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Derecktor brothers

The siblings behind two of the world's most stunning projects

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Paul & Tom Derecktor

WITH A STRONG AND PROUD HERITAGE DERECKTOR REMAINS ONE OF THE MOST SUCCESSFUL AND INNOVATIVE BUILDERS IN THE USA. BUT WHAT DRIVES THE TWO BROTHERS BEHIND THIS ALL-AMERICAN FAMILY FIRM?

MICHAEL VERDON REPORTS

Most US shipyards rarely venture beyond 45m (150ft) and tend to concentrate on series builds rather than strictly custom yachts. One notable exception is Derecktor. Established as a small yard in Mamaroneck, New York, by Bob Derecktor in 1947, the company has reinvented itself multiple times to become a world-class builder. It created several of the most impressive yachts during the America's Cup heyday of

the 1970s and 1980s, including the winning competitor *Stars & Stripes* in 1987, and a number of award-winning motoryachts and ground-breaking commercial vessels.

Today, Derecktor is managed by Bob's sons Paul and Tom who took over management of the firm after their father's death in 2001. Besides Mamaroneck, the firm also now has facilities in Dania Beach, Florida and in Bridgeport, Connecticut. It has a total workforce of 345.

The two brothers are only a year apart yet they carry themselves quite differently. Paul, the company's chief executive, is powerfully built with direct, ice blue eyes and a somewhat hurried, impatient air. Tom, meanwhile, is taller, lanky and much more laid-back. Trained as an engineer, he recently returned to the shipyard after 17 years of running his own manufacturing and design firm. In true engineer fashion, he answers each question thoroughly and methodically.

Biographies

Paul Derecktor

- ▶ **Current role:** CEO and owner
- ▶ **Experience:** Started working in the Mamaroneck, New York, shipyard at seven. Apprenticed in every trade in the company. Extensive experience in design and engineering led to success of *Boomerang* and *Stars And Stripes* in the America's Cup in the 1970s. Ran the Mamaroneck yard and opened the Bridgeport, Connecticut, yard in 2001
- ▶ **Interests:** Sailing

Tom Derecktor

- ▶ **Current role:** President and owner
- ▶ **Experience:** Started working at the Mamaroneck yard at a young age. Went through multiple apprentice programs. Oversaw a US\$400m US Coast Guard contract at the Derecktor yard in Rhode Island. Left Derecktor 15 years ago to become COO of Serotta Sports. Developed TracRac which became a US\$20m-plus firm. Returned to Derecktor in 2008 to oversee operations at Connecticut
- ▶ **Interests:** Sailing

Exciting projects

Although pressured for time, the brothers agreed to show *Superyacht Business* around their Connecticut yard — a yard which contains two quite outstanding superyacht projects.

Lying beyond a behemoth of a tugboat being built for Boston Towing & Transport is *Hemisphere* which, at 44m (145ft) will be the world's largest sailing catamaran.

Then, at the far end of the yard lurking within its own massive protective structure, is the colossal 86m (282ft) *Cakewalk*, destined to be the largest motoryacht built in the US since the 1930s. By volume rather than length, however, *Cakewalk* will also be the largest yacht ever built in the US. It will displace 2,950 gross tons as opposed to JP Morgan's yacht, *Corsair IV*, which was

Left to right:
Tom and Paul Derecktor



TO THE POINT

What makes Derektor different from other builders?

Our diversity. We've built sailing yachts, motoryachts, America's Cup yachts, coastguard cutters and many commercial boats. We learn from every project, whether it's a winning America's Cup yacht or the world's fastest commuter ferry. We like the mix of commercial and yachts. It's a different type of challenge, but has been a good model for us.

How do you see the future of the US superyacht industry?

Obviously, our business depends on people with money to spend. In this economy people with money seem hesitant to show it off. But my guess is that the yacht market will continue to build bigger stuff. It's just a question of timing. We're building the 85m (281ft) motoryachts *Cakewalk* and *Hemisphere*, the world's largest sailing catamaran. We've also built 82m (270ft) coastguard cutters, a 72m

(236ft) Alaska ferry, and other large commercial vessels, so we're not afraid to build big. We've been asked to bid on yachts between 100m-120m (328ft-394ft) and would take on that type of build if it was the right client and right build.

