

Mark Lamarre, CEO

SEASPAN SHIPYARDS

THE POWER, PITFALLS and POLITICS OF NATIONAL SHIPBUILDING

*With more than three decades of experience in the US, Australia and now Canada, Seaspan Shipyards CEO Mark Lamarre has had an inside view of several national shipbuilding programs. CDR's Senior Staff Writer, **Joetey Attariwala**, caught up with Lamarre to get his insights.*

CDR: Based on your experience with several national shipbuilding programs, what works and what doesn't?

Lamarre: First let me say that, as a third-generation shipbuilder, there's nothing more gratifying than to have a role in building the next generation of ships for Canada and putting Canadian shipbuilding back on the map. Shipbuilding is once again an exciting industry thanks to our National Shipbuilding Strategy (NSS).

Every national shipbuilding program around the world has similar objectives: Avoid the boom and bust cycles of the past by creating a continuous and long-term demand for ships. Build a strong sovereign shipbuilding capability. Create economic value, and provide employment opportunities for generations to come.

A tall order, for sure, but it's exactly what we're seeing with Canada's NSS.

The beauty of shipbuilding programs like these is that they have the potential to provide a sustained demand for ships, which means work across all value streams — from cutting steel and pipefitting to procurement, design, and engineering.

Most important, a steady flow of work helps teams keep their knowledge sharp and maintains learning focused on making continuous and meaningful improvements from ship to ship. The ability to continuously learn, in my view, is the single biggest differentiator and asset for a modern shipyard. I've seen firsthand the huge impact ship-to-ship learning can have.

But I've also seen where these programs can stumble into some common pitfalls.

CDR: What are some of the biggest pitfalls?

Lamarre: The biggest pitfall for shipbuilders anywhere in the world is a

production gap. Not heeding warning signs that there's a potential gap in work can very quickly plunge the shipyard, its supply chain and the industry back into a bust cycle.

When a shipbuilding bust cycle happens, the shipyards, supply chain and even the surrounding ecosystem lose muscle memory. Skilled workers are laid off and move on to jobs in other sectors, leadership is disrupted, and knowledge and experience disappear. When a large federal vessel is needed again, there is little in-country capability to get started right away. When you turn off the shipbuilding tap, you can't just turn it back on. It takes years to recapitalize facilities and rebuild and retrain a workforce.

Lack of investment is another. If you don't keep investing in your processes and technologies, infrastructure, and people then you risk becoming inefficient and irrelevant. You simply can't build a Tesla in a Model T factory.

CDR: Are there any other pitfalls?

Lamarre: Not sticking to the strategy creates huge risk to the overall success of shipbuilding programs and it's tempting to start to tweak things. Things can go sideways when the procurement process gets derailed by politics as that can end up fragmenting

the industry, which can be a death knell for shipbuilding programs. Spreading work too thinly leads to gaps in work, and that brings back the bust cycle.

CDR: What is the best way to avoid these challenges?

Lamarre: The most successful programs are those that stick with the strategy and have the patience to let it work. Because in the long run, it's far more efficient to stay the course than it is to tinker around the edges. Every national program and national government is tempted to tweak. Challenges and course corrections are inevitable, but if you can avoid the big pitfalls, shipbuilding programs like the NSS can be powerful instruments of national partnership and collaboration across industry, government, and research and education institutions.

CDR: How do you think the NSS is working?

Lamarre: The NSS is working exactly as intended. Of course, we've had challenges; every shipbuilding strategy does, but there's no doubt that the strategy is succeeding. New Coast Guard and Navy ships are in the water on both coasts. Between Seaspan Shipyards and Irving Shipbuilding, Canada has taken delivery of three new vessels in the last 12 months and we are about to deliver the fourth in a matter of weeks.

We're also seeing impressive economic output. Seaspan alone has become a significant economic engine, both for BC and for Canada, and we've become an anchor customer for hundreds of suppliers across the country. Many of those are small and medium enterprises. We have capacity and capability that didn't exist 10 years ago and we're seeing strong ship-over-ship performance improvements from our team.

I'm proud of what we're accomplishing, not just from a Seaspan perspective, but also from a national one. Canada was wise in putting the NSS together; it has the right policy goals. Shipbuilding really is nation building, and our national strategy has momentum, is gaining speed and maturing with every ship delivered.

CDR: Thank you Mark



The most successful programs stick to strategy, Mark Lamarre told CDR

Joetey Attariwala is CDR's Senior Staff Writer