



- Why we want a strong management system for compliance or for us?
- How can key ISM requirements work to our favor?
- What real world results can we get?
- How can we show that it is all worth the fuss?



The target:



Mission:

To provide *safe, reliable and trouble-free* transportation services









The trap 1:



Management system = "externally imposed requirement"

i.e. "it's a necessary evil"



The trap 2:



Management system = "bureaucracy"

i.e. just to show papers to others



The peculiarity of ship management:



Assets and line staff accessible only for short, specific intervals

"Management by correspondence"

Control of them becomes even more important than in any other industry!



- Why we want a strong management system for compliance or for us?
- Forget external requirements
- How do We want to manage ships?



- Why we want a strong management system for compliance or for us?
- Do we want every superintendent to decide how to do an inspection and what to check?
- Do we want every OOW to decide how to prepare the bridge?



- Why we want a strong management system for compliance or for us?
- Do we want every engineer to decide which machinery is really important?
- Do we want every purchaser to decide what to supply?



- Why we want a strong management system for compliance or for us?
- Are we sure everyone really knows what to do in a grounding (everyone been in one before)?
- Do we condone leaving things to chance?



- How can key ISM requirements work to our favor?
- Ensure all take advantage of the company's experience (guidance and procedures)
- Check what is happening
- Adjust



- Distilled wisdom i.e. The company's "best practice guidance"
 - The company's collective experience, expertise and operational wisdom on how to manage ships "the best way"
 - Reduce the likelihood inexperience, lack of knowledge, or other personal limitations affect the company
 - Ultimate Aim: reduce the TOTAL residual operational risk taken by the company i.e. making risk reduction to ALARP the daily routine



DORIAN (HELLAS) S.A.



Personal Safety Cases and Lessons Learned:

This page of the pre-joining briefing notes must be studied by every joining seafarer, signed and sent to the office. It refers to key past incidents of injury/ill health and the main lessons learned to prevent recurrence.

2/E: hot fuel spilled into his eyes while checking a fuel oil filter without waiting/doublechecking that the pressure had dropped to zero. IMMEDIATE CAUSE: Hurrying. The 2/E was a very experienced and capable seaman and had done the same job many times in the past. This time he tried to cut down the time and he nearly lost his eyes. ACTION AND LESSONS LEARNED: Make it a habit to wear eye protection (light safety glasses) to protect your eyes. Do not hurry. Keep you face clear of anything m

C/E losing his finger in the drilling machine of the workshop due to lack of attention. IMMEDIATE CAUSE: Lapse in attention. ACTIONS AND LESSONS LEARNED: Keep especially sharp when you are doing tasks that inattention may result to immediate injury. Use gloves, Mind where your fingers, feet or other body parts are and don't allow yourself to be distracted when using power tools, drills etc.

2/O injuring his face when a parachute rocket activated in the pyrotechnics container when he accidentally dropped it on the bridge during the monthly routine check. One rocket activated. The Officer heard strange sounds and opened the container to investigate. IMMEDIATE CAUSE: Dropping the container and then opening it to see what the sounds were. ACTIONS AND LESSONS LEARNED: Handle any kind of pyrotechnics with special care. If you suspect activation DO NOT open to investigate. Take them to a safe location (e.g. poop deck / or the pool) and hose them down with water. Order replacements immediately afterwards.

2/E burning his arm with hot water due to hurrying while changing a leaking gasket on a boiler. IMMEDIATE CAUSE: Hurrying. The 2/E was a very experienced and capable engineer who had done the same job before, on the same ship. This time he felt pressured to do the job in less time. ACTIONS AND LESSONS LEARNED: Never hurry when doing repairs. All must accept the fact that safety requires a certain amount of time. Never push people or accept to reduce repair times. Keep in mind that pushing too much increase the likelihood that something will eventually break; equipment or worse, people.

4/E injuring his hand after slipping and falling from a staircase in the engine room during a routine safety round. IMMEDIATE CAUSE: No securing himself during movement ACTIONS AND LESSONS LEARNED: ALWAYS keep at least one hand on the railing or other securing device/arrangement to balance yourself when going up or down stairs everywhere; even if the ship is not rolling or pitching. Continuously safeguard yourself against slips; they are the most common hazard onboard.

Fitter fatally injured his head while trying to climb a ladder to clean some dust from the main engine exhaust pipe without wearing a helmet. IMMEDIATE CAUSE: Use of a ladder alone without wearing a helmet. ACTIONS AND LESSONS LEARNED: Never use a ladder alone. Obtain permission/authorization. Ladder use is a two man job; a second person must secure the ladder in place and supervise you. Always wear a helmet!

Crewmember losing his toe due to infection of his foot. IMMEDIATE CAUSE: The surgery/operation was necessary to stop an infection caused by delayed treatment on swelling of his foot due to high blood sugar levels. The crewmember was prescribed medication during the pre-employment screening but never informed the Master about it when joining. When his medicines finished his diabetes caused foot swelling which he tried to hide. His foot got infected. He informed the Master and asked for help when it was too late to save his toe. ACTIONS AND LESSONS LEARNED: Inform the Master upon joining if you are using any medicines prescribed during the pre-employment checks so he can provide you with assistance if required. Report problems with health or suspected injuries immediately so that assistance can be arranged for you.