Have you ever considered building series motoryachts like most other US yards?

We've built different series of commercial boats, including nine coastguard cutters and 12 police boats. After a while that gets kind of boring, so we lean towards the challenge of one-offs in our yachts. For me, *Cakewalk* has been

the most ambitious project, but also the most rewarding. Although, if you'd asked my dad, he would've said the US Coast Guard cutters. That was the largest-ever Coast Guard contract at the time. Our father's passion was sailing and he built a bunch of successful sailboats. He also built the America's Cup yacht *Valiant*, the last wooden 12-metre, and we also built the 1987 America's Cup winner, *Stars & Stripes*. We see an opportunity in building aluminum cruising sailing yachts like our Frers 150. To my knowledge, there is nobody else building these in this country.

How do you and Tom work as a team? Any of the next generation interested in taking over at some point?

Generally, because of our close background with the yard, we pretty much agree on 90 per cent of the big decisions. We have worked in the yard since we were kids, so we know how everything works. We don't always agree on everything, but we have a good, open dialogue. There's no thought of retirement yet, of course, but we have a great crew, so the yard will continue whether we're here or not. Tom and I have a lot of nieces and nephews, and my son loves working in the yard. He's 15 and loves to work with his hands and draw boats.

What are your main extracurricular interests?

Sailing! In fact Paul's favorite books is *Sailing the Pacific: A Voyage Across the Longest Stretch on Earth* written by Miles Horden.



“We’re similar to the best yards in Europe. We do as many things as possible in-house — we build the hulls and install all of the piping and electrics”

104m (343ft) with a mere 2,142 gross tonnage.

“I won't say *Cakewalk* hasn't been a challenge,” confides Paul, as he leads the tour through her impressive internal labyrinth. Scheduled for launch next year, dozens of workers bustle about in the dozens of rooms contained inside *Cakewalk*'s multi-deck structure, completing the installation of miles of cables and piping, while a firm from Germany prepares the bulkheads so that the woodwork can be installed seamlessly by Derektor's own craftsmen.

On the guest deck, cherry joinery, which has passed through dozens of iterations to ensure perfect colouring, is already being installed. It is hard to believe that this unfinished yacht, with its rough-looking but curvy aluminum exterior, will be a world-class showboat in little over a year.

However, Paul is pleased with progress. “All the professionals who have seen this boat — the surveyors, designers and others — have said great things about it. We're happy with that, considering that the biggest motoryacht we've built until now was 35m (114ft).”

Racing pedigree

When launched, *Cakewalk* will catapult Derektor onto the shortlist of elite custom superyacht builders and this new US superyacht will be compared to the greatest of megayachts from the likes of Lürssen, Feadship and Oceanco in terms of quality and technical complexity.

Paul welcomes the comparison. “We are similar to some of the best European yards in that we try to do as many things in-house as we can,” he says. “We build the hulls, do as much joinery work as possible, and install all the piping and electrics. We feel that it provides a good foundation if you have a good hull.”

Derektor's history of building racing sailboats has certainly given the company a head start in dealing with essential detail in projects as large and complex as the two currently underway.

“You can always see extreme attention to detail, if you look at any of our yachts,” says Paul. “On *Cakewalk* the fairing is extremely smooth. This stems from

building light, fast sailboats. Even though we didn't have to, we wanted this boat to be as smooth and lightweight as possible. It's something most people don't notice but it makes a big difference. My father instilled that no-compromise attitude in all of us."

This philosophy of perfectionism can be traced straight back to Bob Derektor, who was viewed by his workers and friends as tough, uncompromising and innovative. At times he argued with naval architects and tweaked their designs, typically with positive results. "He thought he could find a better way of doing things — and most times he was right," says Paul.

Bob, who designed his own wooden sailboats and furniture, also had a love of fine woodworking, and hired skilled local craftsmen who had often learned their trades in Europe. Much of the intricate joinery work for today's yachts comes from the carpentry workshop in Mamaroneck. Seeing the inherent value of passing down skills, Bob set up an apprenticeship system based on traditional European models.

Technical advances

His sons have carried on with the system and Tom sees it as a competitive advantage for his yard.

