



All Stocked Up

How have global supply chain issues affected yachting?

By Lauren Beck

As the world begins to loosen restrictions after months-long quarantines and lockdown measures, it seems like most parts of the world are beginning to resume operations. These past months have seen global trade and movement slow, so what can we expect when life resumes?

THE SUPPLY CHAIN

“Managing inventory/suppliers is a bit of a topical issue at the moment,” says Sam Wheaton, a former yacht engineer and the commercial director of Seahub yacht management software. Wheaton is currently working on a number of new builds nearing launch within the next three to six months. “As part of our involvement in the commissioning of these vessels, we set up their maintenance plans but also configure their inventory lists within Seahub,” he explains. “What we’ve noticed is a real push to shorten supply lines. Where once a U.S.-based yacht would be comfortable having a European supplier for a component, we are now seeing a shift towards more localized supply. We’ve seen this through changes in ‘Supplier’ for specific inventory items within our user accounts.”

Pre-COVID, Wheaton notes, every global company was considered a possible supplier. “We’ve seen it working as chief engineers. It was common to be sitting in Fort Lauderdale and importing parts from Europe without a blink of an eye,” Wheaton says. “The past few months has shown how delicate international supply chains can be. We’ve never seen borders closed like this in our lifetime. Since learning that they can (almost

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overnight) be shut down, we’re expecting that the process of reserve globalization of supply chains will continue.”

Simon Addrison of Longbow Marine, which offers bunkering, provisioning, detailing, and technical services in the yachting industry, says the most they experienced were shipping delays of 24 to 48 hours. “In the big picture, things have been fairly smooth. Equipment that was in production has all come through, including the things that are put together in Europe. I was expecting the supply chain to falter somewhat, but so far we have been happy with how it has been running considering the amount of cargo space lost when the airlines stop flying,” he says. Although there has been talk of provisioning shortages, he notes they have seen very little difference and plenty to go around as restaurants and cruise lines have not been operating. “There are predictions of meat shortages that may last about a month, but I don’t see it completely drying up and, with some planning it should not, in my opinion, cause much of a disruption to the yachting community,” he says.

You may have noticed the world’s obsession with sanitizing and paper products. National Marine Suppliers was no different and found it tough to source those products, but still managed to keep stock at the Ship Store. “One of our biggest challenges has been shipping provisions to the Caribbean islands,” Dean Dutoit, owner of National, says. “St. Maarten, St. Thomas, and Puerto Rico have been consistent, with no major issues, while other islands have had flights significantly reduced and have been inconsistent and even had cancellations with no notice.” They advise clients to reach out for more about logistics to the Caribbean.

FACING THE CHALLENGES

National was designated an essential service and operated their Fort Lauderdale store for curbside pickup for the duration of the COVID-19 lockdown. “We play a crucial role in delivering goods and continue to deliver, export, and import needed goods globally through the pandemic,” says Dutoit. They have been delivering from the Keys to the Carolinas, but the challenges were obvious – some of their vendors were working with limited staff, reduced hours, or closures, says Dutoit. National’s staff also reduced hours and some worked from home to follow the local guidelines. When we touched base at the end of May, Dutoit said that the Fort Lauderdale location reopened the Ship Store on May 25 after just curbside pickup for a few months. “Masks are required, and we are following all guidelines,” he says. “Most of our staff are now back to work.”

While the Lauderdale store is back to business, the European offices are following guidelines to service customers, and National Marine Pacific is still working remotely and taking pre-orders. The St. Maarten and St. Thomas office remain closed currently. Dutoit also shared that their provisioning team is working with a local produce distributor to alleviate the waste that's arisen from the lack of bulk purchasing as restaurants and dorms, etc. stopped purchasing during the shutdown. "This program helps alleviate food waste in local farming communities and has excellent local produce offerings, from safe food sources, handled in food-safe operations following guidelines," he says.

Service issues are really not surprising when you consider the global shutdown. "Looking forward, I think there are going to be some service challenges," says Addrison. "The days of five different trades working around each other in the engine spaces are going to be gone, at least for the time being." While Addrison notes that pre-planning has always been essential before work commences, the challenges of the post-COVID-19 workspace means "now the ability to have the watermakers, AC, main engines, as well as the other myriad of systems in the machine spaces being worked on at the same time will have some more factors to consider so that techs are distanced from each other and surfaces are kept [as] sterile as possible."

Other challenges related to the virus itself should also be a concern. The news carries warnings over a potential second wave of infections, which is concerning to Wheaton. "From an industry point of view, there's a lot of uncertainty about how recent months have affected the bottom line and viability of the businesses within the yachting industry," he says. With the interconnectedness of yachting's businesses, "if a piece of the puzzle is impacted, the flow on effects are felt [on] many different levels," Wheaton says. He offers an example of a shipyard planning a launch – if that launch is delayed, the ripples flow outward to potentially affect dozens of

businesses who lose their opportunity to provide goods and services to the vessel.


MOVING FORWARD

While no one is expecting things to revert tomorrow to the way they were pre-COVID, there is room to be hopeful that we will eventually find some sort of "normal." Longbow is continuing operations as usual, with a few minor adjustments that have stemmed from the trials of the last few months, Addrison says, including keeping their team and clients continuously in the loop about what they're doing and keeping their employees and clients safe by ensuring they have protective equipment for pickups and deliveries. "It is hard to predict what will happen in the upcoming summer season; it would be foolish to think that anything will be back to normal next month," says Addrison. "It is going to take time to get any normality back for cruising yachts, but it will bounce back all the same. The same places and experiences that brought owners to use their yachts last year are still there. How long it takes for everywhere to reopen to visiting yachts we can't say for sure, but it is coming soon."

"As businesses continue to slowly open back up and are operating on regular hours, we look forward to getting back to normal," says Dutoit.

"Many yachts are anxious to get going but still face limitations to many destinations." Although he says they're hearing of some yachts going to the Mediterranean, New England, and a couple to Alaska, most are staying local for the summer with short trips to the Keys, Bahamas, and Caribbean once they open back up. "Crew have also talked about staying put and getting the big projects done," he says. While they're keeping things positive, Dutoit stresses that the health and safety of their staff, customers, and the yachting community as a whole is a priority. "We all need to be diligent in following the guidelines to re-open so we can avoid a second wave of closures and more damage to the industry, and ultimately the economy," he says.

Wheaton shares the same sentiment. "The key to post COVID-19 life is accepting that the way the industry works is fundamentally going to look different," says Wheaton. "Yachts, businesses, [and] crews that accept and adopt new technologies and new processes to thrive in the post-virus era will be better positioned in the long term." He believes the boats whose charter programs actively promote "COVID-safe practices" will fare better than those that don't, as will businesses.

"From an operational point of view, we have been required to adopt new technologies in order to continue progress on a number of projects," Wheaton says, noting that enforced travel bans have spurred a focus on video conferencing to maintain what he calls the personal element of their jobs. "If there is a silver lining to COVID-19, it may well be that it has sped up the adoption of new technologies not only in yachting, but across the board. When a new order is established, I believe a lot of those new technologies will remain and improve the way we do work and do business." 

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PHOTOS: (LEFT) DRAZEN ZIGIC; (RIGHT) ALVAREZ