

The background image shows a small, dark-colored boat, possibly a fishing or research vessel, moving through a turbulent sea with white-capped waves. The sky is filled with heavy, grey clouds, with a bright patch of light breaking through near the top center, creating a dramatic and somewhat ominous atmosphere. The boat is positioned in the lower half of the frame, moving towards the right.

Strong Management Systems as a Survival Tactic

Tanker Operator, *Making Money in a Tough Market*, Athens 08 April 2014

**WHY
THERE IS A
NEED TO
SURVIVE ?**



GREECE is expensive place to
perform SHIPMANAGEMENT

WHAT
OPTIONS WE
HAVE TO
LOWER COSTS ?



The “MANAGEMENT DILEMMA”
IN-HOUSE or EXTERNAL?

EXTERNAL MANAGEMENT

Pros

- 1. Cost Savings – Especially for small scale Ship Owners**
Not necessarily true. Some small scale Ship Owners maintain extremely efficient management outfits
- 2. Owners can concentrate on freight earnings and the asset cycle**
This sounds more like the job of a Banker rather than a Ship Owner's job
- 3. Manager can shield the Owner from blame in case of an incident**
I do not remember an Owner avoided the blame. Do any of you?

EXTERNAL MANAGEMENT

Pros (*cont*)

4. Managers are often better equipped to deal with liabilities and claims

Bigger sample does not ensure better efficiency. Owners generally fight claims with more passion and insistence

5. Officers/Crew often have more career options with a Manager than an Owner

True BUT also Officers/Crew they never develop a dedicated Owner's culture as they circulate among various fleets as per Manager's needs

EXTERNAL MANAGEMENT

Pros (*cont*)

6. Managers may be better aware of new rules/regulations

No comment

7. Managers may be better placed to implement OCIMF/TMSA requirements, which pose major barriers to some Owners

Quality Ship Owners maintain much higher TMSA scores than Managers can obtain. The high stages of TMSA are expensive to be maintained in big scale

EXTERNAL MANAGEMENT

Cons

1. Large Ship Managers face difficulties in maintaining personal service to Owners at top level

Not necessarily true. I know Ship Managers that maintain excellent contact with Owners

2. Some Charterers may not approve certain Ship Managers

Some Charterers in specialized projects –where Owner may have no previous management experience- demand the involvement of an approved Ship Manager

EXTERNAL MANAGEMENT

Cons (*cont*)

3. Owners dispute the reporting transparency of Ship Managers

Ship Managers have more rigorous and transparent reporting than many Owners

4. Ship Managers may not perform to Owner's satisfaction

Some Ship Managers are not only performing to Owner's satisfaction but also beyond Owner's expectation

IN-HOUSE Vs EXTERNAL MANAGEMENT

- There is no rule of thumb indicating when the External or In-House Management is the preferable solution
- Management allocation decision shall be based on Company's Status, Identity and Vision



How MANAGEMENT SYSTEMS
apply as SURVIVAL TACTIC?

IN TOUGH TIMES, WE HAVE TO BE TOUGH!

- Companies shall adopt Management Systems in line with the demands of the present operating environment
- Management has less patience and tighter tolerance than in the past. There is no luxury for delaying or under-performing

#1 MANAGEMENT INTENSITY

20 Things Great Leaders Do Consistently:

- 1 Read.
- 2 Look at the big picture.
- 3 Attend workshops.
- 4 Join associations.
- 5 Willing to sacrifice.
- 6 Act humbly.
- 7 Work with integrity.
- 8 Care about others.
- 9 Mentor.
- 10 Believe.
- 11 Develop others.
- 12 Willing to get their hands dirty.
- 13 Are awesome!
- 14 Take time off.
- 15 Speak boldly.
- 16 Have fun.
- 17 Network.
- 18 Goal-orientated.
- 19 Discipline themselves.
- 20 Think often.



