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executive achievement:

John W. WAGGONER

Hornblower Marine Services

MARINE SERVICES

By MarEx Staff

The Recognized Leader in American Casino and Ferry Operations Has His Eye on Perfecting the Shortsea Shipping Concept Here at Home

JOHN WAGGONER'S SELF-DESCRIBED "circuitous path" to his current role as President and Chief Executive Officer of Hornblower Marine Services (HMS) has been a personally satisfying one. Active in the passenger vessel industry for over 30 years, he began his career in the sport fishing business but has been involved in many and varied maritime segments including commercial fishing, offshore oil support vessels, dinner cruise and excursion vessels, casino boats, and car and passenger ferry operations. His role in the next phase of the American maritime industry, however, will likely define his career – and just perhaps jumpstart the foundering concept of domestic shortsea shipping.

Getting Started: A Different Route

Waggoner's marine career started ordinarily enough when, in the sixth grade, he took a half-day fishing trip out of San Diego. Now hooked for life on the water, he leveraged his substantial Midwest work ethic into a position as deckhand in the very same fleet of boats. Eventually, and after serving as Director of Marine Operations for Hornblower Dining Yachts' fleet of 29 dinner cruise vessels, John and his partner founded HMS. Waggoner calls Jerry Aspland, the former President of ARCO Marine, Inc., an early mentor. Along the way, though, Waggoner has himself mentored countless numbers of employees. Active in many civic organizations, he is also a member of the California Maritime Academy Foundation's Board.

Waggoner told MarEx this month that, "Knowing what I know now, I probably would have gone to a maritime academy." Instead, and true to his passion for the oceans, he earned a Bachelor of Science degree in Marine Biology in 1979 from California Polytechnic State University in San Luis Obispo. Later, he would receive his MBA from the same institution. Concurrent with all of that, he managed to earn his ocean operating license and spent time working

in the offshore oil supply business. While getting his MBA, he worked for Exxon. He even sold securities for a summer but knew his heart wasn't in it. That "circuitous path" would lead him back to the water, where John still lives his childhood dream of "being able to play with boats the rest of his life so he will never have to grow up and get a real job."

Growing Up – And Branching Out

From a startup company of just two employees, Waggoner has fostered the firm's growth – which he calls his greatest accomplishment – into one which employs almost 300. Since the firm's inception in 1995, HMS has grown at an average rate of 58 percent annually in terms of gross revenues. These days, HMS is recognized as a leader in providing consulting, management, and construction oversight for a wide range of marine operators – startup and existing businesses alike.

Even today, Waggoner still shares knowledge and resources with his former employer, whose six-state operation is the largest dinner cruise operation in the nation. From the outset, Waggoner's fledgling HMS enterprise was a success. After landing a contract to convert a dinner boat to a casino boat in Missouri, he soon got another – this time involving a 3,000 passenger casino boat. It was here that his now familiar expertise in marine logistics was first tested.

Challenged by the Coast Guard to prove, among other things, that the casino boat could be operated in a safe fashion under a variety of scenarios, Waggoner's team formulated an Emergency Disaster Plan for the operation. The drill that followed was, at the time, the largest emergency disaster drill ever attempted in the Midwest and involved 21 state, local and federal agencies. John's continuing dedication to safety eventually earned a Commendation from the Commandant of the U.S. Coast Guard for his substantial and lasting contribution to promoting passenger vessel safety.

John Waggoner IS Shortsea Shipping

Along the way, HMS launched the largest casino boat in the world, right here at home in Indiana. Well-paying casino work would ultimately allow HMS to enter the high-speed ferry game, where Waggoner's crew has distinguished itself in management and logistics savvy for such high-visibility projects as the Westpac Express and Hawaii Superferry. Both projects were notable for their many challenges, and Waggoner says, "No two projects are the same." Today, Waggoner frequently finds himself in Trinidad where he is actively engaged in a new ferry project and perfecting an enviable shortsea model. There, he has helped local workers reduce their roundtrip commute by as much as two hours, while also reducing the carbon footprint of the island's rapidly growing automobile fleet.

At a time when many marine businesses are experiencing real pain in a contracting economy, HMS reports a very different picture. The Trinidad project does not necessarily fit within the HMS business model of "staying in the domestic markets," but Waggoner has also not been afraid to look to emerging markets to generate new business as the U.S. economy experiences its cooling-off period. Beyond this, many of Waggoner's clients tend to be state, local or federally funded enterprises. These transportation projects, often critical "moving roads," can be the lifeblood of local com-

munities. HMS, he says, is therefore weathering the current economic storm very well.

Planning and Preparation: Based on Experience

Eventually, Waggoner knows, his expertise may be critical in developing a national shortsea shipping model. And it is no accident that he was recently appointed to the National Academy of Sciences' Marine Board. Waggoner characterizes ferries as "moving roads," but also understands the need for a demonstration project to jumpstart the process. With the credibility that would come from a successful startup project, Waggoner says, "We'll hopefully find funds for a moving highway." Tomorrow, the guy who has organized high-speed ferries, casinos, dinner boats, and scores of other marine-related projects might just be our best bet to take the concept of "America's Marine Highway" and turn it into a reality.

The "circuitous path" traveled by Hornblower Marine's CEO is poised to become the roadmap for efficient, clean and green, shortsea transportation. Harnessing his proven history of success in executing new ventures and re-engineering existing businesses in the passenger vessel industry is arguably the perfect recipe for producing shortsea efficiencies on a much wider scale. And if he tends to make it look easy, that's because he's still having fun. Let's hope he never stops.

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