crew, that you know is going to work together in a team cycle. Now again, we may lose those crews because they are going to be well trained, but it's part of writing contracts, writing the vacation policies, the benefits and putting them all together in a cohesive package that helps you with the retention also.

Tork

Yes, I was going to ask you if you had things in place, now that you've invested all this money, to get a return on your investment.

[From the floor]

Actually we're running it like a business, that's what you should be doing—apparently not everyone is doing that. So all this was based too on a set of defined core competencies. What are we looking for? We spend a lot of time up front trying to figure out what are we looking for in the individual, because we're not running our yacht for one month a year, this is going around the world, we're living on this yacht. So we want these people to stick with us.

Martin

Yes, thank you. Commercial.

Thorsten [From the floor]

Commercial, yes, exactly. It's very interesting to get this feedback. I mean, we don't have those problems, right, like interviewing. Because we have already set processes in place how to interview people; they do tests like—I mean it depends on the level where they are, if it's a deckhand, if it's a cadet, etc. This is set already, set in stone. The problem we have is, we have as well a shortage of crew. We can't, I have to refuse ships for management because I simply can't find the crew. And we need approximately 10 years to educate and train someone to get them on the bridge. And that's a lot more money. We run training centres in Mumbai, in the Philippines, etc. One training centre—just to establish that is \$1.5 to \$2 million

approximately. Plus then the daily running costs. I'm quite surprised to see here in this industry that you're doing nothing, I see. I mean no offence, it's just a fact from observing this feedback.

Tork

Yes. I mean one thing that's often bandied about in the world of superyachting is that we have this vast untapped resource in the commercial shipping world, but we don't, as you've just pointed out. And I think it's a serious wake up call, because—I mean it's a conversation perhaps for another day—as yachts do exceed the 300 gross ton barrier there is an issue here, because they can't use yacht trained crew, and commercial crew are just as rare as yacht crew are.

Thorsten

Exactly. That's another problem you will face if you don't have commercial people as well as out of the cruising industry how will you balance the imbalance in the yacht industry.

Tork

I mean you said ten years—so with somebody at school today you're trying to interest them in the industry, it's about 8—10 years before they're going to be available to us, which is why we go back to the travelling roadshow.

Thorsten

I mean our company has 10%, I think more than 10% trainees. We have 750 trainees on board ships and we're running at the moment 350 ships from tanker to car carriers, anything. And small passenger as well. And 750 is not enough.

Martin

Bruce ?

Bruce Powell Powell Yachting

Just to begin with, when I walked into this room this morning I said to myself hey, Who's the big guy with all the hair? Yes, I didn't recognise him yesterday either, actually. I'd like to look at a different angle, apart from the crew agencies, where I can't quantify it but a great number of crew are hired. And that's not through crew agencies, but it's through networking, knowing people, knowing previous crew, and the tried and true process of crew putting their resumes on the stern. One thing I've found over the years is that owners don't like paying for crew agencies. They look at that category on the financial statement and they say why aren't you doing it? Isn't that why I hire a yacht manager? Is to manage the crew and do it. So as a result I do it. And it's been quite successful. We need a first mate. So the captain says you know I worked with this kid a couple of years ago and he was really good. Can you find him? So we find him. Or another crew, a stewardess might say oh, I worked with a girl who was really good, here's her phone number. It's all references and networking. And I'm afraid I haven't used a crew agency in two years. And that accounts for 41 crew. I just hired a young couple for one of my owner's day boat. Got them through a captain, through another captain, they said here's a young

couple who want to run a small boat together. Again, it's an area— maybe you can tell us what percentage that covers, or what percentage of crew do you put on, but—

Charlie

Well I think again it's the same with any industry, isn't it. It's good that you can find crew through other crew through other crew. Having the industry grow organically like that is a good thing. But from a crew agency perspective, or consultant, I think we would offer to say that our background checks are excellent, we've got a lot of experience in that kind of thing and using a crew agent may have its benefits against doing it yourself. But it's a personal preference.

Bruce

Even if I took someone through a crew agent I would still check the references right back to when they were a pup. There are just too many con artists—I've had one.

Charlie

What I'm saying is, if you couldn't find the candidate you were looking for, the couple to run the small boat, through your other captain friends or whatever else, then where to go next? Then the only natural place is a crew agency, and the crew agency will be able to offer, and I'm sure Laurence will say, we'd be able to say I've got a selection of couples that are suited to that boat. And that's where I think the crew agent is—

Bruce

Oh yes I would do that. But it's just that I haven't had the need to.

Stacy

That's exactly why we created our service, which is an online database, where we don't charge commission or a placement fee, it's just a flat membership fee, to access our database. So the managers and captains are doing the exact same thing that you're doing—where we're providing a web based resource, to be able to locate and hire the crew, and then they are checking the references and doing the interviews which they usually do anyway.

[From the floor]

And that certainly keeps the cost down. And I have to tell you the cost is getting out of control. A month's salary is just too much.

Charlie

Well, I've got mixed feelings on this. Coming from a business perspective I think it's not enough, but go to any other professional industry now whether it's IT or telephone sales or marketing or anything else— recruitment, if it's done correctly, and that's for us to do it correctly, people are paying 20, 30% of annual salaries. I'm not suggesting for one minute that that's where it should go (well, maybe), but I think managers, captains, we should all be aware that as the crew shortage becomes more, then the supply and demand issue is going to come into play and for us to do

our job it's going to make it a lot harder to find that couple for the little boat and if we do it then the amount of work that we put into doing it, we should be paid for it.