#1 MANAGEMENT INTENSITY

- Leaders need to be involved, visible and communicating all the time
- Pay –again- attention to the “Little Things”. It is time to revisit management basics/essentials
- Discover ways to reward and recognize cost conscious behavior
- Create a positive working environment and develop a winning culture. Make employees think as Owners



Our CULTURE is our strongest LINK

#2 SLICE OPEX SHARPLY & SMARTLY



#2 SLICE OPEX SHARPLY & SMARTLY

- Find the optimum crew nationality synthesis (Operationally and Financially)
- Pool quantities for lubricants, spares, consumables with other owners gaining better negotiation power
- Develop flexible maintenance and stock control policies
- Benchmark your OPEX performance internally and externally



GROUP with others for mutual BENEFIT

#3 INVEST IN INFORMATION TECHNOLOGY



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- **IT Systems create economies based on the speed of reaction and accuracy of data used when a risk is assessed or a decision has to be made**
- **First you need to define the Systems, then you need people to learn and run the Systems**
- **Well designed Systems prevent the waste of time and blocking of information workflow that demoralizes the team**
- **BI is the Management's 10 extra pairs of eyes**



**Technology assists you overcome ADVERSITY
and opens a clear path for EFFICIENCY**

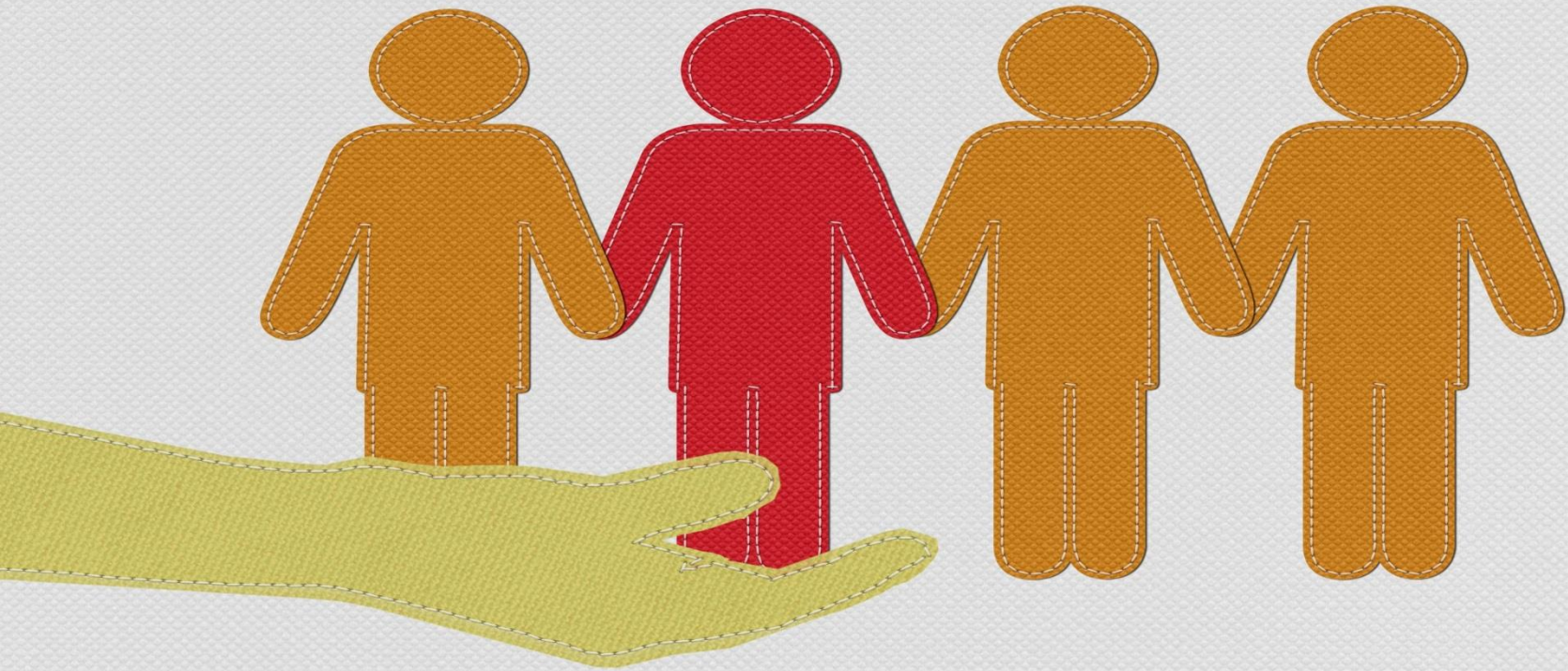
#4 OUTSOURCE (SELECTIVELY) & RETAIN CONTROL