Date / Place:			
Studied and Acknowledged:		In witness of	
Name / Rank / Signature	Seafarer	Company's agent or i	representative



A SYSTEM means:

Consistency in

- Routine/non Routine Operations
- Managing problems
- Managing records
- Managing human resources / behaviour
- IN SHORT: "what the company thinks as the best way to do things, every time, by everyone"



• A SYSTEM:

-Consistency increases control of results



• A SYSTEM (The real purpose)

-Increased Control:

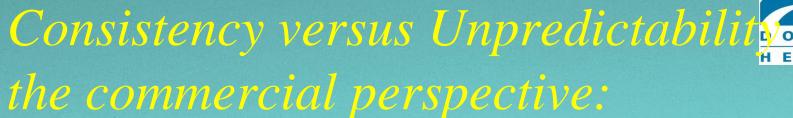
-Even more important in bad markets!



- What real world results can we get?
- Increased confidence in any external inspection – reduced need for "firefighting" and last minute attendances, can affect staffing levels, no lost income!



- What real world results can we get?
- Injury costs go down (cultivate proactiveness, custom, targeted KPIs)
- Unexpected losses go down
- control over our TOTAL expenses





You knew your ship.

But How much of if will stay
with you?
Income

- planned operational costs
- unplanned incident costs
- = Your money in the bank



- A SYSTEM (conclusion)

-A management system is our main tool in remotely controlling as closely as possible detached assets and staff and maximize what stays in the bank



- How can we show that it is all worth the fuss?
- By numbers!
 Downtime due to breakdowns, cost to ship a dollar of supplies, injury/sickness frequencies
- Monetize the savings



Continuous refinement: Quantify your performance!



"You don't manage what you don't measure"

Review of Health, Safety, Environment and Quality Department's Key Performance Indicators for 2nd Ouarter 2010

HSEQ Department Responsible Person: HSEQ Manager D. Orfanos

Summary Results Table of tracked Key Performance Indicators (all apply to the whole fleet) – table included in form Qual 1

Key Performance Indicator	Status Q3/09	Status Q4/09	Status Q1/10	Status Q2/2010	Full 2009 average	Target for 2010
Port State Control Detentions / Observations per inspection	0/0.0	0/1	0/0	0/0	0 / 0.44	0/0.3
Flag observations per inspection YTD new KPI for 2009	0.25	0.25	0	0	0.25	0.20
External ISM audit findings number office / per vessel per audit YTD	0/0	0/0	0/0	0/0	0/0	0/0.5
LTIF/TRIF (as per the OCIMF standards Calculated over a last-12 month rolling average)	0.88 / 0.88	0.84 / 0.84	0.83 / 0.83	0.83 / 0.83	Last 4 quarters	0.80 / 0.80
Oil spills / loss of containment (YTD)	0/0	0/0	0/0	0/0	0/0	0/0
Environmentally-related vetting observations per physical vetting inspection (new KPI for 2007/08) (Env. Program CUS-1)	0.125	0.75	0.38	0.00	0.45	0.30
Vessel Participation into Dorian's Safety Reporting Scheme (per vessel per month)	5.3	6.6	7	7	5	5
Non work related illness cases / Frequency of same measured on quarterly basis (this KPI has been modified over time)	5 / 9.84	6/19.9	12 / 40.1	12 / 40.1	5/15	4/14.5
Refrigerant gases consumption (Marpol Annex VI compliant only) in kgs per vessel per month (Env. Program AIR-4)	4.7	3.8	3.9	2.3	4	3.8
Percentage of Garbage thrown at sea (fleet average) from the total quantities generated onboard (new KPI for 2009) (Env. Program GAR-1)	11.76%	18.6%	14.7%	19.2%	17%	16%
Percentage of hazardous occurrence reports coming from junior officers and	50%	49.6%	64.5%	58.2%	50.2%	55%



- How can we show that it is all worth the fuss?
- If you think you are good benchmark and show it
- Impress objective key performance indicators upon charterers, financiers etc-



- How can we show that it is all worth the fuss?
- Highlight your good performance and best practices – TMSA audits can drown them out
- Impress financiers explaining how their investment reduces risks



- How can we show that it is all worth the fuss (real examples)?
- "92% clean PSC inspections, 40% lower risk than Paris/Tokyo MOU averages"
- No vessel rejections in xxx years (commercial incident risk)



- How can we show that it is all worth the fuss (real examples)?
- "availability rates" ie vessel available for hire (regardless of charter availability)
- Technical Dept: minimize costs defects by focusing on prevention





- If shipping was football shipmanagement plays defence
- The shipmanagement system aims at maximizing the money staying in the bank!



NEWSFLASH!

IMO ABANDONS THE ISM CODE!

IMO sources claim the Code has been generating excessive paperwork and administrative burden that do not contribute to quality shipmanagement – OCIMF supports the initiative – TMSA no longer a requirement for tanker operators!



Now that there is no external pressure to "keep all those papers" on how to:

- Tell your staff how to do things (policies and procedures)
- · Check that things are done as you want (audits, inspections)
- Express your performance in numbers and see the big picture (management review, KPIs)





Will you drop your formal management system and go back to the "old days"?

Thank you for your attention!