



Managing complexity for specialist builds

Shipyards De Hoop has made its name as a 'one-stop shop' for shipowners in the market for medium-sized vessels – but the company is involved in much more than just building ships. Michele Witthaus finds out more from the company's managing director, Patrick Janssens

We don't place any limitations on the types of vessels we build," says Patrick Janssens, managing director at Netherlands-based Shipyards De Hoop. Over the last decade, his company has developed a strong reputation for river cruise vessel construction – now increasingly augmented by small cruise work – but when asked what he views as its specialist area, he says simply: "It is that we are good at building complicated vessels. We are able to do this by having all the key disciplines necessary to build a ship, from the beginning of the initial plan and drawings, right through to completion with the curtains hanging and flowers on the table. Everything is done in-house."

In an environment characterised by relentless growth targets among the larger shipbuilders, this kind of global view of the process and dedication to the details can be hard to find, in Janssens's opinion. "Many of the bigger yards focus on building the hull only and outsource the rest." He believes that managing the entire process of a complex custom

vessel requires very particular strengths. "These days, there is a growing number of stakeholders around each shipbuilding project and the client is just one of them. Also, whereas builders of standardised ships can repeat the same concept with each newbuild, custom ships really require a revision of the rules with each new order. We are proud of the fact that we can build these ships starting from a clean sheet of paper and deliver them with all the right certificates."

An area of the business that is attracting growing interest is the financing of newbuilds where this is required by clients. "In the last few years, the financial component has become increasingly important. River cruise ships are the most difficult to finance as they are tailor made and custom built for a certain market," explains Janssens. "For this reason, we have set up a customer finance department and we have long-term framework agreements with all the major Dutch and foreign banks and credit companies. We have our own finance department that in many respects can take over the role of the bank. It's part of the process of providing a one-stop shop service to our clients."

The added value provided by the yard goes even further than that, with consultancy services that relieve many of the ongoing financial burdens previously carried by owners. "To raise awareness of the importance of addressing total cost of ownership, we decided to introduce a full lifecycle management service. A number of shipowners now have long-term service contracts with us to maintain the service level of their vessels."

Janssens says that as a result of the long and productive working relationships the company has with many of its clients, it is not uncommon for shipowners to use the yard as a "sparring partner" to reach decisions on their business strategy. "Our part in this process is to help define what kinds of vessels would enable them to develop their business further and how they could be deployed."

So from engineering to project feasibility, the company is able to offer services that are very much in demand in this niche custom-building business sector.

A key aspect of any type of shipbuilding is knowledge management and Shipyards De Hoop is keenly focused on developing this side of the business, especially for its



Much of the exterior of Lueftner's Amadeus Silver is constructed of glass, making for a challenging design process

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major client base of river cruise companies. "Inland cruise vessels have always required a different perspective than seagoing vessels. If you can help the customer with specialist knowledge of this kind, you are likely to be the one that ends up doing the project."

Shipyards De Hoop carries out a wide range of activities, including steel cutting and shaping, piping and machining, and engine installation. "To do this we need to be very flexible and our flexibility is in the size of our company. With a total of just over 200 employees forming the backbone of the organisation, in quiet periods we carry out all manual labour in-house but in peak periods we hire a lot of self-employed people on a temporary basis, working under our supervision. In this way, sometimes we

become a very big organisation of about 1,000 people. This allows us to build many different kinds of ships, including everything from assembly of the ships' sections to carpentry for furniture."

Janssens is particularly proud of the yard's continuing capacity to compete in international markets against yards in countries where wages are much lower than in the Netherlands. "This is because we build ships with high added value and innovative designs." He expects to see continuing growth in demand for custom-building rather than standardisation.

He has seen the challenges faced by shipbuilders in his sector increase dramatically over the last few years. "There is more focus on comfort for cruisers

themselves, from less vibration from the engines to greater luxury and more entertainment choices onboard. Years ago a single dining room was enough – now guests expect to find four or five places where they can eat. The developments on the technical side are also enormous.”

For smaller cruise ships, especially river-based vessels, the competing demands have led to a need for highly specialised design skills. “On the one hand, more systems have been brought onboard and on other, more space needs to be given to the customer. So there is less and less space available to fit in all the additional systems. It becomes a complicated vessel and that is where we excel.”

This expertise is also increasingly called upon in the design of small ocean cruise vessels, adds Janssens. “The advantage for us is that with sea-going vessels, we can compete in a worldwide market in addition to the mostly European market for river cruise ships.” Shipyard De Hoop is contemplating designs for ships destined for locations as diverse as the Antarctic, the Amazon, large rivers estuaries and London’s Thames River.

The company has been steadily building expertise in dealing with the rapidly growing challenges from legislation in the many countries where its ships will operate. “All the countries in Europe are trying to arrive at a single set of pan-European legislation for the inland waterways but different countries have completely different interpretation of these rules. So a shipyard in Germany can do things we are not allowed to do and vice versa. For this reason it will be very challenging to build ships competitively in future while following the rules as they develop. At all times we have to keep talking and connecting and improving our understanding what it all means for what we are designing.”

Add to that mix the demand for green technology such as engines that produce less harmful emissions and the relentless drive to keep fuel costs down, and the need for specialist help such as that offered by Shipyard De Hoop becomes clear. **C&F**

BUILDING ON A REPUTATION



Shipyard De Hoop has two yards in the eastern part of the Netherlands, located at Groningen and at Lobith. Both are located along busy inland waterways, with the Lobith yard especially well placed on the banks of the River Rhine.

An important part of the company’s business is repairs and refurbishments. During the off season for river cruising from December to February each year, both yards host drydocks for many vessels for which the yard is within easy reach.

In anticipation of the 2013 river season, the yard wrapped up construction on three river cruise vessels for two clients: a 135m ship for Luefner of Austria and two river cruise vessels for Vantage travel. All three were completed for delivery in March.

A further three river cruise vessels are planned: a 110m ship for Luefner for delivery in 2014 and then another 110m ship for Scenic Tours of Australia (a new client for the yard) and a 135m vessel for Scenic Tours’ brand River Waterways.

Although the facilities are in place at Shipyard De Hoop to build vessels up to 200m long, most orders do not approach that capacity since 135m is the maximum length allowed for sailing on European rivers. However, the company is in the process of designing small seagoing cruise vessels up to 150m in length for various owners.

While larger shipyards increasingly deliver prefabricated ‘plug and play’ units, including complete cabins, Shipyard De Hoop is moving in the opposite direction, often building wet cells (bathrooms) in situ on the ship. The reason for this is the limited height available on river cruise vessels due to the need to pass below bridges and manoeuvre through locks. These tailor-made installations are enabled by the company’s expertise in both project and process engineering.

The yard is also engaged in several conversions to install new ballast water management systems to comply with new legislation around water treatment. Systems are engineered, designed and developed in close cooperation with subcontractors.

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