

HI INTERVIEWS DR WYN WILLIAMS, UKHO AND GERT BÄTTGENBACH, SEVENCs

UKHO Acquires SevenCs

More and more public institutions are involving themselves in private enterprise (see interview "The Public-private Dilemma"™, December 2005). Is the line between public and private activities becoming blurred? The UK Hydrographic Office has just announced its acquisition of SevenCs, a German producer of ENC production tools and ECDIS.ECS systems (see this month's Market Place). Hydro international was eager to learn of the thinking behind the move and future plans. We were fortunate, at short notice, to interview UKHO Chief Executive Dr Wyn Williams and co-founder and executive director of SevenCs, Gert Bättgenbach.

The press release on the acquisition of SevenCs by the UKHO did not go into much detail. Could you elaborate on the take-over and on the motivation behind it?

The UKHO has acquired SevenCs as part of its ongoing commitment to get closer to the end user community and to provide the best navigational solutions to the mariner.

SevenCs has a deep understanding of the design of ECDIS display software, as well as the software needed for ENC production. It has long been regarded as having one of the best ECDIS kernels on the market today, and these things make it an obvious partner for UKHO data.

SevenCs is focused on providing dynamic software solutions to meet the needs of a wide range of navigational operations. The UKHO is keen to protect the innovative environment that exists within SevenCs, and to use this to bring new products to market quicker than would otherwise be the case.

Will the UKHO in future provide ECDIS software (ready for type approval) to OEMs wishing to manufacture their own ECDIS systems?

SevenCs is already committed to that, and has accumulated a great deal of type-approval experience. Additionally, the UKHO will work with other OEM companies to allow software and data imports within their own systems.

Will the UKHO begin selling ECDIS/ECS systems as SevenCs did?

Both operations will continue trading as they have in the past. In the future, the opportunities to provide a more straightforward purchase option for the end users by bundling data with software will be one of the advantages of the acquisition.

If the UKHO intends to bring to market its own ECDIS software, will this not increase competition and damage the relationship with some other major ECDIS manufacturers?

SevenCs will continue to provide the ECDIS software, and the UKHO will provide the data products. We will work together on innovative services, but the existing UKHO products will continue to be available to all OEMs who can display them.

As to increasing competition, SevenCs already competes with other kernel manufacturers, and presumably this will continue. The UKHO plans to provide services in open source format so that the other navigational equipment manufacturers will be free to work with whomsoever they choose. Neither SevenCs nor the UKHO will lock OEMs into exclusive relationships.

What will be the future role of ChartWorld, the SevenCs company; will UKHO start distribution of private data such as Transas TX 97, Navionics and MAPTECH BSB)?

WW: The UKHO enjoys the same relationship with all of its distributors. There are no plans that this should change. UKHO Admiralty-branded products will only comprise official data. SevenCs will carry on selling private data products under their own brand names.

Some OEMs already have agreements with SevenCs covering the licence of the SevenCs ECDIS kernel. Have these licenses

been taken over by the UKHO?

WW: The licences stay with SevenCs, which will remain autonomous. The considerable value of SevenCs is the ingenuity of its innovative, erudite workforce. Again, we see no reason to change this and the company, albeit under new ownership, will continue to operate as it has done up until now.

Will the SevenCs EC2007 kernel in the future continue to support commercial electronic chart formats like BSB, Navionics and Transas?

Yes; the kernel is designed to meet full ECDIS specifications, but it will continue to accept other electronic chart formats. This provides end users with a range of options, from full ECDIS operation using official data, to ECS operation using commercial data.

Is the acquisition of SevenCs by the UKHO one more step in the process of total privatisation of the UKHO?

WW: To the best of my knowledge there are no plans to privatise the UKHO. As I explained to your readers the last time I was fortunate enough to be interviewed by Hydro International, the UKHO remains a UK government agency with Trading Fund Status and is therefore required to support itself from its operations. We do not call upon our taxpayers for funding, and this acquisition is part of a strategy designed to protect the future supply of official data for the world's SOLAS vessels.

The future trading status of the UKHO is a matter for the UK government to review regularly; the most recent study concluded that the UKHO could best meet its mandates under its current trading terms.

The UKHO may be seen by some as a business organisation. This may affect the status of "official charts" and could be a step towards other chart suppliers entering the "official chart" market. What is your opinion on this?

WW: The UKHO is mandated to recover its production costs and the commercial operations form part of this cost-recovery model. However, this in no way undermines its government status or the official status of the products it produces on behalf of the UK.

