SEVEN STARS
Is the superyacht industry really offering seven-star service?

SUNSHINE
Janet Martin and her first yacht take on the charter market.

DOES SIZE MATTER?
Exploring the bijou appeal of Italy’s pocket superyachts.

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Dan Meyers on sailors, schooners and the decision to sell.
REBUILDING

MY SEANNA

– WORDS BY DON HOYT GORMAN AND IMAGES COURTESY OF BURGESS

Joseph Leone from Global Services and Management was able to act on the owner’s behalf in a capacity that was thorough, complete and effective during the rebuild of My Seanna. He recounts the experience of completely transforming the owner’s yacht into something totally new, based on the most precious component of trust.

There’s always much to see at the Fort Lauderdale International Boat Show, but at the 2014 event, standing out from the crowd along the face dock was the motoryacht My Seanna, helped in part by the helicopter visible on her sundeck aft. But for the yacht-spotters, she was of particular interest: here was a 2001 Delta, transformed at Rybovich into a totally new yacht, with a new spirit, usability and appeal.

On board, I meet Captain Todd Lee and his crew, who are clearly excited to be out of the shipyard, showing the yacht to charter brokers and potential guests and preparing for their first charter which would depart almost immediately after the show. Burgess charter manager Charmaine du Plessis makes introductions and I am presented to Joseph Leone, who has led the rather unique, but replicable, process by which the yacht has been transformed. It’s one that anyone who is considering selling a yacht might want to consider.

Leone had met the owner many years earlier when he was a jewellery trader and the owner was his client and they became friends. A bond of trust formed between the two over the course of their dealings and, eventually, Leone was asked...
through his company, Global Services and Management, to oversee the owner’s yacht and the build of his $139 million Le Palais Royal residence at Hillsboro Beach, Florida.

Leone describes his role as that of ‘mastermind’ which, after getting to know him, sounds to me like one of the few times that word has been used to accurate effect.

The owner’s yacht, a 48m Delta built in 2001 and formerly named Gallant Lady and Newvida, had been with him since 2006 and had always chartered. But by 2012, he was considering selling her. Leone had a better idea.

“I’ve spoken to a lot of sales brokers who tell me that often people want to sell so they can get another boat,” Leone explains to me. “But most people don’t go from a 30m to a 60m yacht in one jump; they go up in smaller increments. So it’s possible, if you really love your boat, to come up with a new design and do a significant rebuild for maybe a third of the cost of a new one.”

Leone persuaded the owner to not only keep her, but to invest in an 18-month rebuild that stripped her back to basics, added a 7.6m extension to the stern decks and completely reworked the interiors and equipment. On a project that ended up costing nearly $20 million over a period of a year and a half, Leone estimates he ended up saving the owner between $8 and $10 million by running it in the way he did: as a business.

It was a unique project, with a disciplined approach. “It was a very studied thing,” says Leone. “I asked a lot of brokers for sale and charter, when they came aboard, what they would change or add. I wanted to know where they thought the yacht had weaknesses and what they saw as her strengths. This was a process that I did slowly, naturally over the course of about a year, gathering honest insights and opinions to help formulate a plan for what we were going to do next.”

The form of the yacht was good: as a Delta, she had been built to exceptional standards. Leone felt strongly that though the owner wanted a new boat, he should keep the Delta and undertake a significant refit – or, as he now refers to it, a rebuild.

“We decided the only way to make this work was to set ourselves the goal of making her the best possible yacht for charter,” says Leone. With the owner’s approval, he started to work on the design he envisioned for the rebuilt yacht, and he reached out to shipyards to place the work, finally settling on Rybovich.

Attention was at first focused on the beach club and increasing the open spaces on deck for relaxed entertaining. A complete interior redesign lavished the yacht with opulent furnishings, white marble floors and 22kt gold leaf. The audio-visual system was upgraded substantially with HDTV screens in every cabin, as well as outdoors in the lounge area, and a giant screen on the sundeck for film nights under the stars. On deck, sauna and gym equipment were complemented by a waterfall Jacuzzi with internal seated bar. This is a well thought-out charter boat that’s maximised her extended volume for the biggest pay-off in terms of social and play areas.

Leone feels strongly that most owners love the boats they have – it’s why they own them in the first place. But some avoid thinking seriously about what a refit means because it feels too much like hard work. That’s not something many owners, he stresses, want to associate with their yacht, which is why the decisions are often handled less than ideally.

“What I do for this client is very unique,” Leone says. “He is not involved at all with what I do. There is a lot of trust. For him, it’s headache-free … almost. He doesn’t need to check in every day or week and make decisions. We have a budget, I show him what I intend to do, and after he agrees, I give him an update every two weeks or so.”