Laurence

What's in a fee is not just the placement of one single person. What's in a fee is also the years of networking that we're doing, the interviewing that we're doing over the years. It might be that just now I am placing someone that I initially interviewed 5 years ago. And over the 5 years I have kept in touch with the person, throughout his or her career, I have met that person on a regular basis, I have invested a lot of time in this person. But maybe it takes me 5 years to actually place them. But it's not infrequent that this happens. So a fee is not just, oh this is the right candidate for you. For any given job we might interview 10 people; out of these 10 people we check the references, we do all the background checks. We might only present 3. All of this takes a lot of time involved, and it's all this which is in the fees, all the time that we spent.

Charlie

And you must bear in mind that this is a marketplace with some degree of competition. With the amount of different crew agencies out there, that naturally keeps prices competitive. And just by the proliferation of the number of people you know that people are competing on price, or on fees.

Tork

I think Charlie was just saying that because there are so few crew he's actually increasing his fee to 20 or 30% of annual salary!

Charlie

I'm not saying that. I think we should be aware, was my point. It could go that way, and hopefully it doesn't; I'd like to think we can keep our fees down.

Stacy

But those agencies that you're talking about, where they're paying a lot more for placement, they don't have the turnover that the yachting industry does. I mean you pay those huge fees and then you lose your crew after—

Charlie

There has to be accountability. You can't expect a captain to pay €3,000 and then have the guy stay on board for 3 months and then leave. But on the flip side, you can also get the captains who will pay €3,000 and take advantage of the terms and conditions, employ the guy for the season, and within 89 days just before the three month trial is up he says OK I've had enough of this guy and move him on. And that makes our job very hard.

Tork

How do you deal with that? It's a very interesting point.

Charlie

I don't deal with them again. I think it's very difficult. We've had to adjust certain conditions for certain periods of the year. If a captain rings up in June and says I'm looking for a stewardess on a three month trial, and it's a small boat, you would have to ask is it a seasonal job. If it is then I think we should be compensated—maybe not 4 months' salary but—

[From the floor]

I don't think you can make a comparison to shore side businesses here because of the fees yacht crews are paid—an abnormal amount more than any shore side person you'll be hiring, so you can't really make a comparison there.

Charlie

I agree, and I think that's why the fees are structured as they are now. But as engineers start becoming more and more difficult to find I think their salaries are quite suited to other industries.

[From the floor]

Again, the engineers, their prices are being pushed up because of the money they're paying for training.

[From the floor]

Sorry, just touching on Charlie's comment about accountability there, and this gentleman who is obviously invested a lot of time and money in a project that is hopefully going to give him 4 good candidates for his project, I don't think crew agencies are investing that kind of money at the moment, or if it's necessary, but what is the recourse if, for example, you're paying \$¼ million for a company to do all this psychometric profiling and selection etc etc —is there a guarantee of some sort or is there a legal recourse for the success of the outcome?

[From the floor]

There is no recourse back to the individuals who are doing the training for us and basically the vetting process. But we're also part of the vetting process and are there during the pre selection, the selection phase and the training phase. So we take on some of that responsibility ourselves. What we are doing is writing into the contract of the individual that'll be negotiated at the end of the selection process that there's a certain term to the contract and we're setting the contracts up for multiple years and basically tiering them and staggering them so that if people do leave, it won't be all at once en masse. And there is a clause in there to provide and capture back so much of the training that they're getting over that 6 month period so that basically if they do leave earlier it's a certain percentage of the training. Does that answer your question?

Martin

Rod, thank you ?

Rod

Thank you. The point which I just wanted to make has just been answered anyway, about how you protect yourself against putting a lot of money into somebody's training who takes a deliberate advantage and doesn't give back something to the yacht in the first place. Another issue is the networking—I used to do a fair amount of recruitment networking through my own crew, but that is no longer a solution for the industry at the size it is now. And one example I had of this last year was that to find a second officer, even though I told all the crew agencies I work with, if you get me a second officer I'm going to train him to be a first officer. Within a very short period of him coming on board he's going to have his hands on the 61 metre yacht, he's going to learn to drive it physically. It took me 5 months to find a second officer and I was running short handed throughout that 5 months. Networking is not going to solve that for me. We need a far more comprehensive plan of recruitment for this industry now.

Laurence

I would like to come back to a point you made earlier on, Rod. On Friday I met someone that possibly quite a few of you know and certainly I think Sir Tim does—John O'Sullivan from the Superyacht Skills Foundation? Does anybody have any experience with him?

Charlie

The Superyacht Skills Foundation is a new company, a new body, in the UK.

Laurence

My experience with him is very recent because I've only just met him on Friday. But I thought that his ideas and schemes seemed very interesting. In terms of—I don't want to speak for him—and I don't want to inform on his idea, but basically his idea is to put a crew internship programme together to promote the industry to newcomers, to university graduates, and to also other workplaces and the Foundation would start with the UK and ideally then expand across other countries, with the aim of bringing new people and offering them training and an internship programme as such. It's actually a shame he's not here today.

Martin

John please ?

[From the floor]

We also have started what you might call an internship programme about 5 years ago, which is a three year sandwich course. And we've got currently 35 youngsters on programme, or have completed programme, which takes them—it's the deck side, not engineering at this stage—but it takes them from a zero level at entry at the age of 18 up to officer of the watch 3000. And it seems to be starting to produce some good results now. Obviously when you introduce something like that into the industry you have to get your captains and yachts on board to understand what the programme is, but we're now recruiting about 20 candidates a year on that, and that's one of the ways that we're trying to commit to the future of the right kind of candidate coming into the industry.

