



MACKAY MARINE SA

Dynamic Mackay Positions for a Steady Course of Growth

PRODUCTION: Tommy Atkinson

Leading seller and installer of communication and navigation equipment for seafaring vessels, Mackay Communications, dba Mackay Marine, has acquired South Africa's Dynamic Marine Systems and is integrating the company to bolster its service portfolio. Combining DMS' – now Mackay Marine South Africa's – expertise in dynamic positioning systems, with an enhanced line of Nav/Comm equipment, provides a broader selection of products and services for efficient navigation and to augment overarching safety objectives in offshore operations.

In the global maritime industry, the International Maritime Organisation (IMO) require vessels to meet certain standards to ensure safety and effectiveness. This is not only applicable in the construction of a vessel and its structure, but also essential in the rollout of technology installed on the bridge. Navigation and communication (Nav/Comm), satellite, radar, guidance, and various other controls must meet certain requirements, and for specialist ships, dynamic positioning (DP) is critical. The offshore energy space is fraught with risk – the environment is harsh, and the hazards are common.

Far from the shore, in cold, bleak, choppy seas, vessels must take up precise positions to undertake crucial work - surveying, drilling, diving, etc. By using specialised computer systems to control propellers and thrusters, combined with sensors and reference systems to determine the attitude and position of the vessel, the DP system controls three of the six elements of motion to ensure precise positioning

when traditional anchoring or tying up to a platform is not possible - especially in challenging conditions.

But DP is not an out-of-the-box solution. Installation and maintenance of complex Nav/Comm equipment is complicated. Knowledge and experience are required – and this is not something you can gain instantly.

Typically, a Nav/Comm engineer has achieved significant time, both practically and theoretically, in the field – even more so is required for a DP specialist. Time spent on vessels, alongside senior personnel, learning and adapting, and understanding the wave of different DP requirements makes for an arduous and lengthy training process. It's not for the faint hearted.

Mackay Marine, is a leading global Nav/Comm provider, headquartered in the USA. With 55+ locations around the world. When vessels need maritime electronics equipment sales and servicing, a trained Mackay technician has likely been dispatched by Mackay's 24/7

Marine World Service (MWS) to meet the vessel and is prepared to assist.

However, in 2020 Mackay Communication's President Jeff Schlacks was busy pursuing international growth and searching for opportunities to build on not only a strong footprint but create further depth in the service portfolio. Through a thorough feedback process and extensive client consultation, Mackay had identified DP as a sticking point for customers. A glaring skills shortage and a cost challenge resulted in DP services being hard to come by.

At a manufacturer's conference in Germany, Schlacks met Waldo Fourie, then Director of Dynamic Marine Systems (DMS), based out of Cape Town. With little presence on the African continent, Mackay was keen to expand, taking advantage of significant projects in offshore energy and the nature of African port geography at the centre of the global trade routes.

Quickly, synergies were found and Schlacks and Fourie went about establishing a relationship that would see DMS become part of the Mackay family.

CHANGE OF RECIPE?

"I asked Jeff what he did. He told me he was a banker. I told him that I was not interested in selling to a banker. He wouldn't know the industry and he'd try to change things for maximum profit and not for what is needed to provide a long term, sustainable operation," Fourie tells Energy Focus.

"I told him I would not lose people and if he bought the company, he would be getting a brilliant team. He stopped me and said, 'I do not buy the bagel shop and change the recipe, I buy a bagel shop because I like the bagels the shop makes."

"When Jeff did buy the company, there were no changes – nothing. He kept the company exactly the same; management in place, personnel the same, and all employment contracts remained South African. That is how we still operate today.



Nick Pope, Managing Director, Mackay Marine



Waldo Fourie, Director of Dynamic Marine Systems (DMS), now Mackay Marine South Africa

Jeff primarily added more funding to expand new offices, recruit people and increase stock," Fourie smiles, "coupled with a broader Nav/Comm portfolio and international customer base. It has been a win-win for all."

Since establishment in 2015 and owned by two partners, DMS grew into a recognised DP service provider, but DMS remained a small business. To develop substantially, capital would be required for premises, people, and products.

"Jeff purchased a readymade recipe in a box – very low risk. He bought a technical sales and service team with knowledge of clients. The only risk was he was in another continent, and he had to trust the management team here," explains Fourie.

Nick Pope, Managing Director of Mackay Marine Europe & South Africa says that the acquisition of DMS was a positive step forward for the global company, and new opportunities are already surfacing.

"DMS were experts in a part of the marine sector that Mackay

wasn't. Dynamic positioning is highly specialised and it is still taking us time to learn from our South African colleagues. The pool of people who know about DP is limited but DMS have that in abundance, and are knowledgeable about expansion opportunities on the African continent."

GQEBERHA

In November 2022, Mackay South Africa opened its fourth location, in Gqeberha (formerly Port Elizabeth), with the goal of servicing more vessels, more efficiently, while being closer to customers. Previously, the company had flown technicians from Cape Town (or driven 800km during the pandemic). Fourie saw the opportunity to set up a permanent presence as a spill over from Durban and access to more African markets was appealing.

