21st Century Tanker Operations

Tanker Operator Conference
Athens 2014

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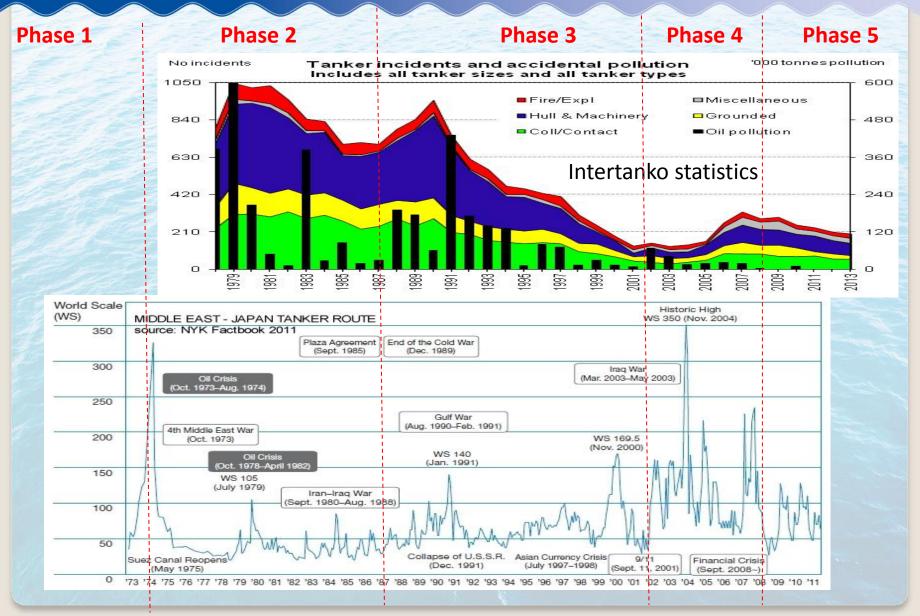
Outline

- How we got here-5 phases
- Where we are now-Tanker Market
- The customers-who are they?
- Vetting
- Complexity
- 21st Century Tanker Operations
 - HOW and WHY not WHAT
 - Direction
 - People
 - Resilience
 - Strategy
- Summary