Charlie

I was going to make the point earlier on when I said about the PYA, but is it something that the PYA can do? I only know personally the UK, but when I was coming through the latter part of schooling—I didn't hang around for long—but you were told about Army training, and merchant shipping was presented to you, but if it's a serious enough industry and if it's going the way we want it to be, then it should be transmitted to schools and colleges as being an option for a career.

Tork

Charlie, it's something that we as PYA have looked at—the problem is that it's out of our human and financial resources. We think it's a great idea and if somebody's willing to help—we just don't have the—

[From the floor]

It's also about getting the volume as well. As an organisation we're working with schools as well, we're starting to work within the curriculum. But it's a real shame but generally speaking, maritime is off the agenda. I went to sea in '78 and there were 80 cadets at my college, and we all went and trained. It's just off the agenda now, they can't attract enough merchant cadets. I'm sure you'll support me on that. They can't attract enough merchant cadets to go to sea at all. And so we've got a bigger problem than just our sector of the industry.

Tork

In the past it's been discussed, to put together an educational foundation, funded by the industry—given the industry's in a pretty healthy financial state at the moment. But it's been bandied around and nobody's actually said no, but on the other hand—

Martin

This is essentially the Superyacht Skills Foundation, which is what John's doing. It's being backed by the top brokerage houses and a few other people, so it's a new thing. But Tim, what's the status of it?

Tim

Again, not wishing to speak for John, but the idea is hopefully the first course will run in June. In the first year they hope to get 100 candidates, having talked to captains in particular and the companies involved they want to aim for 35 every four months, because that's what the captains said would be a good way of putting them in, rather than 100 all at once. And the education for the individuals will be a three week course. The first course will be the STCW95 basic safety, the second course will be a sea sense course so that when they come on board, whether they're engineering, deck or interior, they all understand safety, how to look after themselves, how to do ropes, and be useful mariners. And the third week will be split—one week will be deck, looking at powerboat 2 and rating being part of a navigational watch, their interior will be a 5 day course which probably is three days silver service, one day valeting, one day food hygiene and the third one will be the AEC for the engineers. And the idea is that with that basis they will then go to their boats sponsored by the captains or the owners and they will do 6 months and be helped to produce whatever they want to do in the career path, so the idea is that they have a career in the industry and they continue forward.

Martin

Who controls the candidates?

Tim

They're starting off with an internet search and there'll be quite a lot of answers to be done on the internet, so one of the ways of reducing the numbers is that one of the tests will take 40 minutes to complete. And if someone can't be bothered to fill it in for 40 minutes then it's not the sort of person that they want. And they will finish up with a 1½ day interview over a Saturday and Sunday before John and Andrew Cole-Bulgin, who's a colleague, and I don't know who else, will actually make the selection.

Charlie

Will there be some kind of credit background check done for them as they come to the training course?

Tim

I don't know how he's doing it, but I know that John's talking to a number of organisations about how they do their checks on individuals, because from all the things that have just been said already so far, they don't want to have these individuals trained at huge expense and then find they're not the right people. So that's part of the process to get the right people on the course.

Martin

Is that enough to solve the problem?

Tim

Well it's a start. They looked at 100 for the first year as being a realistic number, when they did their business case.

Tork

What do they do after the 6 months internship?

Tim

Well they hope that the individuals will then decide on the career they want, if it is what they thought it was.

Tork

Because they're basically brought into the industry with some training and then—

Tim

Yes, they're nurtured by their captains and the management company possibly, and the owner. But it is with a view to going on more training—but again, the difficulty will be and it's been mentioned earlier today, you can't push them through too quickly

because they need experience as well, and it's getting that balance right. So they actually are good members of the community.

Martin

OK.

[From the floor]

It needs to be broadened as well, surely? I mean I don't know what the figure will be but I imagine a fifth of yacht crew are British, there are lots of Australians, South Africans, and other countries that need to be inducted in a similar fashion.

Tim

But as Laurence said, they're starting off in the UK because that's where they are. But it's not going to be within the UK, but you've got to start somewhere, as John said earlier. He's been running his programme for 5 years.

Tork

I think there's something happening in Australia as well. I vaguely heard of it.

Charlie

It can only help, can't it.

[From the floor]

Just one more thing. I was in South Shields last year for a 4 day course and I walked into the refectory there one lunchtime and I looked around and there were hundreds of young kids in there, all quite smart looking, they were all at that college to study, they were all doing different courses, and I thought I bet there's not one of them in this room that knows my industry even exists. So I spent the next couple of lunchtimes going round and talking to department heads and the careers people at that college. And none of them knew anything about this industry. So we've got to get a lot more proactive out there.

Tork

Absolutely.

Thorsten

It's quite interesting to hear that. Nobody knows the industry. We have the same problem like for instance Singapore being a major shipping hub—Singaporeans don't have any idea that they have a port. It's like I'm Scandinavian (even though German but Scandinavian)—it's in kid's books, where you have boats, fishing boats, etc and yachts—and we see that everywhere around. But it's quite an interesting point. My question actually was to the panel—we have a recruitment consultant, we have a crew agent (correct, Charlie—is that a crewing agent what you're doing?)

Charlie

No, I'd say recruitment agent I would say. We're not crewing agents in the commercial sense.

Thorsten

It's just for me to understand the difference.

Tork

They're all consultants really!

Charlie

I like the word consultant!