"We have true masters at their trades working here," he says. "Some of these guys started in their teens and are now managing whole departments. It has also become multi-generational with sons following their fathers into the trades. It's really heartening to see because it's so rare in this country. It also means we get to train our apprentices with our own people."

The brothers themselves are products of the yard's apprenticeship system. Instead of riding bicycles or playing baseball like most American kids, they started coming to their father's yard at the tender age of seven.

"We literally started from the bottom," says Tom. "My dad had us straightening nails and carrying buckets of lead. Then we started to work as apprentices. I loved building stuff, so it was fun."

So much fun, in fact, that the two brothers spent hours after school, as well as weekends and summer vacations, at the yard learning each trade — from cabinet-making to lofting and rigging — from the master craftsmen.

Paul believes that the Derektor business model, which has always included a healthy mix of commercial and recreational vessels, has helped its yacht building by incorporating technical advances and providing a financial cushion during tough times.

"Some yards are successful at doing just one thing," he says. "Doing a lot of different things can be a challenge, but we welcome the mix."

Building some of the most advanced commercial vessels in the world — including the world's fastest commuter ferry — has instilled a sense of discipline into Derektor's approach to building yachts.

"We built a 45m (147ft) ferry for Buquebus in Argentina that runs at 56kt," says Paul. "But it also needs to run 17 hours per day every day, so you really have to plan everything out to the last detail. You are then able to apply that technology to the yachts."

Derektor has also learned a lot about modular

construction through a \$400m dollar contract that it won to build a series of 75m (245ft) US Coast Guard cutters between 1986-1991.

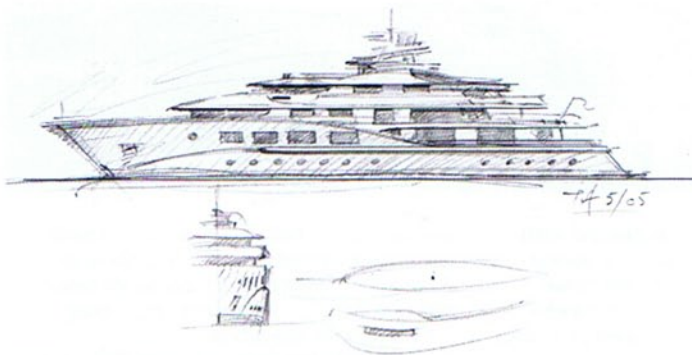
"We learned the techniques from that series, and we still use them," explains Tom. "Modular construction allows you to build much more efficiently, with better cost controls."

Cakewalk and *Hemisphere* present very different trials but, according to *Cakewalk* project manager Bill Zinser, the shipyard — and the brothers — have risen confidently to the challenge.

"Paul and Tom wanted to build a European motoryacht here in the US to prove it could be done," he says. "We have built some of the finest yachts ever in the US and had also done many commercial vessels similar in size to *Cakewalk*. So we knew we could build a large steel and aluminium vessel."

Given their long-standing backgrounds within the company, and of course their family ties, Paul says he and his brother agree on major decisions "90 per

Below: At 86m (282ft) *Cakewalk* will be the largest ever yacht (by tonnage) built in the USA



COMPANY PROFILE

- Founded in 1947 by Robert Derektor as a yacht construction and repair facility in Mamaroneck, New York. Currently operated by chief executive Paul Derektor and his brother Tom Derektor who is president. Its three east coast shipyards employ around 345 people
- Began building wooden sailboats and coastguard vessels, switching to aluminium and steel construction in the 1970s. It has constructed more than 250 custom vessels including America's Cup winners, luxury motoryachts, high-speed ferries, and research vessels
- Its three-acre facility in Mamaroneck has facilities for new-builds and refits, with a 110-ton swivel lift crane, 1-ton rigging crane, four 45m (150ft) docks, and indoor storage. It also houses a highly respected joinery facility which employs multigenerational skilled craftsmen
- The 17-acre facility in Dania Beach, Florida, was opened in 1967. It can handle new builds but is mainly used for major refits or repairs. It has a 600-ton elevator platform with rail transfer, 35-ton crane, 26 covered slips and 23 uncovered slips. It can handle vessels up to 56m (185ft)
- Derektor Connecticut in Bridgeport is used for new builds and refits of vessels up to 91m (300ft). It has a 600-tonne ton travelift, 35-ton crane and 100-ton crane with 30m (100ft) boom. Its two current yacht projects include *Cakewalk*, the largest motoryacht built in the US, and *Hemisphere*, the world's largest sailing catamaran. Both yachts are expected to be launched in 2010