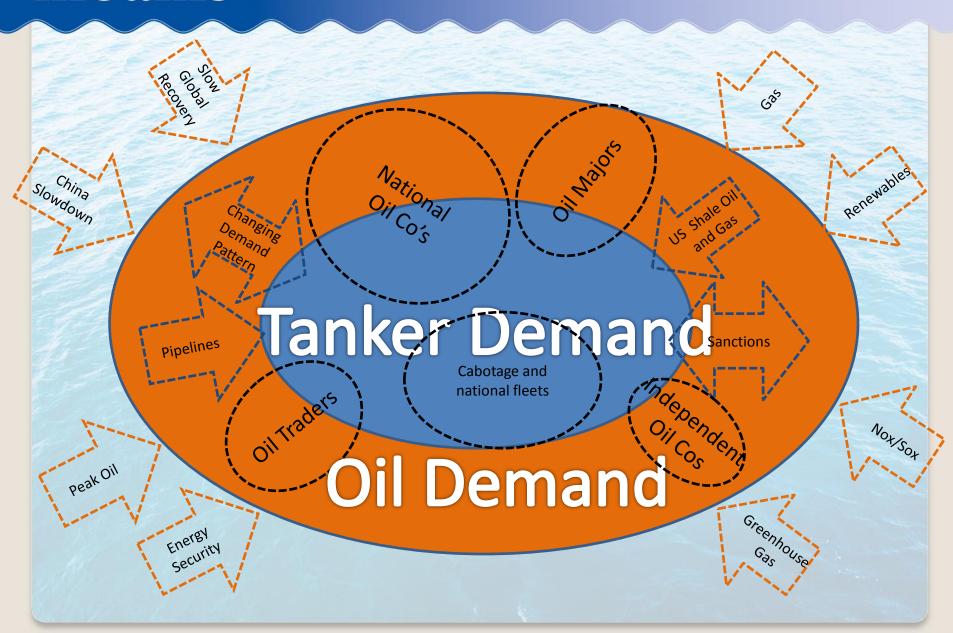
MOAMS



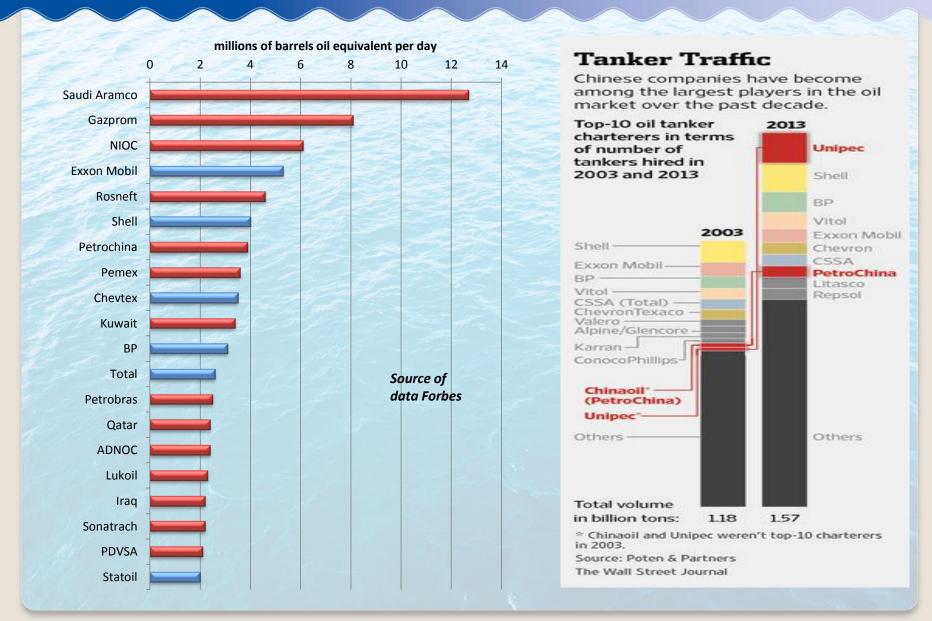
40 Years .. Five Phases



The tanker market 2014



The Customers 2013

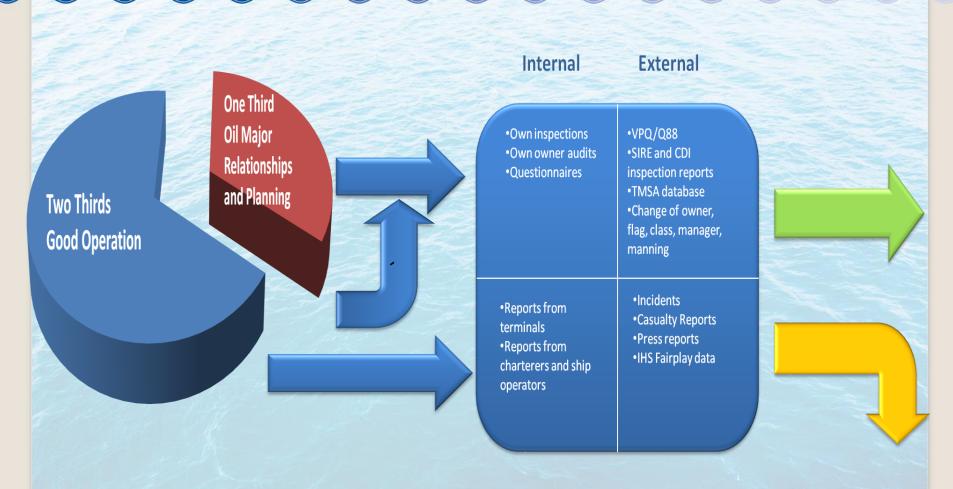


moams Vetting and Vetting Decisions

Internal External Own inspections •VPQ/Q88 Regular and Own owner audits •SIRE and CDI **Indicators** Ouestionnaires inspection reports generally •EHS/CAPS of good or predictable •TMSA database bad processes that Change of owner, produce data for performance flag, class, manager, vetting decision manning •Incidents •Reports from Casualty Reports terminals Press reports •Reports from **Performance** •IHS Fairplay data charterers and ship operators **Policies** Can make Age acceptable ship Single Hull unacceptable at •IG short notice