Thorsten

Consultants, OK. And we have an online platform which provides crew?

Stacy

We provide an online database of available yacht crew. So there's just a flat membership fee to access our database and then the employer locates and hires the crew directly.

Thorsten

OK. So what would be the contribution for this three different kinds of jobs for getting more trained crew in the sense of investing in training? I mean you can obviously not invest in training or anything like that, and you wouldn't do the effort because you wouldn't have a benefit from that. So what's the contribution to that? How would you deal with that problem?

Charlie

Well from a personal perspective I think YCO crew is part of YCO and YCO is a brokerage and charter company so I think we have the resources to invest in such things as the Superyacht Skills Foundation and things like that. But I think it goes on to a slightly different problem—I don't want to go too far away from your question, but we're focussing a lot on the same type of crew; and as for crew agents or recruitment consultants or whatever we are, we're focussing on the Australians, the English, the South Africans—I think as management companies, and there are a few of us here, we've also got to look a little bit wider and say why don't we go down to Singapore, why aren't we contacting agents in Mali, where there are very very well trained butlers and service staff. Now it's a two-pronged attack here. We can go and do that, and we will as recruitment consultants go and do that, but it's going to have to be received from the industry as well, and if the industry says no I'm only employing English or I'm only employing French or whatever, then we're not going to invest that time and money.

Thorsten

Well the conference is because you have a shortage, right. So if there's no crew, how do you want to sail your yachts? The conference is about shortage and better training of crews, right? So if we don't get crews from South Africa, England, or

Australia etc which is the normal crewing resource countries, I assume, how are you going to overcome it if you don't go in other countries like Asia, could be Philippines, could be Vietnam, could be India, China, or anything.

Tork

Charlie, with your YCO management hat on, are you able to encourage owners and captains to consider a broader cultural diversity within their crew?

Charlie

Yes, we do, and I'm sure the other managers are the same. We do—totally on big boats—I was fortunate enough to work with a bunch of guys that bought probably the first Nepalese crew to yachting on Tatoosh—and they were so successful. We had 8 guys on board, and we had 4 on the deck, and for big boats—and this maybe contributes to another different type of problem, for the big boats I think it's the only way to go. Because it's longevity that you have to consider and when you look at starting to put crews together for 50, 60 crew yachts, it's very difficult to find 50 or 60 Europeans that all get along.

Martin

And also there's a price issue there, is there?

Charlie

I think there has to be, because of just the demographics of where they're coming from, but I don't know whether that's the driving force. Because we're now—the guys that we placed on Tatoosh were relatively well paid at the time for their skills, and now they're on salaries that match other people in the industry.

Tork

Can I diverge just for a second on that. Because that obviously works. But where you have a different salary structure and benefits structure for different races that I would imagine would cause terrible problems.

Charlie

It depends though. Experience talks. If they come on as a green deckhand and they've never been on a boat before, I personally feel if you're going to pay someone out of college who's just come out, 19 or 20 years old, €2½ thousand a month, you're crazy.

Tork

But that's what I'm saying. It doesn't matter where you come from. It's to do with your skill level. But I mean there are yachts where the different races are paid different rates, but based on what their passport is, not on their skill. That cannot work.

Charlie

I can't comment on that.

[From the floor]

Can I just throw into that? We've got Philippino crew actually being paid more than we pay our European crew because the one thing you do get is loyalty and hard work.

Tork

And that's a quality or skill based decision you're making. So therefore if they're all sitting around the crew mess comparing salaries it's based on their skill and their usefulness to the vessel. Not, to be brutal, the colour of their skin.

[From the floor]

No. There is always an assumption that if they're Philipinos or Nepalese or whatever, Sri Lankans, they're going to be earning less money and I think certainly in the commercial world that has very much been the case for a lot of years. I think in the yachting industry what we do is not exceptional. There are an awful lot of Philipinos who work in this industry who have got 10, 15, 20 years of experience who bring loyalty, experience and hard work within their limited abilities, fair enough. But they bring a lot of skills, a lot of loyalty and a lot of them now are earning more than European crews.

Thorsten

Don't think that Asian crew is cheaper than European. I mean this you have to strike out of your mind. They are not. We don't make any difference of nationality or skin colour whatever. A Philippino captain gets the same salary as an Indian captain or a Ukrainian. It only is depending on what kind of ship he is sailing, a bulk carrier is obviously different than a VOCC or LPG or LNG. But the salaries, they are on a different level these days.

Martin

I'm talking about the market's perception, not necessarily my knowledge. I'm just suggesting that people would perceive—

Thorsten

No no I think that's something that you guys have to bring over as well to the owners, because he looks at the different skin, he's cheaper—he isn't.

Martin

John Leonida is here with a legal comment.

John

From a legal perspective you have to realise that notwithstanding that you may carry flags from all over the world, if the vessels are based within the European union the race and sexual discrimination laws that apply in those jurisdictions will apply to your crew. And if crew are being discriminated against on race, or on gender grounds, then those yachts will be in serious trouble. And it won't be long before, as yachts are being targeted for crew tax and social security, which probably we'll come on to later,

yachts will be targeted if they're treating their crew from a discriminatory point of view as well.

Charlie

Can I just say something on that? My experience working as a crew agent very often dealing with employers, is a shrug of the shoulders from a captain who may or may not be a racist or a sexist or whatever, and it's the owner who has requested that I have no black faces, no Philipinos, no this or that. So there's a buffer. And to say that yours is definitely the exception, rather than the rule, to have Philipinos rightly being paid on their skill level. You don't see that many black faces out there so it's definitely a real problem.

