What’s in a name? Thorsten Jalk, CEO at ZITON, dropped in to tell us about the name change from DBB Jack-up. It’s an exciting time for the company; they offer more than a jack-up service, in fact they provide the whole operations and maintenance package. Owning the vessels contributes to fulfilling their aim of reducing costs for their customers.

ZITON is actually a new name for our company. We were previously called DBB Jack-up. We were previously called DBB Jack-up, after starting up in 2008 as part of the DBB Group. We’ve since separated ourselves from that group, which is one of the reasons we decided to rebrand.

**PES:** Is the offshore wind industry still growing?

**TJ:** Yes the offshore wind market is still growing and there will be a continuing need for more O&M services in the future. Much of the industry data points in this direction. The UK and Germany, for example, two of the larger markets, are planning on adding to their capacity and installing more turbines up until 2020. This added capacity will eventually lead to the need for even more main component interventions.

But there are important market developments that are changing the face of O&M. As turbines become bigger – which is the reality – breakdown implications change. Losing an 8-10MW turbine has
greater consequence than losing a 3MW unit. This makes it even more critical to repair the larger ones and get them into production again. In just a few years, at the same time as technology has improved, the industry has managed to reduce failure rates. O&M is now more about predicted and planned maintenance and much less about dealing with sudden breakdowns.

Also, as turbines pass the five-year mark, which is the OEM turbine manufacturer’s normal warrantee period, wind farm owners are becoming more directly involved in O&M. For many owners, this is a new world and for O&M service providers, it requires a different approach.

This is one of the key drivers for our three-year agreement with DONG. It is natural that we, too, engage more with owners. We want to contribute, with our experience and first-hand knowledge, to what can be done to minimise breakdowns and extend the lifetime of the equipment. This means being in dialogue with key decision makers to help make them aware of how O&M will play a vital role in the future of the industry.

**PES: How are you capitalising on this growth?**

**TJ:** We are moving away from being purely a jack-up owner and operator to being a provider of value-added O&M services. We are widening the scope of our services in areas such as logistics, onshore and offshore, so that we can take greater responsibility for all specific operations related to tasks such as main component exchanges.

Our aim is to provide better and more cost-effective solutions that help our clients maintain the stability of their business. This means working together with owners to produce flexible solutions aligned to their business needs. Here, we see that framework agreements are an important part of the equation.

So, for example, we need to look at how we can develop relationships with our customers. It is about interfacing with wind farm owners in new ways.

Being dedicated to O&M, we can optimise the use of our jack-up vessels, which contributes to lowering costs. In fact, this focus on utilisation is something we talk about every day. There are many things in this industry that cannot be controlled – like the weather, but there are elements that can be controlled. Utilisation is one of those. The better the utilisation, the lower the price we can offer. We are aiming to provide more fixed-price service offerings to reduce risk for wind farm owners.

**PES: Would you like to explain the reason and rationality behind the new name and logo?**

**TJ:** It was important for us to have a name that signified strength, determination and commitment and I think there is a certain power within the name. But there’s another story behind it, too. It’s very much about having our sights firmly set on the future – ours and the industry’s. We are here to help our customers maximise their investments. Any breakdown is critical; any repair or component exchange is urgent. Our customers rely on us to be available and ready – and when the time comes, we are there – on site – to keep their operations running. So that’s why we pronounce it ZITE – ON.
With the new name comes a new identity. We have developed an identity mark for ZITON that communicates the uniqueness, strength and focus of our business. But since those are the qualities that have driven us for the last several years, we have retained the overall visual universe for which we have become known. At the same time, the brand has been modernised with some new brand elements, including a new font and new colours, to emphasise the name ZITON.

PES: ZITON is so far the only dedicated O&M jack up provider for offshore wind. How do you set yourself apart from other jack-up providers?

TJ: We do more than just provide jack-up vessels to our clients: we are a service provider. If we only provide the vessel, it is up to the contractor to utilise the vessel properly and solve the problem. But we can help by contributing with our extensive expertise and experience. This involves intimate hands-on knowledge of all issues concerning O&M. There is a big difference between installation and service. You can call it a mind-set difference. Installation is a project-based mind-set – you have a start date and an end date and the project has to run smoothly within those two dates. But it’s different for service. Service is for the long haul. You look for optimisations every day in your daily operations and it needs a certain approach to client relationships and work processes.

We believe we have unique experience in these areas, because it’s what we have focused on for so long already. You can’t underestimate the experience gained from more than 500 replacements.

And of course, we also need to be able to execute efficiently and at a moment’s notice. Even with the best planning, there will always be unexpected breakdowns, so as a service provider, we need to be ready. All our systems are set up for quick and safe service.

OEM and owners increasingly being able to avoid breakdowns and hence plan better, but ZITON always needs to be ready for when breakdowns do occur.

PES: What have been your biggest challenges so far?

TJ: I think the main challenges concern best practices. It’s a young, fast-growing industry, and without established best practices, it means you see many different approaches and procedures at the expense of efficiency – especially across different geographical markets and as more
newcomers join the industry. So even though we at ZITON are focussed on optimisation, it can be a challenge to put our ideas and procedures fully into practice every time.

At the same time, we are naturally seeing a great demand for cost reduction and in extreme cases, wind farm owners are simply unwilling to invest in preventive maintenance. Yet when equipment breaks down, it needs repairing urgently.

I think the industry needs to allow specialists to focus on what they’re good at – focus on core business. A lot of it is about trusting the experience and expertise that is already in the industry from people who have been focussed on reducing LCoE for years.

We want to reduce costs to help the industry towards its LCoE goals, but we are facing expensive vessel costs. There is a limit to how low daily rates can go. But with the right approach to optimisation across the supply chain, there is excellent potential for lowering the costs of maintenance. It can really make a difference creating a cost-effective setup from the start.

**PES: What other major current challenges do you see within offshore wind O&M?**

**TJ:** We are seeing more bureaucracy and less focus on specialism and this is having a negative impact on efficiency. Perhaps it is because of the uncertainty and lack of experience. Offshore wind’s rapid growth has meant that more people are entering the industry without a lot of experience and immediate knowledge. Of course, they will gain it, but there’s a steep learning curve.

**PES: What major future challenges do you see on the horizon?**

**TJ:** As wind farms get bigger turbines, this will eventually mean a need for larger specialist vessels and equipment to service them. This requires planning and investment if the industry is to be ready. Today’s vessels may be obsolete within a few years, which would be a huge cost to the industry. So on one hand, we need to be building suitable vessels fit for future purpose and on the other, it is difficult to justify new builds if O&M strategies and contracts are not in place. We need to find the right balance, while also maintaining financial stability within the industry.

**PES: What are the prospects for ZITON as we move towards 2017?**

**TJ:** First, looking back, we have achieved what we set out to do in our strategy from five years ago. So we’re happy with that. Now, we are very excited about 2017, as it will be our first full year with three vessels. We have just signed a new long-term framework agreement with DONG. Together with our other framework agreements and signed contracts with OEMs such as Siemens and MHI Vestas and utilities such as E.ON, we see this as a stamp of approval that we have provided good service for the industry. And with the added certainty this gives our business, it allows us to focus on optimisation.

“You look for optimisations every day in your daily operations and it needs a certain approach to client relationships and work processes”