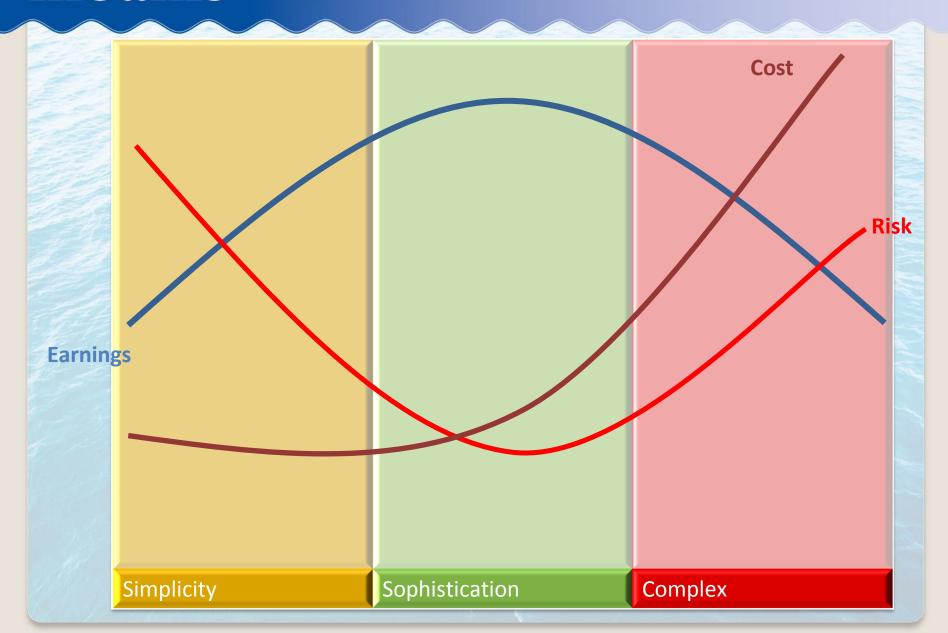
OCIMF Standards

moams Its about Good Operations!



The diagram shows WHAT the tanker operator has to deliver WHY, his motivation, is critical to how the company operations HOW he does it is his decision and makes him different from everyone else

Sophistication



21TO--Direction

Directing

- ✓ Developing Strategy
- ✓ Building the Organisation
- ✓ Outward Focus

WHAT? and WHY?

Directing

HOW?

Leading

Managing

Leading

- ✓ Motivating
- ✓ Individual
- ✓ Teams
- ✓ Tasks

Based on the Art of Action by Stephen Bungay

Managing

- ✓ Resourcing
- ✓ Organising
- ✓ Controlling
- ✓ Performance

21TO--People

Train them

- Professional
- Human Element
- Management

Retain them

- Long term contracts,
- Fair pay
- Living conditions
- Respect

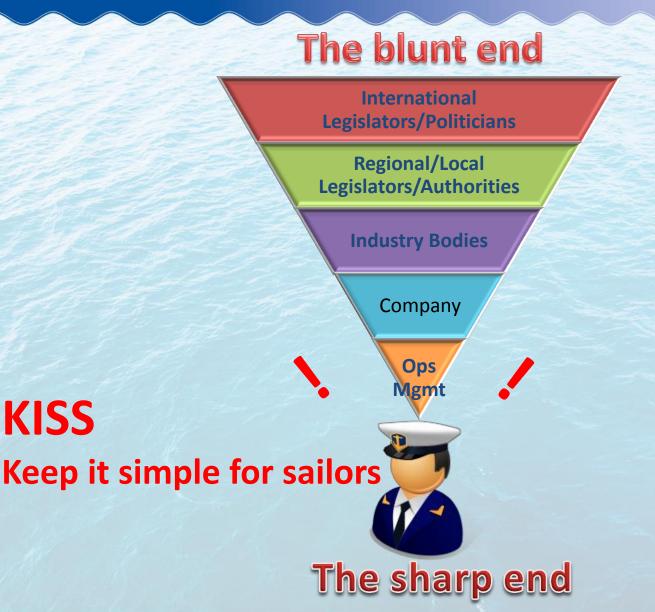
Motivate them

- Communicate direction/
- •Involve them/listen
- Sensible reward
- Just culture

Believe in them.

