

The interview



Theo Hooning

AS THE SUPERYACHT BUILDERS ASSOCIATION (SYBASS) CELEBRATES ITS FIFTH ANNIVERSARY, GENERAL SECRETARY, THEO HOONING, OUTLINES ITS ACHIEVEMENTS

MICHAEL HOWORTH REPORTS

I have no background in the building of superyachts," explains Theo Hooning — the general secretary of the Superyacht Builders Association (SYBAss) — as he sits behind his huge but immaculately tidy desk in a vast Delft office. "In fact," he continues, "that is my greatest strength."

Hooning is a striking vision. Heavily jowled and impeccably dressed, he is surrounded by glass cabinets displaying keepsakes from previous careers and silver trophies won while sailing his beloved sailing yacht *Orion*, an 8.5m (28ft) 1974 Albin Vega.

By this early point in our morning meeting he has already berated me for being "badly dressed and not wearing a tie". Now he lets out a undisguised tut as I dare to rest my notebook on the desk.

However, once the conversation starts to flow more freely, it quickly becomes apparent that Hooning isn't as intimidating as he first appears to be. If anything, he is just being very Dutch — brutally blunt, but with a wonderful dry wit that takes a little getting used to.

Before he allows the interview to begin in earnest, he eases the atmosphere in the room by making a point of describing, in great detail, where we will be having lunch — and what we will be eating.

"In fact," he recalls, continuing on the theme of good food, "SYBAss should have just been called SYBA, but sea bass is my favourite fish and I just could not miss the opportunity to employ such a good pun!"

It was Hooning's experience in association management — gained through 12 years working at RAI — that led to him being asked to set up SYBAss.

"I was at university with Henk de Vries and Hein Velema and we had remained very good friends," he explains. "Henk's family is synonymous with superyachts in Holland and working for him at the time as head of marketing at Feadship was Hein Velema (now CEO of Fraser Yachts). It was Hein's idea and fortunately Henk had all the contacts to make it happen."

Developing the model

"With my association management background I began to build the model for what would become the Superyacht Builders Association, and today it represents well over half of the world's production of superyachts over 40m (131ft). It needed someone like me to get it going. I was an outsider without any bias, which meant I could communicate with all of the players equally."

"Creating a worldwide association from scratch — and making it a success in just five years, to the point it has an identity of its own — has given me a lot of personal satisfaction."

"In my time with SYBAss, I have learned a lot about cultural differences and how to glue them together to overcome the entrepreneurial challenges our industry can throw up."

"And the biggest revelation has been how easy it is to lobby" 

CAREER DETAILS

- ▶ **Current role:** General secretary of SYBAss
- ▶ **Early experience:** Born in 1960, Theo Hooning studied business economics at university in Amsterdam and went on to lead a peripatetic life in the early stages of his career, working in an audio-visual store, establishing a sales organisation for oil additives in Indonesia and introducing a British oil additive onto the Dutch market in co-operation with Shell.

TO THE POINT

What have been your notable highs and lows with SYBAss?

"I am most proud of achieving our consultative status within the IMO — which is the very highest regulatory body — so that now, for the very first time, the superyacht industry has a voice. But I was most disappointed with the failure of our plans to instigate a client's representative course. Our timing was wrong and the potential supplier, Flagship UK, withdrew from the market."

Do organisations such as IMO, MCA, PYA and ICOMIA view SYBAss as a friend or a foe?

"I think they view us as friends. We would not be members of the IMO if they weren't interested in our views. The same is true of the MCA. The PYA and ICOMIA, meanwhile, see us more as colleagues."

What does it say about a yard if it is not a SYBAss member?

"SYBAss is not a stamp of approval. Members compete with each other for custom and as an organisation we must not interfere with that process. Builders who are not members benefit from our activity, and they do so for free. That isn't fair — but we cannot force them to be members. We are not actively seeking people to join, but we would welcome those who meet the criteria."

How does SYBAss interact with organisations like HISWA and Superyacht Australia?

"We keep national associations informed about what we're doing and we can help them tackle difficulties with any international issues. There can sometimes be an overlap between the interests of



associations but they mostly relate to export driven targets."

Is the superyacht industry in danger of over regulation?

"No. But it is in danger of being regulated by regulations which are designed for other industries — and we must fight against that encroachment."

How does SYBAss interact with the ISS?

"The ISS is a broad based organisation and we are, of course, members. It has to be said that the more diverse the group, the more difficult it is to have a central pathway.

We differ greatly to the ISS despite the fact that we are both international organisations. We are a trade association while the ISS looks after the needs of individual members who are professionals in their own right. We were founded by people who represent their company."

How can we attract new owners into an industry?