Outsourcing

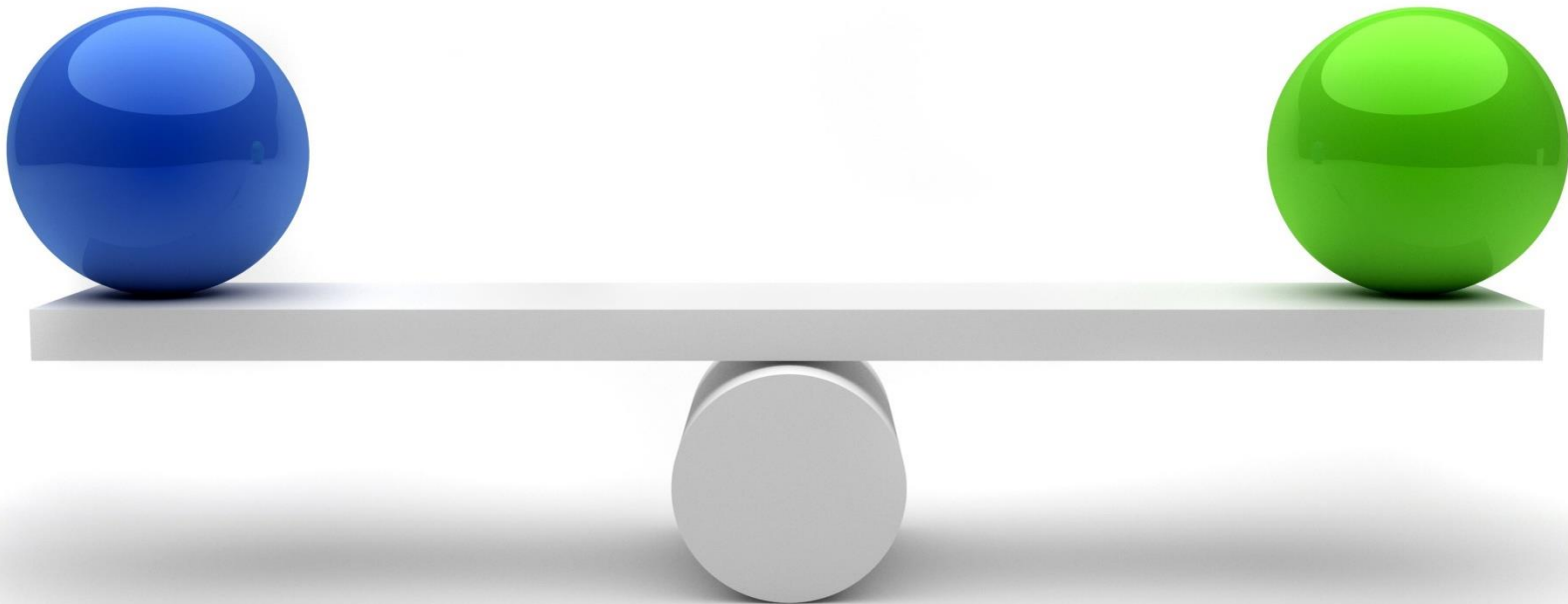
#4 OUTSOURCE (SELECTIVELY) & RETAIN CONTROL

- Recognize that there is useful expertise outside your company and not be afraid to mix with your existing team. It will be mutually beneficial
- Delegate specific tasks and procedures, give clear guidance of what is demanded from the external team
- Be approachable, spend time in “one to one” conversations. Develop Trust and give Vision to the external team
- Support your external partners and make them feel part of the company



CONTROL **through** SUPPORT

#5 FIND A LOAD BALANCE BETWEEN SHIP & OFFICE



#6 DEVELOP TEAMS THAT INTERACT



#6 DEVELOP TEAMS THAT INTERACT

- Hire **Multi-discipline** people, they can cover more than one positions and provide effective solutions
- First we become a **Team**, then we become a **Family**
- Create cross-functional teams to lead projects. Break the walls among departments
- Yearn for **Simplicity** and **Transparency**



A DIVERSE MANY not a limited FEW

#7 THE NEW ROLE OF HR DEPARTMENT



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- **HR department has moved from an administrative to a strategic role and has climbed high in the Management Agenda**
- **HR Managers shall understand the full scope of our business and be close to Top Management**
- **Attract the Talent**
- **Deal with Talent's problems as the company grows**



Find a **STAR** for every position



Be ALERT and recognize the PRESSURES
Bring the OUTSIDE reality IN

The best answer to those who make it cheaper is the
constant effort to prove that:



WE CAN MAKE IT BETTER!