John

It's also illegal.

Charlie

Yes. But I've not heard of anybody being sued as a result of race discrimination on yachts. I might be wrong?

Tork

We actually had a very interesting post on the Forum where somebody complained that we were promoting— which we weren't, because the Forum is letters to the editor—somebody who was actually looking for crew and only wanted to hire New Zealanders or Kiwis.

Charlie

Was he crazy?

Tork

But the fact of the matter is that while that probably is illegal, to ask for that, on the other hand it's also pragmatic, because if that captain or owner is only going to hire New Zealanders or Kiwis, if you turn up for the interview you can put in your CV but you're not going to get the job. So everybody's time is wasted both by someone not being honest and saying everybody welcome, but actually practically at the selection procedure if you're not of the right nationality you're not going to get the job.

Charlie

It's an accepted part of the industry. I've had people phone me and say no Brits.

John

It only takes one individual to be supported by the appropriate non governmental body to sue for that to be visited upon a yacht in a very very unfortunate way. If it was in the UK there are bodies that would target an owner who's behaving in a racist way or in a sexist way and they would put every resource against that employer, and they will hammer them.

Tork

But John how do you prove that by not giving somebody a job at all that it was done on grounds of race?

John

There's case law that is legion on that. You only have to look at—they often test employers. They'll send people in, and watch how many black faces or Asian faces they employ or don't employ. It's been done for many years. When I first started working, Tork, as a lawyer, I was the darkest face that law firm had hired for 200 years.

Martin

That's your holiday programme, surely!

John

And if you're going to tell me that law firm was not racist, you'd be yanking my chain.

Martin

OK. Any other comments? I'm going to throw a comment in a minute which may upset the apple cart. Panel—one of the things I wanted to bring up was the subject of poaching. Because ultimately we hear a lot of comments—in fact it was brought up at Global Superyacht Forum by Mike Hitch of the Golden Fleet. The recruitment company can happily place a candidate on a yacht at the beginning of the season, then a month later poach him for another better paid job, and apparently this is quite common practice. Any comments?

Laurence

I would say one doesn't bite the hand that feeds us. Bottom line.

Martin

I'm not pointing fingers at anyone here on the panel. I'm saying it's a general —

Chloe

It's totally against our policy that we've been practising, that I think Peter has been practising for the last 25 years. It's totally unethical and it's not something that we do. However, because of the way that the system has actually developed with regard to computers and databases, sometimes when we do send out mass mailings we might actually have one of our candidates who is still on the yacht that we did place, and they might get back to us and tell us that they are now actually looking and we will always reply if we placed you on board, you have to have resigned, the captain or the manager or the owner must be aware that you have resigned before we can actually place you somewhere else. And that's something that Peter has done for the last 25 years. And we do inform our candidates. We have candidates that we have placed, especially in the last few years with the newer generation, who will reply to us and send us a message and say well I'm actually looking. We systematically reply and say you have to have resigned, someone who is in charge must be aware that you are wanting to leave the yacht before we will even ask for an updated CV. And I think

that that is the practice of most of the major crew agencies, whether it's in Europe or the United States. I can't speak for agencies who work out of bars or any other things, which is something that does exist and it's not to be detrimental to the kind of work that they do, but the agencies where you can phone somebody and you can speak to somebody, who can reply to a question—

Tork

Can I clarify something there though. OK, that's if you inadvertently contact them with a job. But if somebody's in the job, are you requiring them, if you place them in the job, that they quit before they start looking again?

Chloe

We are requiring of them that they tell the yacht that they are going to quit, that they're looking for a job elsewhere before we—

Tork

Because that very strongly disadvantages them in terms of looking.

Laurence

This is exactly what I said earlier on. I said we don't bite the hand that feeds us. The captain or the owner is our client. He's put his trust in us, in finding the right crew. If this crew member does not wish to stay, wishes to leave, it's only normal that he informs the captain. Yes, that to me is quite black and white.

Chloe

Part of our crew placement fees also include the fact that we guarantee our placements. And I don't think we can guarantee our placements or guarantee our candidates without guaranteeing that they will stay a certain time or otherwise be replaced.

Tork

So you are working for the captain, not the crew.

Chloe

I think we're working for both, all the time, and we're always in the middle.

Laurence

We are problem solvers.

Charlie

Can we go back a moment. I think we are, I'm sad to say I'm putting myself out on a limb here—we are working for the owner or the captain, because they're paying us. We've got responsibilities to the crew, which I like to think we all take very seriously. But at the end of the day, who pays the bill?

Tork

I'm not saying it's wrong, but I think there's a considerable misapprehension out there amongst crew that you are looking after them. Beyond the level of the responsibility you just mentioned, which I understand, I think perhaps the perceptions of the crew, the expectations which were up there before, I think they have a different view and they get disillusioned, so perhaps they need a reality check.

Laurence

But they know, because they approach us. If they do approach us, we tell them, so they know.

[From the floor]

I don't think it's reasonable to ask crew to tell their captain if they're unhappy. They have to be—I tell everybody I've ever met—look for a job while you've got one. You don't start looking when you don't.

Tork

Absolutely. I agree.

[From the floor]

That's plain stupidity. As long as you give your contractual notice you can start looking for a job while you're in work.

Chloe

But that's what I'm saying. They have to have made somebody aware that they are looking for a job.

Tork

But he's just saying they're not.

[From the floor]

If they're unhappy they should look for a job—I always told the crew agent or whoever—I can't start for four weeks, minimum.