"Durban is the biggest port in SA, but Gqeberha sees around a third of the traffic. We were busy there but we had to bill clients for our time on the road," he admits. "It made business sense to open an office there and it

took us just 26 days from discussing the idea to getting the door open. We have targets that marine service technicians should meet every month, and we've exceeded that every single month so far. Gqeberha is strategically well-located for the east coast of Africa too. We're looking at expanding there with more personnel to service a very diverse market."

Clients are delighted with the service and stockholding. Mackay promises to ensure quality of the highest standard, delivering the same excellence to a small fishing vessel as it does for a large deep-sea tanker.

During the pandemic, this quality level of service was called on like never before since out-of-country technicians were barred from South Africa because of lockdowns. Shipping was an essential service and continued at pace. Vessels required servicing, and equipment and technology maintenance was not optional. In Mackay's other global markets, the situation was similar, and the company was relied upon to provide on-demand and planned services across





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the port cities where it had a presence. “We operate in the energy sector, and that is also an essential service. Many clients supported of us with letters of request for our services and so we were allowed to work,” says Fourie. “We could travel, but no one else was allowed to travel into our region. External contractors could not get here as there were no flights, so people had to use us – obviously our service level is good as well. We drove all over the country while keeping our rates the same.” Today, Mackay has 55 locations

globally, growing from 42 in September 2020. The pandemic and ensuing economic challenges have not dampened ambitions within this eager organisation. “Mackay grows in an organic manner,” states Pope. “We don’t have bank loans and we’re not an investment company – we want to grow our ‘family’. Waldo has done an unparalleled job of growing the business in South Africa, and he has assembled a very experienced team. “We are looking forward to continuous growth but attracting technically competent people into the industry will be our challenge. Our natural pool of personnel, which were seafarers coming ashore, has pretty much dried up. We must attract new blood.”

NEW BLOOD
According to Fourie and Pope, there is no doubt about the challenge for Mackay going forward. Even with large offshore discoveries documented regularly, and with offshore wind gathering pace around the world, supporting vessels and the wider

maritime industry is facing a personnel shortage and a lack of skills. A lengthy and costly process, bringing fresh talent into the industry – specifically around DP – is a hurdle that must be overcome by Mackay, and the wider industry. “Going back more than 25 years, we were already aware there was too few seagoing personnel to meet the manning needs of vessels sailing around the world. The situation has not improved since then and we’re desperate for people to come into our industry,” details Pope, adding that the industry remains a tough one in which to work. “If you turn up late to a factory with a spare part, you’ll have an angry manager as they will have lost hours of production. If you arrive late to a vessel with your spare part, the vessel has potentially moved to another port and if so, the part and technician now need a complete re-set. It’s like working with a moving target. There are multiple factors that contribute to making our industry very fluid.” In 2021, a BIMCO/ICS Seafarer Workforce Report warned of a

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significant shortage of officers coming into the industry by 2026 which will have an impact on the global merchant fleet. Earlier this year, a shortage of vessels was highlighted as a potential challenge for the UK’s lofty offshore wind rollout ambitions. In Nav/Comm and DP engineering, there is already a personnel shortage. “The average employee expects to work hard, maybe work some overtime, but they know they’ll go home each night. We’ve had people deployed into Africa, alone, on 12-day assignments... and 47 days later, they return home. In Africa, there’s a lot of

red tape and it’s hard to get the skills, so when you’re there they want to keep you to align with their schedules. We have a joke where our technicians say, ‘I’ll be gone for five days, or maybe 50’. There is no such thing as just working for eight hours. It’s demanding work and there aren’t a lot of people willing to do it,” explains Fourie. So, why would you want to become a DP and Nav/Comm technician? “For dedicated team players who are technically savvy and keen to learn a broad spectrum of technologies, there’s job security and high demand for your skills,” highlights Pope.

“Techs with an appetite for travel to unique locations, with a good earnings potential, can be assured there’s no monotony in this job! An immense amount of satisfaction is gained from repairing critical equipment which is depended upon by a whole crew and vessel owners for safe navigation,” he adds. “The key to providing and retaining a robust DP and Nav/Comm Technician team is training and practical exposure that drives continual improvement of skills,” says Fourie, an industry veteran of a quarter century. Training is expensive and time



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consuming. A DP technician will require extensive theoretical and practical training before assessment. Advances in technology, and the drive to deliver the safest operation possible, do mean regular updates in DP operations and the evaluation of systems. This is where being a member of guidance authority, such as IMCA, is very important to stay abreast of the latest developments.

For personnel who do make it through this process, there is a strict shadowing period where senior technicians/surveyors impart knowledge before a junior person is ever allowed to work alone. Because of the nature of the industry, Nav/Comm and DP systems are part of the wider focus on safety and risk management – and expertise here is non-negotiable.