Above: The 12m (41ft) sloop *Wild Goose* was built in 1967 by Bob Derektor to take his family cruising and racing

cent" of the time. "That's especially true on how to approach work-related issues," he says. "We don't always agree on management issues, but we have a good open dialogue. I mean, we've been working together since we were little kids."

When asked about Derektor's future, Paul is a little cautious. "In this economy, people seem less willing to spend money. My guess is that the yacht market will continue. It's just a question of when it starts up again."

Positive news for Derektor is that it has received several recent requests to tender for new builds of 100m-120m (328ft-394ft), so the word is getting out that

"Right now we are seeing more growth in refits. People are choosing to take care of what they own — rather than just buying new boats"

they can handle large projects.

There is, however, a clear impression that the family's passion for competitive sail racing means the brothers would love for nothing more than to be a yard like Royal Huisman who build cruising superyachts with a racing edge.

Certainly, Bob Derektor put his passion for sailing to good use. From 1974 to 1986, Derektor built *Mariner*, skippered by CNN founder Ted Turner, and successive *Stars & Stripes* yachts for Dennis Conner. "We worked

like crazy," recalls Paul, noting that four of the boats were built back to back. "The 1987 *Stars & Stripes* required a 24/7 work schedule for 87 straight days in order to get it ready for the event." The boat brought the America's Cup back to the US, earning Derektor headlines across the world.

Continuing development

Thirteen years later the *New York Times* referred to Derektor as 'The Billionaire's Boat Maker' following the launch of its 34m (112ft) *Zingaro*, a global cruising yacht capable of 13kt. The Connecticut yard also started a 46m (150ft) German Frers design for then-Tyco chairman Dennis Kozlowski. But Kozlowski, who became ensnared in legal difficulties and was eventually sent to prison, never finished the yacht. The graceful but unpainted aluminium hull sits in the yard waiting for a buyer.

In the meantime, Derektor is busy with *Cakewalk* and *Hemisphere*. "Projects like these are exciting," says Paul. "They keep the creative juices flowing. We really don't want to be building 10 boats at a time. Two boats of this magnitude are enough of a challenge."

While the other two yards are involved in some new builds, most of their work is refit. The yard in south Florida is sited at a good crossroads for cruising sailors, sportfishing convertibles and superyachts and it does refits on yachts up to 56m (185ft). The Mamaroneck yard, just 25 miles north of New York City, can handle yachts up to 46m (150ft).

In Connecticut, a new dry-dock is being installed which from next year will be able to handle vessels up to 112m (400ft) and 44,000 tons for refits.

"Right now, we are seeing growth in refits because people are generally choosing to take care of what they own rather than just buying new boats," explains Paul. "We're also looking at other markets, including commercial and military, to get through this crunch."

Tom has also started to oversee a new venture — the maintenance and construction of wind turbines. After leaving Derektor in 1994, he founded TracRac, using an idea from a sailboat applied to car racks. The business blossomed into a US\$20m-plus company that supplied major US and Japanese car makers. He sold it in 2007.

He is now looking after Derektor's two new business ventures — BlueSource Energy and Derektor Wind — which will use marine technologies to fight for a place in these emerging markets. "We're interested in exploring the wind turbine business as it matures in this country," says Tom. "It uses marine composite techniques, so it's all the same techniques and same business contacts. The US is way behind when it comes to building offshore wind turbines so we believe there are significant growth opportunities in this area."

But don't expect the family to ever move away from boatbuilding. Bob Derektor had a passion for boats, and that passion clearly runs deeply through the bloodline — certainly through both of his sons — and into the latest generation of the dynasty.

"I have nieces and nephews who might end up taking over, and my 15-year-old, Erik, loves working in the yard," says Paul. "We have a great crew, so the yard will continue whether we're here or not." ●