



# Vanguard

## XPM - Explorer Yacht

### Understanding the Relationship between Owner and Yard

The relationship between an **Owner** who commissions a yacht project and a **Yard** who implements the project will span several years. In our instance **Naval Yachts** but that can be substituted. The best projects start and end with a basic understanding between the parties of how responsibilities fall and how each contributes to the success of a project. Treated sensitively and this can be a fun and enriching experience, treated lightly or ignored even and contention will arise early on, maybe to never leave. The following notes have been written from personal experience in the build of our Explorer Yacht, Vanguard plus input from others in the business. A 2.5 year journey of discovery.

We hope you enjoy the read and please remember, if you have questions or wish to explore any aspect of your own plans then we remain an “email” or “WhatsApp” away.

Best regards

Chris & Sebrina

### How the Process Unfolds

1. XPM Yachts are a semi-custom, proven, rugged, and competent explorer yacht design. The form and layout design is produced by **Artnautica**, and the engineering and implementation are the responsibility of **Naval Yachts**. XPM designs have evolved during the construction of the first hulls for clients with experience in long-term living aboard and ocean travel.
2. Within the confines of form and layout, **Naval Yachts** will customize the **Owner's** specific requirements in each boat's technical specifications. The technical specification is the basis of each semi-custom build. Each contract has 3 main annexes; The Technical Specification, the Preliminary Build Schedule, and the expected Payment Schedule (the Yard's cash flow.) *I would note here that an Owner will treat the design as their personal plaything and this can cause issues. Iur encouragement to the Yard is to include a significant amount of equipment or layout that has be used on previous builds. These will be known quantities and reducr the uncertainty. Both Mobius and Vanguard were built by sailors with considcerable marine experience in their respective fields. Use it.*
3. 100% detailing each of these documents is not a fruitful task. They should be developed enough to provide information so both **Yard** and the **Owner** are clear on intent and satisfied.
4. Under the guidance of the specification, the engineering task can commence. Some engineering findings will affect maybe 1 or all 3 of these documents. Open and comprehensible communication on these occasions is paramount. *It is tempting to design as you go along, in the field, on the spot. Avoid that*

*temptation and confirm all you can reasonably achieve at an early stage. Going the “semi custom” route will help considerably.*

5. **Naval Yachts** are ISO 9001-certified; this is the paperwork trail of all operations at the **Yard** which is the backbone of any quality assurance tool, "If you can't measure it, you can't control it." *Ensure that this process is adhered to and not used as window dressing. ISO9001 does not ensure quality, it should at least ensure consistency and tracability.*
6. **Naval Yachts** will build the vessel using their own staff and proven subcontractors. Problems will always occur during the build to be addressed as they arise during the build rather than holistically.
7. Yacht building is an intricate business. It is often underappreciated by **Owners** viewing a project remotely. Affirming the customer's ideas is a common mistake in a **Yard/Owner** relationship, even when they may not be beneficial in the long run. *So be accepting of pushback when decisions are questioned.*
8. Yacht manufacturing is costly due to its components' complexity and construction's one-off nature. Furnishings that would be affordable in a regular retail setting become exorbitant in a boat Yard.
9. Changes in the layout or specifications after the initial stages can disturb workflows and increase costs significantly; direct labor is usually a minor part of the total impact.
10. The build process must secure a reliable cash flow covering costs and ongoing net profit. If an **Owner** defaults, finding a new project may take up to a year, leading to substantial losses unless the payment is pre-planned.
11. Yachts should not be moved to the water before completion as this causes a considerable increase in labor hours and costs to complete. It also results in a knock-on effect on subsequent projects. Despite any delay, the monthly fixed costs for the Yard continue.

## The Design Phase for the XPM Range

1. Maintain realistic expectations during the design phase. Define goals based on known, achievable parameters agreed with **Naval Yachts**. *Regularly review those goals.*
2. Limit the exploration of novel concepts to minimize the impact of unforeseen challenges. When new concepts are introduced by **Owners**, **Owners** will need to retain responsibility for the learning curve of new equipment.
3. Any and all changes will likely affect performance in some way, however subtle. Allocate safety factors to mass, budget, or center of gravity.
4. Yacht building is not a precise science. Underestimate performance indicators, such as range or tank volumes, as adjustments will likely be necessary later on.
5. Stay vigilant to potential side effects or issues that could arise during the design process. Consider alternative solutions in case of significant issues, and be prepared to adjust your course early on.
6. Regularly revisit initial decisions and goals as the design evolves, avoid conforming to the status quo out of habit, and prioritize simplicity, sea comfort, and speed for serious cruising yachts. An owners idea of “acceptable” may be very different from that of the Yard, regular and clear communication is important.