A DP surveyor has the potential to take a vessel off-contract with an 'A -Finding'. This places a significant responsibility on the company to ensure personnel are properly trained, up-to-date on the regulations, aware of changes in the regulations, and have an in-depth understanding of vessel systems and the integration thereof in a DP vessel.

"If you want to survive and be

successful, you must train and be willing to take risks with new technical personnel. This year, we are starting with apprenticeships. We hope to keep people with us, as we treat them well, but we know not everyone will stay. As we expand into Africa, we want to recruit people from certain countries in order for them to work in those countries for Mackay. The challenge is about managing quality and ensuring a vessel will get the same level of service throughout Africa as it would in Cape Town or UAE or Rotterdam or Houston," details Fourie.

DP CAPABILITY

The low number of accredited DP practitioners in Africa is alarming. "Waldo probably knows most of the certified DP technicians on the continent," jokes Pope. With major opportunities off the coast of almost every ocean facing nation around east, west and southern Africa, manpower is essential. But specialised skills, as detailed as a requirement by the IMO, remain difficult to obtain. Even so, in the offshore energy market, DP knowledge is imperative.

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any rig or offshore platform for operations unless you are a DP vessel. All your offshore handlers and platform service vessels have DP. It is a different sector – in the normal commercial space, you can go from one port to another and complete a service. But with DP vessels, they are contracted to a region and that is where they stay for the duration of the contract. Service firms must adapt to their schedule and work around them. If they have maintenance days, you must be there on the maintenance day. You cannot just schedule a day that suits you. It's a high-pressure environment and you cannot take a vessel out of commission because you are slow," reminds Fourie.

"If you are working in deep water, it is preferred to keep the vessel in place with DP. It's all about accuracy. The margins are generally sub-meter but can go down to sub-decimetre accuracy. When laying pipe, you typically have a pipe end-target touch-down point of 80 x 80 cm on the seabed in water depths of a few 100 meters. When drilling in deep water (4000 feet), ultra deep water (7000 feet), or carry out construction operations at depths that make it impractical or very costly to fix a structure to the seabed, you

use dynamic positioning. You cannot have a vessel floating around doing its own thing. It's the same with dive operations, ROV operations, offloading, and many other activities – everything links back to DP as a sector on its own.

Highlighting the importance of DP as an element within the wider technology portfolio of a vessel, Fourie's desire is to work with Schlacks and the relevant Mackay Service teams to build out comprehensive DP offerings beyond South Africa.

"We're keen to position Mackay as a leader in DP services globally. Just looking at the locations we have around the world, we're not talking about a large shift for the business, but a valued add-on for many of the company's worldwide client-base. The capacity and quality systems are there, it's just about setting up centres of excellence, in the right places, at the right times."

POSITIVE PEOPLE

At all times, Mackay is busy searching for new technology partners and inking new service agreements that keep its client's vessels moving seamlessly. Mackay is an established installation and service partner of Anschütz (previously Raytheon-Anschütz), Cobham Satcom, Danelec, Furuno, Inmarsat, JRC, Jotron, KVH, Netwave (S.O.S.), Yokogawa, Zenitel, and more. In 2022, they were awarded preferred service provider for Intellian in the Asia/Middle East region and a Worldwide Sales Partner.

Going forward, it is quality products from world-leading partners, alongside deep industry knowledge that will ensure Mackay grows with quality at the bow.

"We are ISO rated and audited by a number of major class societies - they certify that we are up to standard," confirms Pope.

"We are optimistic about Africa and other key regions," he adds. "Mackay talks to customers. They tell us where they have challenges securing reliable services. We listen and we often act on those hints. We do have aspirations



to grow in regions around the world and we'll diversify if we hear the needs from clients. We know our business and when we add locations we don't just jump in. Having someone locally who knows their business area and whom we can trust is imperative. It is why we invested in DMS."

Fourie underscores Mackay's membership in IMCA as an important consideration for potential clients looking for a partner in Africa when vessels need maintenance, inspection, or product installation. Mackay is an active participant in IMCA's thought-leadership forum, and our teams examine IMCA guidance closely to ensure best practice.

"They have an amazing overview of the industry. Many of the major operators will ask about our IMCA status before engaging with us at all. We have access to all IMCA documents, and we study those forensically. For work in the offshore industry, engagement with IMCA is vital."

Mackay Marine South Africa is demonstrative of the international group; searching for new opportunities alongside clients and working with the best products in the market to ensure growth. Emphatic growth

over the past few years, even against a very stormy backdrop, shows that Mackay is a business that is inspired working through the rough seas.

"We are positive people working in a healthy company. We're all connected very closely, and encouraged to be transparent, which makes our commitment more personal," says Pope.

Schlacks is also confident about the route forward and has his compass set on quality service delivery at every opportunity.

"Combining DMS with Mackay's extensive global footprint, abundant inventory, commitment to training, and breadth of Nav/Comm partners, will elevate both organisations to better serve current and future customers," he said of the acquisition.

By listening to the market and filling in gaps, when it makes strategic sense, Mackay's growth will continue to be robust, as it solidifies its position as an industry leader. ■

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