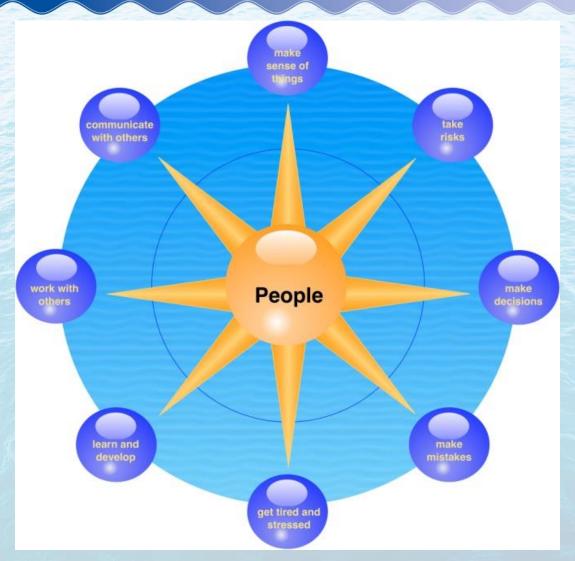
- Trust
- Delegation
- Decisions

moams What you don't want them to feel



The Human Contribution

'Compass' from UK MCA publication 'The Human Element'

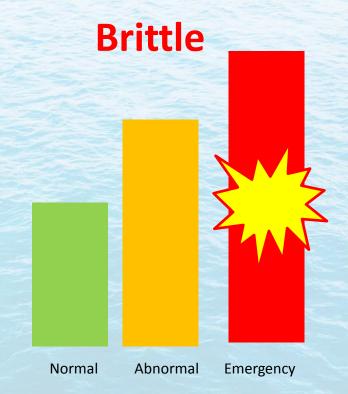


But...is this not also what you want to deliver commercial performance?

21TO Resilience



Resilient organisation will adapt from normal operation to abnormal operation and recover. In emergency will be able to adapt further to avoid catastrophe



Brittle organisation will need all its resources to maintain normal operation leaving limited capacity to deal with the abnormal. Rule based mentality will be unable to cope with the unexpected and will fail.

moams 21st Century Tanker Operator

Knowledge and Learning

Owner WHAT and WHY

Downward Resilience

Direction/Downward Resilience

- What the Owner Wants
 - ○Strategy
 - OValues and philosophies
 - oGoals and Goal Conflict
- •How the owner wants it to work
 - oCulture €
 - OMotivation
- How the owner is seen
 - o Leadership
 - ○Communication

Customer Requirements (WHAT)



Operations

Management HOW

Regulators Requirements (WHAT)

People/Upward Resilience

- The Human Contribution and Motivation
 - oNot human error !!
- Choosing the right people
 - ○Selection
 - Retention
- Learning and Training
 - Technical Skills
 - Non technical skills
 - (the human element)
 - Decision making
 - On board training/learning