## The Build Phase

1. Monitoring project progress can be challenging, but breaking the project into manageable parts with labor hours and timelines assigned can help track trends.
2. Assumptions in the early design and cost projection stages should be revised as data changes. For instance, any enhancements that influence internal structure weight should be accounted for.
3. Change orders should be minimized to prevent schedule disruptions. They often result in domino effects on the production line. Above a deminimus figure, Change orders will be implemented once

agreed payment is made. Having stated that, all changes requested should be documented with change Orders including the effect on delivery dates.

4. Judging the quality of the build is tricky during construction, as protective covers conceal the finished work. Ultimately, you'll rely on the reputation of the team you're working with and feedback from previous clients.
5. The desired level of fit and finish significantly influences cost and construction time. As perfection is approached, costs and time can escalate exponentially.
6. Early system testing is essential to detect and rectify errors or malfunctions before leaving the construction shed. It's also essential to constantly update as-built data as the project evolves from the original design.
7. Schedules are inevitably going to shift. Yards should resist the pressure to prematurely move the yacht from the shed for launching, as this only escalates costs and delays the project.
8. If problems occur with the yard resist the temptation to order "STOP", pay what is due and discuss the disagreement. The tool of financial leverage should be used sparingly or relationships will be permanently damaged.
9. The Owner should not move aboard or bring personal items before the completion of sea trials. This can significantly hinder sea trial progress and completion.
10. While Owner visits are necessary, they can also be disruptive. Establishing clear written guidelines about their timing and frequency at the contract stage is better.
11. Enlisting an external surveyor for periodic inspections can safeguard the Yard's and the Owner's interests. A well-qualified Owners Rep is also helpful. Still, they must also positively manage the **Owner** and **Yard** relationships and not engage in scoring points.

## Contracts and Project Management

1. Contracts should be comprehensive, clear, and concise, covering all agreement aspects but without complexity or overreliance on legal speak.
2. **Owners** should consider ways to manage potential currency and inflationary risks, such as buying currency forward, buying equipment early, or simply understanding that a risk exists.
3. When building with **Naval Yachts**, the ownership of the hull and all fittings remains 100%, with the **Owner** providing all outstanding invoices are satisfied. This law in Turkey is designed to provide **Owner** assurance throughout the build process.
4. All work from **Naval Yachts** qualifies for local tax and duty exemptions as they operate in the Antalya Customs Free Zone.
5. Project specifications and quality standards must be clearly defined to avoid future surprises for either party.
6. Project progress should be verified and time remaining clearly documented by both parties. For both personal and cultural reasons, there will always be a temptation for the yard to insist all is on time and to budget only to discover at a later date that this is perhaps inaccurate. *The time to discuss delays is when there is time to effect remedial action. It is too late to have this conversation after a missed launch date.*
7. Payments are tied to agreed milestones rather than a monthly percentage to account for potential project deviations.
8. **Yard'** and **Owners'** sea trials will be clearly specified, with minimum requirements outlined.

## Defined terms

1. **Owner/Owners** –“you”, the body that has commissioned the build and under law in Turkey is the legal owner of the vessel in build.
2. **Yard** – the shipyard, in this instance Naval Yachts

3. **Naval Yachts** – see **Yard**
4. **Artnautica** – the design authority for the basic LRC and XPM ranges of high length to beam hull ratio, rugged Explorer Yacht designs.

## Final Thoughts

There will be a constant stream of issues toward the end of your build. How we approach those problems greatly affects the journey itself. There are always solutions, whether acceptance, an engineering alteration, or an alternative path. The **Owner** and the **Yard** have the same goal, a successful launch. It is best to resist the temptation to blame or otherwise become adversarial.

*I'm just saying!*

***For more information and to see how our own build progressed: [www.exploreryacht.com](http://www.exploreryacht.com)***