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# TANKER OPERATOR ATHENS 2016

OUR CHANGING RELATIONSHIP WITH THE OIL INDUSTRY

Working with oil companies in today's tanker industry;  
ways to improve!

# GLOBAL Challenges

The world is changing by far more than ever before.

- Local wars / Geopolitical conflicts / Political Unrests.
- World population is aging.
- Uncertainty, ambiguity and complexity are increasing more than ever.
- Weak global economy.
- Change of climate.

# OIL INDUSTRY Challenges

The oil industry confidence is volatile now and there are barriers to growth for the foreseeable future.

- Low oil prices
- Low / uneconomic gas prices
- Face global challenges

# TRENDS SHAPING THE MARINE INDUSTRY TODAY

**Super cycle of commodities is no more super.**

- Prices for coal, iron ore, and crude oil are all likely to remain depressed for the next few years.
- Low freight rates for bulk carriers are expected to remain.
- Tankers are expected to stay strong in the short term.
- Oil demand growth is expected to average 0.6% per year through to 2040.
- World adopts alternatives to hydrocarbon fuels and enhances fuel efficiency.

# TRENDS SHAPING THE MARINE INDUSTRY TODAY

## China Slowdown

- Dry bulk shipping will be hurt as China's demand for commodities shrinks.
- The growth of nuclear and alternative energy sources is reducing demand for shipborne imported coal.

# TRENDS SHAPING THE MARINE INDUSTRY TODAY

## Lifting of Iranian sanctions

- Positive signal for shipping.

## Long-term demographic shifts in emerging economies

- Rise in consumer spending in commodities will give long-term growth opportunities for container ships.
- More and larger container ships will require investment in ports, infrastructure, technology, and services.

# SHIPPING INDUSTRY Challenges

- Tough market
- Achieve competitive advantage.
- Implement a plethora of environmental regulations.
  - *Energy efficiency, MRV*
  - *BWM convention.*
  - *NECAs/ SECAs*

# SHIPPING INDUSTRY Challenges

- More technologically advanced systems on-board ships will require more skilled resources both ashore and on board. Both must learn new skills and integrate new technology.
- Seafarers world wide are getting older - few young graduates are joining the industry.
- Increased number of class and statutory certificates; Increased number of vetting inspections. Increasing costs.
- Changes of management system standards (TMSA – VIQ).



# HOW DO WE COPE WITH ALL THESE CHALLENGES?

Evaluate and understand the big picture

- Study Sun Tzu “ The art of War”

- Laying plans
- Waging war
- Attack by stratagem
- Tactical Dispositions
- Energy
- Weak Points and Strong
- Maneuvering

- Variation in tactics
- The army on the March
- Terrain
- The nine situation
- Attach by fire
- The use of Spies

# HOW DO WE COPE WITH ALL THESE CHALLENGES?

**Implement cost effective and sustainable ship management.**

- Provide competent / trained PEOPLE.
- Provide and proceed with the implementation of management system standards fit for purpose.
- Integrate all aspects of the safety "program" into a single comprehensive management system; POLICE Plan, Organize, Lead, Inspect, Correct.

# HOW DO WE COPE WITH ALL THESE CHALLENGES?

## Implement cost effective and sustainable ship management (cont'd)

- Analyze and Manage risks.
- Develop and Implement Dynamic Performance Strategies.
- Provide IT tools and other Infrastructure
- Measure performance hands on.
- Implement effective Planned Maintenance (no shortcuts).

# HOW DO WE COPE WITH ALL THESE CHALLENGES?

## Strive for Operational Excellence.

- Active top Management involvement and commitment
- Setting measurable goals and targets. Effectively transmitting a realistic set of expectations.
- Understand consequences of decisions.
- Plan / Act / Measure / Benchmark.
- Manage human behavior and attitude. Working within the capacities and limitations of the staff. Optimising the amount of expertise available.
- Assuring compliance with rules and regulations.

# HOW DO WE COPE WITH ALL THESE CHALLENGES?

## Implement Control Measures for Cost Effectiveness.

- Continuous evaluation of operating cost results. These should reflect accurately the context of measurement.
- Benchmark against industry standards.
- Systematic measurements of relative changes (variances) and not only, against yearly budgets.
- Reviewing company's processes for identifying improvement areas.
- Implementing changes (process reengineering, work alterations etc.
- Re measure to reflect the achievement (measurement of outcome effects versus implemented courses of action).



# HOW DO WE COPE WITH ALL THESE CHALLENGES?

**Strive for operational excellence by:**

- Training and professional development. Assessing and verifying competence.
- Recognize the difference between managing and leading.
- Develop technical and non technical skills. Share information.
- Improve ability to recruit (Provide for better selection methods).
- Develop and Implement policies for retaining employees both onboard and ashore.
- Manage human behavior and attitude.
- Prevent or reduce conflicts internally and externally.

# HOW DO WE COPE WITH ALL THESE CHALLENGES?

Implement loss control management principles.

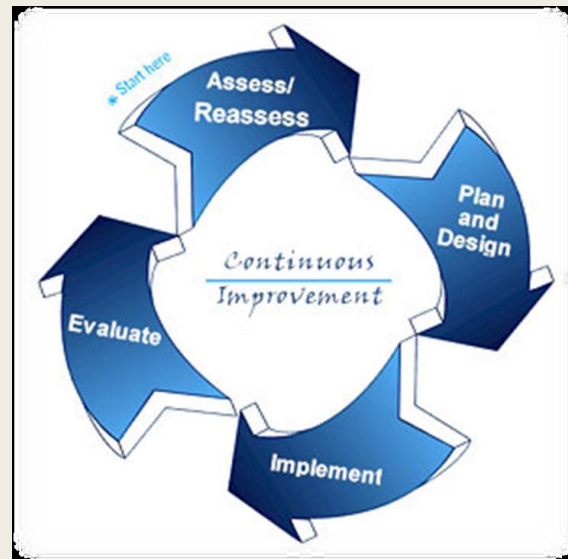
**The domino “cause – consequence” loss control model (ILCI)**

Lack of Control	Basic Causes	Immediate Causes	Undesired Events / Facts	Results / Losses
Inadequate Management System or Non compliance	Personal Factors or Job Factors	Substandard acts or Substandard conditions	Accident or Incident	People Property Process Environment



# HOW DO WE COPE WITH ALL THESE CHALLENGES?

Put emphasis. Implement methods for Continuous improvements.



People in shipping are the secret of success and the victims of its failure.



**THANK YOU**