



Management matters

Harry Windsor looks at the advantages of using a dedicated yacht management company to support both the Owner and Captain

Those in the Yacht Management profession are being continually invited to question their value to yacht owners, yacht owning structures, owners' representatives, yacht brokers, private bankers, insurers, financiers and, very importantly, captains and crew.

The past twenty years has witnessed a rapid increase in the number of privately owned yachts and the Yacht Sector has been required to adopt and abide by the legislation that once only applied to commercial shipping. These rules and regulations relating to safe working practices, maritime pollution, shipboard security and labour legislation have had a major impact on the yachts and how they are permitted to operate.

It is essential to get the planning, programming, operation and paperwork correct in order to protect the yacht owning company from unnecessary financial and legislative penalties. It doesn't matter which management element we look at; the smooth running of a yacht relies upon the ability, knowledge and experience of personnel, both onboard and ashore. Ensuring budget is monitored, financial resources are allocated where and when required and accounts are accurate. This may be considered a straightforward task, but ensuring good cash flow for a mobile business with a multinational crew, traversing numerous fiscal jurisdictions is best assigned to experienced professionals.

The recruitment of crew, organisation of insurances and payment of salaries may seem well within the capabilities of the owner's entourage, yet crew employment legislation has become far more stringent in recent years and the necessity to make the correct provisions to remove the yacht owner from liability for employer's social contributions should not be overlooked. The financial consequences of failing to observe the regulations

could be severe. Again, experienced professionals within the owning company office administration or an independent yacht management company are best engaged.

By engaging a Yacht Management Company, the yacht owner can be assured that all legislation applicable to the yacht, the crew and the surrounding marine environment is being adhered to at all times. For yachts in excess of 500GT the International Maritime Organisation regulations insist on the engagement of a shore-based support mechanism, but for those vessels that fall below 500GT, engaging a Management Company to ensure the yacht and owner are not subjected to detention or fines, due to lapses in safety or other matters, is an extremely important consideration that is often not appreciated fully until a costly incident or accident occurs.

In addition, management companies manage to tie a lot of their services together with regular visits from their technical department, who will analyse expenditure, observe maintenance, check the vessel's condition, communicate with the crew and deal with any safety issues. The technical support element of management can produce substantial financial savings, resulting from carefully considered decisions, planning and management of projects and attending to warranty and insurance claims.

In summary, the advantages of using a Yacht Management Company benefit the Owners and Captains alike, by supporting the yacht's operations with experienced land-based personnel that complement the skills and abilities of those in the owners' office and on board.

For more details Tel: +377 97 97 21 41
or visit www.rosemont-yacht.com