

Style

At the Top of the Pyramid



An Interview with Jonathan Beckett,
Chief Executive Officer, Burgess

EDITORS' NOTE After graduating from Durham University, Jonathan Beckett spent time in Egypt running a sailing school at the Arab Maritime Naval Academy and as a yacht broker in Athens for Halsey & Tzalas Marine. Beckett joined Nigel Burgess in Monaco when he was 23 years old. He later moved to London to spearhead the U.K. operation. Beckett is a board member of the Mediterranean Yacht Brokers Association (MYBA), a judge for the International Superyacht Design Awards, a member of the Yacht Club de Monaco and the New York Yacht Club, and a board member of the International Yacht Council. He was named number three on the "Power 20 List" by SuperYacht Times.



Jonathan Beckett

COMPANY BRIEF Headquartered in London, Burgess (www.burgessyachts.com), previously known as Nigel Burgess, works with clients who are buying, selling, building, or chartering a super yacht. Burgess provides clients with a global presence, local expertise, and established relationships with world-class shipyards, naval architects, designers, and captains. Burgess maintains offices in Monaco, New York, Miami, Moscow, Seattle, Athens, and Palma.

How much of an impact have current economic conditions had on your business, and how challenging is it to find growth?

We've seen a dramatic impact. The past 10 years have been a phenomenon in the large yacht industry in terms of growth. People have been buying big yachts, and a large percentage of them have built two or three – one to keep and two to sell, for instance. That market has stopped dead overnight, but well-established companies will always have a demand for their services as this is a highly specialized industry.

Are you happy with the Burgess brand's recognition?

People recognize that Burgess is at the top of the pyramid and that we are the only yachting company offering full service throughout all the disciplines. Most of our competitors offer between 70 and 80 percent of what we offer. We are known for selling, chartering, building, and managing the very largest yachts.

Are there key markets where you experience the most growth, and are emerging markets a focus for you?

When I first came into this industry in 1980, the traditional markets were Europe and the Middle East. A big yacht in the U.S. at that time was probably 100 feet. It wasn't until '86 or '87 that Americans started coming to Europe and buying bigger yachts. The market developed quickly in the States and the appetite was there, so we ended up with Europe, the Middle East, and America as our traditional markets. We had other markets dipping in and out, like Japan, Mexico, and Malaysia, but none of those markets had any sort

of staying power. Russia has had a huge effect on our industry because they have the money, the appetite, and the staying power.

What makes your brand unique?

Every single person who works for Burgess is a salaried employee and every single person participates in the profit share at the end of the year. Everybody is participating and everybody is benefiting from the process, so everybody is enthusiastic about it. About 90 percent of our competitors operate under a big umbrella, and in a lot of their businesses, you end up with one winner and three losers, or two winners and two losers.

Has the type of business you do evolved over the years?

We've seen a big shift in our business to new construction, and we've become something of a new construction specialist. We have our own technical team of engineers who focus on long-term new construction projects. We're in the process of signing an 80-meter new construction project to be built in Germany, which is a very big deal. Ten years ago, you'd hope to sell one 80-meter yacht in your career, and we're hoping to sell two of those a year at the moment.

Do you have a lot of repeat business?

You always need new clients. A business where you're only living off your existing client base is not sustainable. However, we make sure our loyal clients, who have bought two or three yachts from us that may now be under our charter and operational management, are well looked after so that when they're thinking of selling their vessel and buying another one, they don't shop around.

Are these yachts typically acquired for pleasure or as an investment?

It's a combination. Quite a lot of people in the past 10 years see it as an investment vehicle.

Maybe they've built a yacht for \$40 million, and they've sold it for \$65 or \$70 million, which is extraordinary. One of our clients built seven yachts with us, and sold each one for a profit. Now those days are over. It's not a market anymore where you're going to charge a 50 percent premium.

Are you happy with the talent you've been able to attract to Burgess?

We have a lot of homegrown people. I was the third person who joined the company. Our secretary was the second person who joined, and she is now the office manager. We have a lot of people who've been with us 20 years who are in their late 40s, and we have people in their late 20s who've been with us between 7 and 10 years. It's very exciting for young people. We're going to see a big shake-up in our industry with this credit crunch. The strong will survive, and we're hoping there will be some good opportunities for us.

How challenging is it to budget your time, and how do you prioritize?

It is extremely challenging. I am a workaholic, which isn't something to be proud of, but I take great pride in everything I do. If I start a job, I like to do it properly and I like to finish it. My first priority is looking after the staff of the company. I take great interest in all of our staff – I know them all personally. I also get very involved in particular deals, because if you're running a deal, you have to be involved in every single aspect of it. It's a juggling act.

If I asked people who have worked closely with you what it's like to work for Jonathan Beckett, what would they say?

I think they would say he's a very friendly chap and never loses his temper. For him, the cup is always half full, never half empty. They would say that I lead by example, and that I am very approachable. I would like to think that if I led the charge, they would fall in behind me and go wherever we went.

Do you have the ability to turn the business off?

I used to be able to do that more than I've been able to recently. I'm very passionate about the business. Probably, once a year for one week, I manage to somewhat turn it off. The rest of the time, it's pretty much full on. I take good holidays, but I'm always on the phone or e-mail. ●

The 95-meter Indian Empress, managed by Burgess