For Leone, after owners sell their yachts, they often realise how much money they’ve lost. “The market is still ridiculous today,” he says. “Doing a refit helps bring a much better price for the yacht. You increase the value. If owners have someone who can negotiate the refit on their behalf and get the quality, price and schedule they need, they’re happy. They can keep their own yacht and save millions of dollars but they get a new boat.”

Too often, Leone says, owners will give this kind of a job to their captains. But serious refits and rebuilds are a very specific kind of business that he insists requires a manager whose expertise is

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in strongly negotiating contracts, prices and schedules. “I’m the bad guy and the captain remains the good guy,” says Leone. “I’d never try or pretend to know how to drive a yacht and I don’t expect the captain to be an expert businessman or negotiator”.

“Serious refits are a business and need to be handled that way,” says Leone. “There’s a lot of money at stake and a lot of mistakes to be avoided. You need to be on top of your suppliers and contractors every day, checking that things are on schedule and that what they’re delivering is what you paid for.” According to him, after six months in a shipyard, people start to get tired and can stop paying attention to details, just wanting to finish the project. “From my perspective, I’m running a company,” he tells me. “I keep on top of things, I keep everything moving forward, keep the team working well together and keeping everyone excited and motivated about the job.”

The team behind the project was key, as was Leone’s role in keeping them together, making sure they knew exactly what they were doing, resolving any conflicts and keeping the team focused on the goal daily. “I don’t think that captains or brokers have the right focus for this job,” he suggests. “Captains are already very busy with crew and management of the day-to-day operations of the yacht. The project needs a decision-maker who intimately understands the needs of the owners and who has the ability to make final decisions.”

Leone strongly feels that the trust he has from the owner is earned and is based on ensuring his client never overpays. “I make sure owners aren’t treated like a bank,” he says. “It’s their money and they worked very hard to grow it to the point where we all have these interesting jobs. So I work to make sure their trust in the team is not abused and that the price they pay is the best possible for the job to be done, not based on how wealthy the owner is perceived to be.”

Leone’s contract negotiation skills are particularly acute. His approach is to guide the contractors away from negotiating their subcontracts in secret. “If you want to find ways to save money, this is how we should be doing it in yachting,” he says. “I tell my contractors, if you work with somebody, you send me the bill, I want to take a look at it and compare apples with apples. I’ve seen proposals come in for changing a generator, for instance, and I’ll see five bids with five prices. And I have to ask why there are five prices for the same job. So what I do is write up the scope of work and get the contractors to give me the price so I can compare.”

With Rybovich, Leone outlined the scope of works he needed from the yard’s technical team. Installation work for the interior of the yacht was wholly under his responsibility, but Leone kept in touch with Jay Milner, from Delta’s team. They were able to help when My Seanna’s rebuild team had questions about the engineering. They’d hired, for instance, the same Dutch company that had delivered the yacht’s original propeller shaft to design and deliver a new shaft system after the hull lengthening. “I wanted Delta to be proud of the finished product as well,” Leone says. “They came aboard in Fort Lauderdale and they were really impressed with what we did.”

This page: (top) the refurbished salon and dining area, (below) Joseph Leone. Next page: the sundeck by day.
The whole project was undeniably a real challenge for Rybovich. “I’m sure I was a headache for them,” Leone laughs. “But they really did an excellent job. I pushed hard and I think we’re all really proud of what we achieved with My Swan. She’s outstanding.”

Any rebuild of the size and scope of that of My Swan would be a colossal undertaking for any yard. Rybovich is duly proud of the work it did to deliver the yacht on schedule to the Fort Lauderdale Boat Show ready to start a busy Caribbean charter season. And Leone himself, who has taken time off to relax after years of hard graft, is a happy businessman. Certainly, the product of his endeavours speaks for itself.

“My goal was when the boat went back in the water, the owner and brokers would feel like she was a brand new boat from Delta,” he says. “I think we’ve achieved that.”

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– JOSEPH LEONE, OWNER’S REPRESENTATIVE

REBUILD ADVICE FROM FRANCOIS VAN WELL, RYBOVICH

Do not underestimate the undertaking, both in time and cost, of any refit. Unlike new-build projects, where everything follows a standard sequence of building from scratch with new materials, in a refit/rebuild there will be discoveries on the existing vessel that need to be remedied and a lot of on-site decisions that need to be made to keep the project going. Regularly, projects like this are done the ‘real estate’ way, with design and engineering on the owner’s side even with budgetary suggestions and cost indications. These budgets are nearly always too optimistic and result in incorrect expectations, which will hurt the project from the start. Financially starving a complicated project such as this will result in delays, and less than optimum solutions as decisions will have to be taken when there are no other options left. In the end, it is all about trust. Trust between the two parties that have the largest financial stake; the owner and the yard. Choose your yard based on trust and work as a team to define the scope of the project and then the schedule and pricing will be a realistic one.