Charlie

But there's a big difference between being poached, and being told quietly that—

Tork

We got off poaching, for some reason!

[From the floor]

Poaching of a crew that you've placed, or even somebody else has, if they're in work it's not up to us to start soliciting their —

[From the floor]

I agree with that totally but the comment was made that it's anybody wanting to leave a boat.

Martin

Yes, Jackie?

Jackie

Can I say something? I think we're talking about two different things, because there are certain crew agents out there in the industry as we all know, and I'm not going to mention any names, who regularly flood the industry with ideas of new positions that are available and the salaries that are being offered. And that tends to drive the same engineering thing with the supply and demand. You say oh there's a new job being offered on such and such, and it becomes a circular route, and you get off one boat and get on the next, a new position's being created where you were and that certainly can't be acting in either the captain's or the owner's interest, because it just keeps constantly pushing the salaries up.

Stacy

I was just going to say but isn't that where there's lacking some support where the crew agency could have acted as the liaison between the captain and the crew, helping them problem solve and how to stay on the boat? And I think that part of the problem is that crew don't feel like they have the support from agencies where they can contact them and say I'm having this problem, and I'd like to work it out but I don't quite know what to do. So I don't really know who they have to talk to about how to solve the problem. Things then stay in the position as opposed to moving on to something else.

Chloe

I'd like to invite you to come and spend a week with us in a crew agency! I think we are very regularly part of the people that will be contacted and say it's not working out and what can I do, how can I do it. And I think my neighbours will say the same. Within a week we have that every day, we're helping people.

Stacy

But I've also heard—this is just feedback that I've heard—as I said, I've not been in that position before but I've also heard that crew have been strongly discouraged from leaving their position and they will be labelled as hard to place if they don't stay, so that the crew agency don't lose their placement fee.

Charlie

There's two sides there, I think. There is some truth in the fact that if you've got a crew member it's your job to tell him that if he keeps changing jobs every 4 months it's going to get harder and harder to place him in the end.

Stacy

And that's what I'm wondering. Is there the service of problem solving and helping crew learn how to be part of a team and to give them that feedback? Especially if you're the one that placed them in that position?

[From the floor]

I'd just like to say that we go further than that, and I'm sure that our panel do also. Or many bona fide consultants or agencies. And that is to say that there are these days some fleets of yachts, we've had longstanding relationships with those and I would no sooner poach somebody that I'd already supplied to those yachts than I would to take a chief officer or second officer from a captain whom I've known for many many years who wasn't supplied by me. I think it's ethically incorrect to do that also.

Tork

That's fair enough from the point of view of poaching, but on the point of view which appears to be general, that the people here won't consider putting somebody forward for a job until they've quit the existing one, is that your approach as well?

[From the floor]

Yes, very much the same. And do we look after captains or do we look after crew? I think we represent crew as best we possibly can and give them good solid advice. There was some talk about how long people should stay on yachts, and our advice to people would be to stay as long as possible. So we're not in the business of trying to move people on from crew. I've also suggested to a certain management company perhaps to our disadvantage that since they have a fleet of yachts, they should write into their contract to their preferred suppliers that anybody that accepts that preferred supplier's status, should accept the fact that they can't take anybody from that fleet of yachts or that particular yacht if it were the case, whether they'd been supplied by that crew agent or otherwise. Now at a certain point it becomes difficult in business where you know a lot of people through networking and you deal quite extensively with a particular client and there are people on that yacht or yachts who are approaching you saying well you know, I wasn't supplied by you, I don't particularly know your agency, but here I am, I'm available. And the conundrum becomes when that person says to you, you know you're restricting my movement through your agency. Now it hasn't happened yet, because if you exert good ethical practices people understand that, by and large, both captains and crew.

Tork

Laurence, you came from a placement before yachting in a different industry, yes? In that industry did you tell people to quit their jobs before you'd look for another one for them?

Laurence

It was very much so from day one. It was drummed into me, you didn't do that.

Tork

So you would always tell—

Laurence

It's not a question of quitting, it's a question of discussing it with—

Tork

No no it is a question of quitting. We're talking about being told that you must leave your job—

Laurence

No, there's a difference between handing in your notice and discussing with your superior the point that you have come so far in your career on this specific yacht and that you would like to move up, onto another position, and to have an open position. It's a different thing to doing that, to handing in your notice.

Tork

But therefore there are two threads going on in this discussion. The one said that you have to hand in your notice.

Laurence

Or discuss with your superior.

Tork

No, it was hand in your notice. Am I right? You're saying discuss it?

Laurence

To place you, yes. But we could—

Chloe

That doesn't mean you can't discuss it and give your CV to other agencies but before our agency will replace you, or not replace you, but will be your agent once again, you do need to have said I am leaving and I will be leaving in a month's time. Or whatever.

Laurence

You need to have the blessing from someone above you who says yes, it's OK for you to start looking for work. Or accepts you handing in your notice.

[From the floor]

If you're doing a good job—

[From the floor]

All you'll be creating then is just restricting and putting confines on their number one commodity which is why we're all here.

Laurence

I think the captains appreciate the fact that we are also looking after their interests, in not behind their back stealing their crew or talking to their crew about other jobs.

[inaudible]

Laurence

But this is the way that I decided to run my business.

Katrina Arens YCO

But the big difference is, in normal industry you are backed by a set of rules and regulations. If you work on a boat as a crew member, we're talking about job security. You basically say you're leaving and you could get fired the next day.