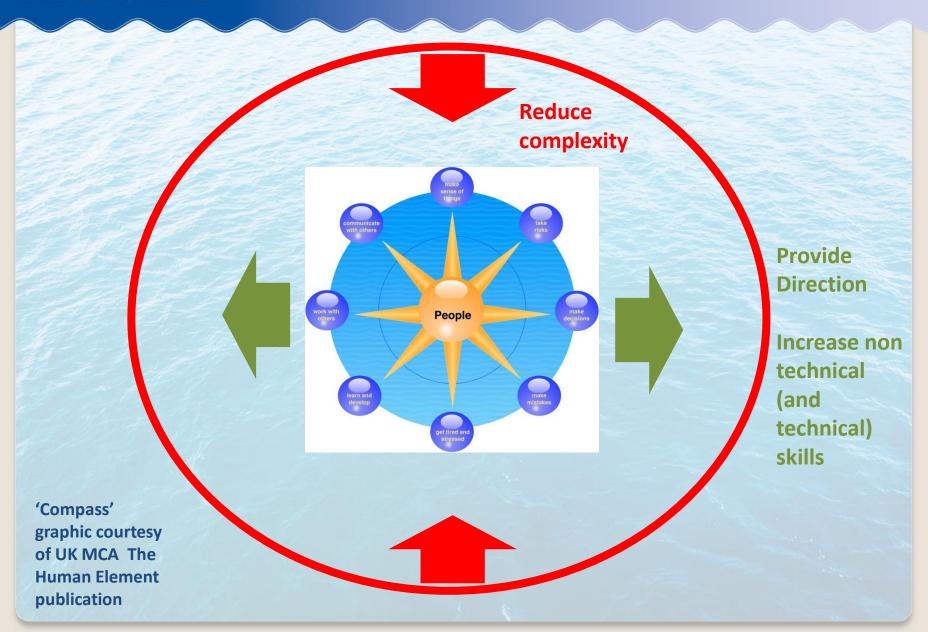
Upward Resilience

Resilient Operation

Operations Management

- Learning and Knowledge
- Change Management
- Procurement and technical backup
- Budgets and targets
- Managing Complexity
- Creating simple and useable process
- •Reinforcing owners goals
- Compliance

Strategy



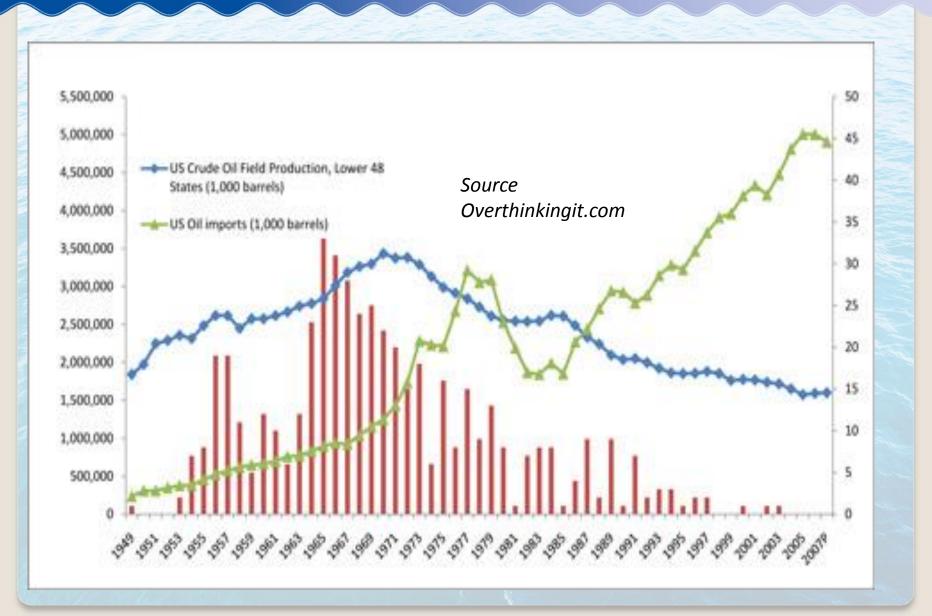
What to do?

The successful 21st century tanker operator will:-

- Understand the history of the industry
- Recognise they are trading in a complex environment and be resilient in trading and operations.
- Understand their customer and always remember the customer has choices.
- Always remember that the basic task is to run a good operation.
- Recognise that WHAT the organisation needs to achieve is a product of their own direction and external requirements.
- WHY it needs to be achieved needs to be understood and communicated
- HOW it is achieved is the critical differentiator between companies
- Understand that a Resilient organisation is built on a clear **Direction** and quality **People**
- Recognise that complexity can increase risk and cost and reduce profitability and hold simplicity as a value. KISS

Questions Please?

moamsUS oil production-the answer



moams Top 30 Tanker Companies