"The best advocates of the superyacht industry are the owners themselves, but you can't make a client talk about his private assets if he doesn't want to. For example, confidentiality agreements are probably very helpful for the individual, but they are a hindrance and block transparency — which I think is an essential attribute in this, or any business."

"It's incredible to think that in five years we've moved from being nothing, to being the leading industry voice at the highest regulatory levels"

for a product everyone can admire — it's much easier to do this with superyachts than trucks.

"Our association was started in 2007 and since then it has contributed greatly to the industry. It could have done much more if it had been formed 10 years earlier. We wouldn't, for instance, be facing the impending ILO legislation that's now haunting the industry.

"We chose Monaco as the seat of the association because the members wanted to have a place where all of the yards could feel at home. If we had based it in Holland it would have been thought of as only representing Dutch builders. And anyway, Holland has too many associations. They have one for everything. I'm astounded by how many associations one little country can have.

"We started with 19 members and now have 22. The notable exceptions are Palmer Johnson, CMN, Blohm & Voss, Haakvoort and Codecasa, but perhaps they may yet join when they realise the advantages of doing so. Moonen wanted to join but our strict criteria states you must have custom-built at least three

superyachts over 40m to qualify for membership.

"Since August 2008 the secretariat has been based in Delft in the Netherlands. That's because I maintain a well-equipped office here for supporting all of the association's activities. In Monaco we accepted the kind offer by Michael Kurtz of Pantaenius to use its offices as the official seat of the association."

Coordinating activities

Every year Hooning organises the SYBAss general assembly in Monaco's Hôtel Hermitage on the eve of the Monaco Yacht Show. It is a chance for the board to explain current policies and ask members for input.

"It's actually my job to take care of the coordination and execution of all activities. Members receive in-depth information on sensitive topics, such as VAT on superyachts in Europe, disclosure of broker's fees, and the impact of the UK Bribery Act. I also organise other meetings for members in places such as Miami, Dubai or Abu Dhabi, which are more informal and allow the board, members and the secretariat to share opinions.

"We set up a Coatings Working Group in 2010 to facilitate discussions between the members concerning coating topics — especially the quality and techniques of paint applicators and paint producers — and try to find ways to influence ISO activities. The idea is to discuss industry standards, such as an established and agreed upon inspection procedure to be used when examining paint systems on superyachts or a standard format for reporting the inspection data along with

consequent findings and conclusions."

Hooning sees the main purpose of SYBAss as being a body that is able to establish regulations which aren't adapted from commercial shipping, but developed specifically for the superyacht industry.

"And this has been a challenge," he says. "We have been confronted with many regulations that haven't taken superyachts into consideration.

"But in a very short period of time I have helped SYBAss become recognised as the leading representative of superyacht builders while creating and maintaining good relationships with the regulators.

"In November 2011, I went to the IMO Assembly in London, where they confirmed our consultative status as an NGO (non-governmental organisation) able to actively participate in the work of IMO. This is the final step in the process and means that the IMO recognises SYBAss as the representative body of the superyacht industry. It's incredible to think that in just five short years we have moved from being nothing, to being recognised as the only industry voice working effectively at the highest regulatory levels.

Maritime Labour Convention

The regulation that most concerns Hooning is the Maritime Labour Convention (MLC). Its main outstanding issue is floor area requirement, and the

Recycling of Ships was provided to SYBAss members last April. It contains a summary of the proposed regulation, the potential impact on superyacht builders, various possible scenarios and related strategies, and an example of how the car industry handles this issue. SYBAss has commissioned a Dutch knowledge centre for recycling called ARN Advisory to propose an implementation strategy for an inventory and registration system.

"Before SYBAss, the superyacht industry lacked accurate information on shipyards and their production. I introduced the Annual Statistics Report — a report so valuable in its content that only one copy per member is printed out and it is never distributed electronically. It provides an objective and accurate overview of production figures, and is probably worth the membership fee alone.

"With the dramatic downturn of the economy in 2008 we needed to know how the crisis was influencing the ultra-rich, and therefore SYBAss members' clients. I commissioned the Boston Consulting Group (BCG) asking them to provide members with an economic report, which explained trends in wealth around the world. They have produced an annual document ever since. The third SYBAss Annual Economic Report was handed out and presented by the BCG during the general assembly in September 2012. It provided valuable

Hooning has undertaken a number of initiatives to improve SYBAss exposure at shows



MCA is working on a provision for vessels in the 200gt-500gt bracket that are unable to meet Convention standards for double cabins.

"The proposals are based around a sliding scale for crew cabins (developed by SYBAss and others) which allow for amended operating restrictions, guaranteeing crew members with sub-standard cabins additional time in port to leave the boat for recreation, in addition to their statutory hours of rest and annual leave.