Tork

Katrina, could you hold that for the next session please, I want to hear it then? Otherwise we'll have nothing left!

Katrina

But that's one of the things—job security. In a normal everyday job, if you hand in your notice you work out your period of notice. If you're on a boat and you decide you're not happy, you can get fired the next day.

Laurence

Not everybody has to deal with me as an agency or to register with us. This is the way we operate and those who don't agree don't have to register with us.

Charlie

It goes back to the thing I said right at the beginning of the whole meeting. If the crew member is doing a good job, people move on. After 6 months or 18 months they will want to further their career. Or they'll want to go up to the next position on board. Whatever. And if you can't do that, if you can't supply that, as long as they talk to the captain about it and say listen, this is what I want to do, and the captain is experienced enough to be able to deal with the situation, and not say right, you're off tomorrow—or OK that's it—

Tork

But it does happen, Charlie, quite a lot. It is—you're off tomorrow and I'm going to call my mates and say what a —— you are. And while that still happens there is to me a real problem with telling them to quit on the one hand and that existing within the industry on the other.

Rod

There is a flip side to this. That if you bring someone on board and you train him, and you bring him up, and you develop him as far as you can, I think there's a responsibility on you as a captain to once a person has gone as far as he can on your yacht, and he cannot proceed any further, for you to sit down with him and say

look I'm happy with you, you seem to be happy here, but it's time for you to leave home. And what I'm going to do is I'm going to call round the agencies that I know and I'm going to tell them I've got a good chap or a good stewardess for a second's position or a bosun's position, or whatever it is, the next step up the ladder—I've done this sometimes for first officers when I've been ready to get them made up to captain.

Tork

But in the nicest sense, you're old school. And I mean that as a sincere compliment.

Rod

But I think that's incumbent on us.

Tork

But I don't think it's common any more.

Martin

Frank please ?

Frank Stockwell

I agree with Tork. It is not common in the business. There is a lack of training at the top level of the industry. There's a lot of insecurity at the top level of the industry. And if a guy comes up and says I want to give you my notice, here's two weeks, here's a month, I'm going to go and find another job, and contacts Chloe and says I've given in my notice, he'll probably be in Chloe's office before she hangs up her phone. OK? He'll be off the boat. Providing the boat is in a condition or situation where the captain doesn't need that particular skill. He'll be off the boat in 15 minutes. The reason why captains do that is, if you have an outgoing crew member that is dissatisfied with the programme or maybe wants to move up to something else it can affect the rest of the crew. So the sooner you get rid of the bad apple, the rest of the crew will settle down. And it's pretty standard in the industry.

Tork

It's even not unintelligent, either.

Frank

No, it's not unintelligent. And the thing is if you're looking to move on, or are looking to find yourself a better position, or more money, or a new boat or whatever, it's in your own best interest to get out on the market there, start looking around, see what's available. And in this industry when you're travelling—I spent 6 months in Egypt last year. I couldn't have told you what colour the other boat was. All I saw was sand. So your only way to get onto another boat is to stick in the job, keep putting the money in the bank—and we all know how fast that money goes when you're not working—and get out there and start looking for another job. And to have someone come back and say did you turn in your notice? No, because I didn't want to be standing in the middle of the desert. I'm finding another job, then I'm going to tell this guy I'm leaving. And the conditions of another job is, I'm going to give notice before I

leave here. And I was offered other jobs at different times and lost those jobs because those captains did not want to wait for notice. Is that clear to you?

[From the floor]

Going on from there, from a crew point of view, when I've been to crew agents and said I'm looking for another job they say well what's your notice period and I say a month or 4 weeks or whatever—well actually we require people immediately. And you can phone them up every week or every day in the week and say have you got anything for me and because you're not available immediately you're not on that top list. So yes, in some respects you do have to quit to look for another job. Because people are not pushing you. The crew agents are not pushing you because you're not available immediately.

[inaudible]

[From the floor]

No, merchant marine. Would that be the same concept?

Laurence

All the agencies I've ever worked with were operating the same way, yes. If you place someone you wouldn't take that person away without the boss—

[From the floor]

But if you were working in IT recruitment or hotel business or something like that, and you wanted to headhunt somebody because they had a good reputation or something or even if somebody wanted to change their job?

Laurence

But if it's a third person, yes, but if it's someone we place, it's a different story. Is it someone that we placed, or someone we haven't placed. It depends.

Martin

But headhunting is a different thing altogether, surely? It's almost like poaching. But official.

Tork

But Laurence what you seem to be saying here is that actually you're using that to prevent yourselves from poaching, which is very laudable. So in other words you're only applying that to candidates you've placed.

Laurence

Yes, or clients with whom I have a special relationship. It depends. The bottom line is, who is my client. I have to recognise who is my client and I have to be fair to my client. And I'm not going to do anything that's detrimental to that relationship. Whilst at the same time balancing—it's a balancing act.

Martin

OK. Before we break—oh. Do we have one more over there? No?

The last sort of 7 minutes before we break for lunch let's do a little summary. Can the panel just give me in a nutshell what do you think needs to change? Just from your own perspective in recruitment. What are the fundamental things that need to change?

Tork

That's 1½ minutes each!

Charlie

I think we've got to start the culture on board, which we covered right at the beginning, where the captains, however young or inexperienced they are, at least understand the principles of leadership on board. And I think we've got to broaden our views a little bit to taking on different nationalities and that in itself will play a big part in solving our crew recruitment problem in the future. Crew agencies have got to be—I don't know if they have to be controlled, because I don't know who's going to control us—but I think we have to have certain guidelines or certain things that we all abide by.