SevenCs was very active in ECDIS-related official working groups of the IHO and IMO. Could you give us your views and forecasts on this?

SevenCs will continue to work with the other key members of these special working groups, offering its skills and expertise to the wider benefit of the international ECDIS community. With the added benefit of the relationship with the UKHO, SevenCs will bring an even broader appreciation to the table.

Many HOs consider themselves non-profit government organisations. Do you foresee any change of attitude on the part of other HOs towards the UKHO; any that might result in HOs being reluctant to have their chart products used by UKHO, or their asking for a bigger percentage royalty?

WW: Perhaps some may be wary of the move at first. But the UKHO has been trading commercially since the early 1800s, and this acquisition is seen by many as a natural alliance that is to be welcomed, as a move to accelerate the take-up of ECDIS and ENC's.

Will the take-over of SevenCs affect the relationship between ICENC and PRIMAR and, if so, how?

WW: No: IC-ENC and PRIMAR will continue to operate as they have been doing for some time.

SevenCs is active in the inland navigation market, both with data and with software and systems. In this way SevenCs participates in COMPRIS and is a member of EADINS. Will it remain in this business, thereby involving UKHO in inland shipping?

SevenCs will continue to operate in its existing markets and support its existing customer base, so indirectly the UKHO will now have a link into inland shipping.

SevenCs is active on other fronts than just chart-production systems and ECDIS/ECS-systems: for example, systems for traffic control and surveillance; harbour management, environmental care and military systems (e.g. AML). Will UKHO become active in these fields?

SevenCs will continue to operate in these fields, and if appropriate may now draw upon the complementary skills-sets and capacity of the UKHO to develop in these areas, if these are seen as the best directions to take.

SevenCs was founded by Gert Buttgenbach and Kersten Gevers. How does it feel to sell your baby?

GB: Selling a company that you started is always going to be tinged with a little sadness. However, all entrepreneurs know one thing for sure: change is the only constant in this world. So we had better respond, or we will become obsolete. Today, the ECDIS market is an industry of relative small businesses or small departments in large corporations. This will change real soon. A small but independent player such as SevenCs cannot attract enough financial resources to withstand such market forces and thus has to seek alliances. Such alliances can only protect you so far, and life can be very stressful for the owners of a small enterprise. Being part of UKHO now feels actually very good " finally we can make things move. I hope our good customers and our friends in the industry will now work with us towards the ECDIS of the future.

Will you remain involved in the company?

GB: Kersten and I will stay in the chair for many years to come. I think this tells a story: UKHO wants to show continuity.

Can you explain in some more detail the advantages for SevenCs in being sold to the UKHO, a public institution? What will be the extras?

GB: The UKHO is trading fund, i.e. not at all a typical governmental organisation. It is very much customer oriented; however, it also serves its navy and has to take care of charting the UK waters, which makes its job very demanding. The acquisition of SevenCs provides the UKHO with an opportunity to get even closer to the customer to best understand his needs and expectations.

For SevenCs this means a level of support that was unknown to us before. At SevenCs new and groundbreaking concepts can be tested and tried without disturbing the integrity and quality of the services in Taunton. To be part of such a team is exciting and very motivating.

What is your view on the management of a private enterprise owned by a foreign public organisation?

GB: The SevenCs management has sufficient room to continue business as usual. However, Kersten and I now carry a higher responsibility, since we are with one of the most important HOs in the world. In the past, SevenCs tried to be in line with the policy of the IHO wherever possible. Being part of UKHO does not feel very different.

Did UKHO buy the shares, or was it Admiralty Holdings Ltd?

SevenCs was acquired by Admiralty Holdings Ltd on behalf of the UKHO.

Editor's Note

The subject of the interview in our last issue was "The Public-private Dilemma". While this was being distributed we were informed of the financial acquisition of SevenCs by UKHO. Although we carried an interview with UKHO CEO Dr Wyn Williams just a few months ago, we thought we would serve our readers best by trying to bring you an up-to-date interview with the CEOs of both SevenCs and the UKHO to illuminate new developments. Thanks, despite short notice, to the willingness of both gentlemen, we have been able to do this. Depending on their nature and content, our questions were answered by either Dr Wyn Williams, or by Gert Böttgenbach, or by both. Answers given by just one of our interviewees are prefixed with their initials.

<https://www.hydro-international.com/content/article/ukho-acquires-sevencs>