"We are active in several other working groups, with contributions from both the members and my secretariat. One of these is the IMO Convention for the Safe and Environmentally Sound Recycling of Ships, which is expected to enter into force as early as 2013. The Recycling Convention will also affect SYBAss members because of the obligation to hand over a complete inventory of hazardous materials (quantity and location onboard) upon delivery of a yacht.

"A report explaining the Hong Kong International Convention for Safe and Environmentally Sound

information on the status of the global economy, the development of UHNWIs and the penetration of superyacht ownership.

"For the second time BCG also gave a qualitative picture of the current situation in order intake, based on interviews with various premium superyacht suppliers and designers. Furthermore, BCG included an estimate of future demand by combining its historical data on the increase in the number of UHNWIs with BIM's data on yachts delivered over 40m.

Dealing with show organisers

"Another of SYBAss' main objectives is to improve communication between members and owners — including potential owners. To facilitate this, Hooning has undertaken a number of initiatives to improve the quality of its members' exposure at industry events. Central to this has been his success in clustering members' stands at leading international boat shows.

"Look what we did at the Monaco Yacht Show,"

Hooning points out. "Luc Pettavino (before he relinquished management of the show) was hugely influential in helping set up the superyacht builders cluster on the T-jetty.

"Nearly all of our members exhibited last year, and their proximity to each other provided owners and potential clients with a dedicated superyacht builders' area close to the yachts. Thanks to Pettavino's involvement, the position of yacht builders' stands within the show has been significantly improved. I am currently in close contact with the show organisers to further fine-tune the approach and to be prepared for any future developments.

"The same has happened at the Fort Lauderdale International Boat Show (FLIBS). For the last three years

"The new SYBAss Boulevard was the prime superyacht area of the show and received significant media coverage. This new setup was also ideal for the second edition of the preview night on the Wednesday evening, which was organised in cooperation with SeaKeepers and Yachts International. Throughout the show, guests were again welcomed at our welcome pavilion at the Hilton Fort Lauderdale Marina, and transported by dedicated water taxis.

Promoting the lifestyle

"In 2008 we had to tackle the problem of having two boat shows in the Middle East after Abu Dhabi announced its decision to organise a boat show two weeks before the Dubai show. Although efforts were made to support the Dubai show in 2008, it became clear that Abu Dhabi's special focus on superyachts was more preferable for our members in 2009. However the Abu Dhabi show turned out to be a complete failure from our point of view and it's unlikely we'd bother returning if it was ever held again.

"Nevertheless the organisers of the Dubai International Boat Show (DIBS) impressed me with their concept of the floating chalets for the SYBAss area last year. The layout was repeated and improved upon for the 20th anniversary of DIBS in 2012.

"Members have decided to use the Hainan Rendezvous to explore the Chinese market, preferring it to remain a luxury lifestyle show rather than being transformed into a boat show. I am in contact with the organisers to coordinate the presence of our members. This year will be a modest involvement, but my plans with the organisers to modify the layout for 2013 are more substantial.

"I think it is important to use events such as these to promote the superyacht lifestyle. Members approved a new project at the general assembly in Monaco last year, tasking me with expanding the pool of potential superyacht owners. A working group for this has now been formed to support the secretariat in initiating the project. A first brainstorming session has been held on how to target UHNWIs that are as yet unaware of what the superyacht lifestyle has to offer. I am looking into opportunities and possibilities to take the project further.

"I think SYBAss has had a very fine start. We have only had one disappointment, and that was the failure of our client representative master class idea. We had identified a shortfall in client representatives' knowledge with regards to the process of building a superyacht. Responding to this, a course was developed in cooperation with VT Flagship to raise the level of understanding among client representatives. This course was introduced in 2009, but bad timing and the fact that Flagship quit the superyacht business meant our idea was put on hold.

"One failure in five years? That's not really a bad record is it?" **SB**

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Working closely with show organisers has proven invaluable

I have — on members' behalf — organised a range of special services for VIP visitors whose importance has been recognised by the association. A special all access pass offers entrance to our branded welcome pavilion at Pier 66. There, a hostess informs the yard that their guests have arrived, while a tender shuttle offers the guests easy access to the show's main areas.

"The builders' tent at Bahia Mar was modified in 2009 to facilitate an exclusive superyacht area. This area has been upgraded with special carpeting and lighting plus a hospitality lounge kindly loaned to us by Rybovich exclusively for the use of our members. This was an ideal spot to enjoy food and beverages and also gave us use of a meeting room and onboard restrooms.

"In March 2011 the SYBAss members asked Show Management to change the layout of the Fort Lauderdale International Boat Show. This resulted in a floating pontoon at Bahia Mar, with yachts berthed in front of the chalet stands. The stands were offered in two sizes and divided into two-thirds inside and one-third outside space. The members were able to personalise the interior and exterior to optimise their brand exposure.