Tork

How about something like a professional Association as you would have for other things?

Charlie

Yes, definitely, let's do it. I think you'll find that maybe some people will disagree but the big crew agencies are actually doing more than people would expect. That's my take on it—what do you think, Laurence?

Laurence

I think actually today has been very beneficial because I got to meet some of the other key players in this industry and it is true that sometimes one tends to work in one's agency, recruitment consultancy, and not really network too much with our competition. So I think that today could be the start of us working closer together, getting to know each other more, and maybe that could be the foundation of something a bit bigger. To come up with new ideas, new schemes, to support new schemes to bring people together.

Martin

Would you be willing to share your experiences and your systems with other recruitment companies, in terms of best practice?

Laurence

Yes, and I'm sure it's vice versa.

Neil

I'd echo that most whole heartedly. I think we should go through with that and do something—we were discussing it earlier, Laurence and I, maybe just sit down and have a bit of dinner once a month or every so often—because not talking, nothing is going to come of that—and sitting around, even if it's just to gossip about certain crew members—things come of that of course—and just to get ideas and find out new stuff coming through, that's very important. And the race issue—the sort of getting people of different coloured skins and races and religions and creeds is an important thing that we need to discuss further—and honesty. There seems to be, not with this panel, but we need to have a semblance of honesty and not think about the bottom line so much, do the right thing by crew, in that you're not trying to open their eyes to this wonderful sexy industry, it needs to be more professional. The lawyer chap that sat at the back there was saying that we need to act more professionally, and I think honesty comes into play there, honesty with the crew coming through and the people upon whose boats you're putting them. You need to give them a level of best practice, it just needs to continue in that fashion. That's my point.

Stacy

I agree with everything you've all said. I believe there does need to be more support for the crew and more education in what their expectations are and how they can make sure that they select the right job and not just the first job, so they are able to stay in the position for a long term basis. I think there needs to be more accountability on everyone's part, from the captains giving accurate and honest references and also being forthright in what they're looking for and what they need—I think it's quite hard for crew agents to read their minds and know exactly what they need on board. I think it's also important though for the crew agents as I said before to be there to maybe confront crew who aren't providing the job that they agreed to and also for the crew to be more responsible for themselves and learning what needs to be done and making sure they select the right job.

Tork

I think there was a final comment from Chloe ?

Chloe

I just wanted to say with regard to an organisation or getting a team together to discuss—this was actually done about 6 or 7 years ago with the PYA along with Adrian Fisher—unfortunately who has left us—and we actually produced a sheet that was called a crew orientation sheet—and we did meet several times and after that it actually—it was an initiative that then petered out. But it is something that, for example, the PYA have already coordinated and it did work quite well when we did it.

Tork

I think we're also talking though about a sort of professional association in the sense of setting standards and—

Chloe

And the other thing is within MYBA organisation, which a lot of our companies are already part of on an individual basis, there is some discussion of the crew agents also becoming part of MYBA but that's just the beginning of a discussion. I just thought I would let you know that that is an initiative that has been spoken about as well. We met about 4 or 5 times over a period of a year, and it was very beneficial. We did actually produce something that we sponsored—I still have a crew orientation sheet I can show you. It was right at the beginning when we thought that crew coming into the industry needed to have some minimum guidelines as to what was expected.

Martin

Is that available for general publication?

Chloe

I have a copy of it.

Tork

We still have some of them at PYA.

Martin

Can we get that on Yotcru.com and The Crew Report? Charlie, any final comment.

Charlie

I was going to say maybe we should start using the internet a little bit more, as agents. Maybe we could try—I don't know, I'm not very good with the forum thing yet. But —

Tork

To be honest Charlie I suspect that we could probably at least initially host a private forum which only you all had access to.

Charlie

It might be quite useful when we're all— where the guys in the offices could log on. Ask questions, bat ideas around, and check references—

Tork

That's what I mean. At least initially we could probably arrange some of that within our domain but unique to yourselves so we don't have access to it, you do.

Martin

Unless we want to.

Charlie

You'll always want to.

Martin

Big Brother. That's what they call me.

Neil

The danger with just doing it on the internet will be that it will just be a forum to kind of bitch and moan about certain aspects of it, whereas if you're sitting chatting and looking into each other's eyes we can come up with—

Tork

It's exactly the same thing!

Charlie

You can bitch and moan and see their expressions!

Martin

But in a way if this meeting here is a catalyst of something that can become a more regular meeting, and obviously I'm not saying this for any sort of benefit, this is not a money-making exercise, this is a meeting that we organised to benefit The Yacht Report, The Crew Report and our websites—I can assure you this is not a commercial venture, even though you pay to come here. We do it at cost pretty much. Ultimately it's to bring people together, to make sure these things are discussed and we have an outcome. (At some of the conferences we make money out of them!).

[From the floor]

I think the most useful thing that could come out of this is if we could get a professional standard that organisations can sign into. So that at a glance—

Martin

But who polices that?

[From the floor]

It doesn't necessarily need policing. It can be internally policed. If a company is found to be not complying with it, their name is removed from it. But at least it gives crew coming in and captains, and anybody else, a vision that that organisation is signed into that group of professional standards. It may be off the cuff but, at the end of the day, that's how a lot of quite big industries operate.

Tork

That's a very sound idea, I believe.

Martin

Allright. Let's break for lunch, come back here at 2.30 and hear what the crew have to say and see how they want to change things. Thank you very much
