

New ways of working are opening up

Paul Berrill and
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Last year was challenging for ship managers but they can see light at the end of the tunnel amid the ways the business is changing.

Wilhelmsen Ship Management president and CEO Carl Schou said the pipeline of new customers tapered out in the middle of 2020 as the normally lengthy sales process of getting to know clients was stymied.

"Getting new business is difficult because we can't meet and greet new customers," he said.

But Wilhelmsen did complete the acquisition of Ahrenkiel Ship Management in 2020 and has started its integration, which Schou said was a major undertaking in the middle of a pandemic.

Anglo-Eastern chief executive Bjorn Hojgaard said the year demonstrated how managers can equip shipowners with the information to deal more productively with charterers. "Ship managers are moving away from a transactional [approach of] managing assets to a much more partnership role," he said. Columbia Shipmanagement chief executive Mark O'Neil told TradeWinds: "I didn't want 2020 to be defined by Covid-19 because we had a lot of projects and joint ventures in process."

The group managed to set up Saudi and Greek offices and concluded an Italian set up with Premuda during the pandemic.

Thome Group CEO Olav Nortun said he is not yet sure managers are ready to take on all the lessons, but more new approaches should be expected.

"Ship management is a logistics exercise. We bring people, stores, spares on board a platform that moves. Are we going to allow so many people aboard? Is there anything we haven't thought about?"

FUTURE LOOKS BRIGHT FOR SHIPOWNER PARTNERSHIPS

Industry body Intermanager is looking to convince owners who do not use managers that maybe they should

Paul Berrill
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Ship management industry organisation Intermanager is looking for ways to convince vessel owners who do not use third-party managers that life could be better if they did.

Intermanager president Mark O'Neil, the chief executive of Columbia Shipmanagement, believes the resilience shown by managers during the Covid-19 crisis is proof that the future is bright for what he prefers to term "second-party" managers.

"If you think that some 30% of the world fleet is managed by third-party managers, then there is everything to gain in persuading the other 70% that: 'You have seen what we have done over the last year, don't you think that life would have been a lot easier for you if you had been with us?'"

"There will always be crises," O'Neil told TradeWinds.

"That said, the sector has to focus more on quality rather than driving down the price of the service to the extent it becomes very cut-throat," he added.

O'Neil said Intermanager is looking into ways to create an inclusive industry standard, which is aspirational but achievable for individual companies. "The focus is quality service at a fair price. If we do that, I think our clients will buy into that and the overall quality of service will rise across the industry."

But he added that he thinks "the



MARK O'NEIL:
The Intermanager president says the organisation is looking at ways to set a standard for ship managers

Photo: Columbia

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— Mark O'Neil

concept of a third-party manager is an anachronism."

"I don't think there is any logic that a ship manager can't manage a vessel to at least the same standard as an owner/operator. There is no reason why they should try less, be less interested or have less resources."

"Quite the reverse. There is every logic why a manager can

potentially manage better if they are able to bring economies of scale, technologies, investment that perhaps the small owner/operator cannot," he explained.

The third-party tag suggests a divestment of responsibility or accountability that O'Neil does not like.

"We have to bring the industry much closer to the client and talk

about second-party management, more about partnership, joint ventures and collaboration," he said.

But what would an Intermanager standard look like, given the industry has previously adopted key performance indicators (KPIs) and benchmarking but still only attracts a third of the world's fleet?

O'Neil said he does not want to pre-empt what the standard will be as Intermanager is just starting the process of working it out.

"We will look at what that standard looks and feels like. The worst thing we could do, would be to divide the sector into the big versus the small, the haves versus the have-nots. This has to be inclusive, achievable and realistic."

"But by the same token, we have to be quite ruthless if there are operators that simply don't come up to the minimum standards. Just as RightShip [the bulk vetting scheme] is to the bulk sector, this can be a standard that clients benefit from," he said.

RAISING THE BAR

Intermanager does not want to revive KPIs as they suggest a pass or fail approach, but there will be performance criteria built in that works for the majority, O'Neil said.

The organisation hopes to have a "living standard that can develop with the industry as we all learn and adapt" ready by the middle of 2021, he added.

Collaboration could be between competing companies to provide joint services rather than wasteful differentiation. Sharing information would also be needed, as both can help in "raising the bar of our collective performance".

O'Neil said: "No one benefits if a particular ship manager is held out for poor standards or malpractice. We should get to a point where second-party ship management partnership becomes a no-brainer."

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