

# **Tanker Operator Conference Athens 2013**

**How to get the most out of your most  
valuable asset and find the right  
balance in your operation!!**

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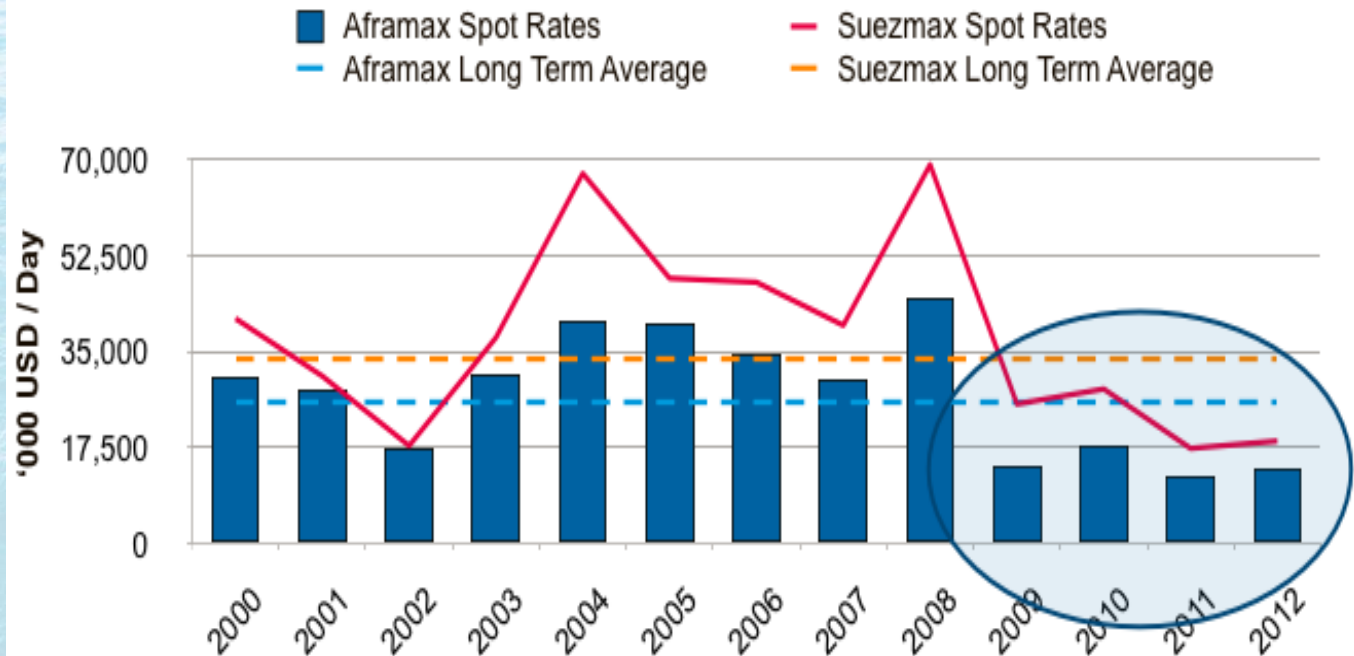
- Chronology of a crisis
- What is your biggest asset ?
- Finding the right balance-the owner/CEO
- Finding the right balance-direction
- Finding the right balance-management
- Pushing back complexity
- Conclusions



## Companies 'restructuring/refinancing'

- Sanko
- OSG
- Torm
- Genmar
- Etc etc etc

### Currently In 4<sup>th</sup> Year of Tanker Market Downturn



Source: Clarksons

- Spot tanker rates have been below the long-term average since 2009
  - Aframax 2009-12 average of \$14,400 / day vs. \$25,700 / day long-term average
  - Suezmax 2009-12 average of \$22,400 / day vs. \$33,500 / day long-term average

# moams Your most important asset?

You





## Direction

Should I be buying news ships?  
Should I be selling ships?  
What markets should I be in?  
What ship sizes should I be in?  
Should I get out of shipping?  
How do I finance the business?  
Is my business sustainable?  
How do I want my ships run?  
How do I want the office to run?  
What's important to me?  
Do I have to get rid of people?

## Leadership

When did I last visit a ship?  
When did I last talk to the people in the office?  
When did I last see a captain or chief engineer in the office?  
Do people really know what I want?  
Do I set the right example when I talk to people and visit ships?  
Do people know how to deal with conflicts?  
Are my managers doing their job properly?

**'Over -management demands your time, uses your energy and fills your diary**

## Management

Approve this procedure  
Authorise this expenditure  
Read this audit report  
Read these accounts  
Read this investigation report  
Attend this review meeting  
Resolve this dispute  
Deal with this oil major report  
Review this drydock spec  
Review these drydock tenders



**'Direction' and 'Leadership' require your time and will drive the company's success**

## Directing

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

Directing



Leading

## Leading

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

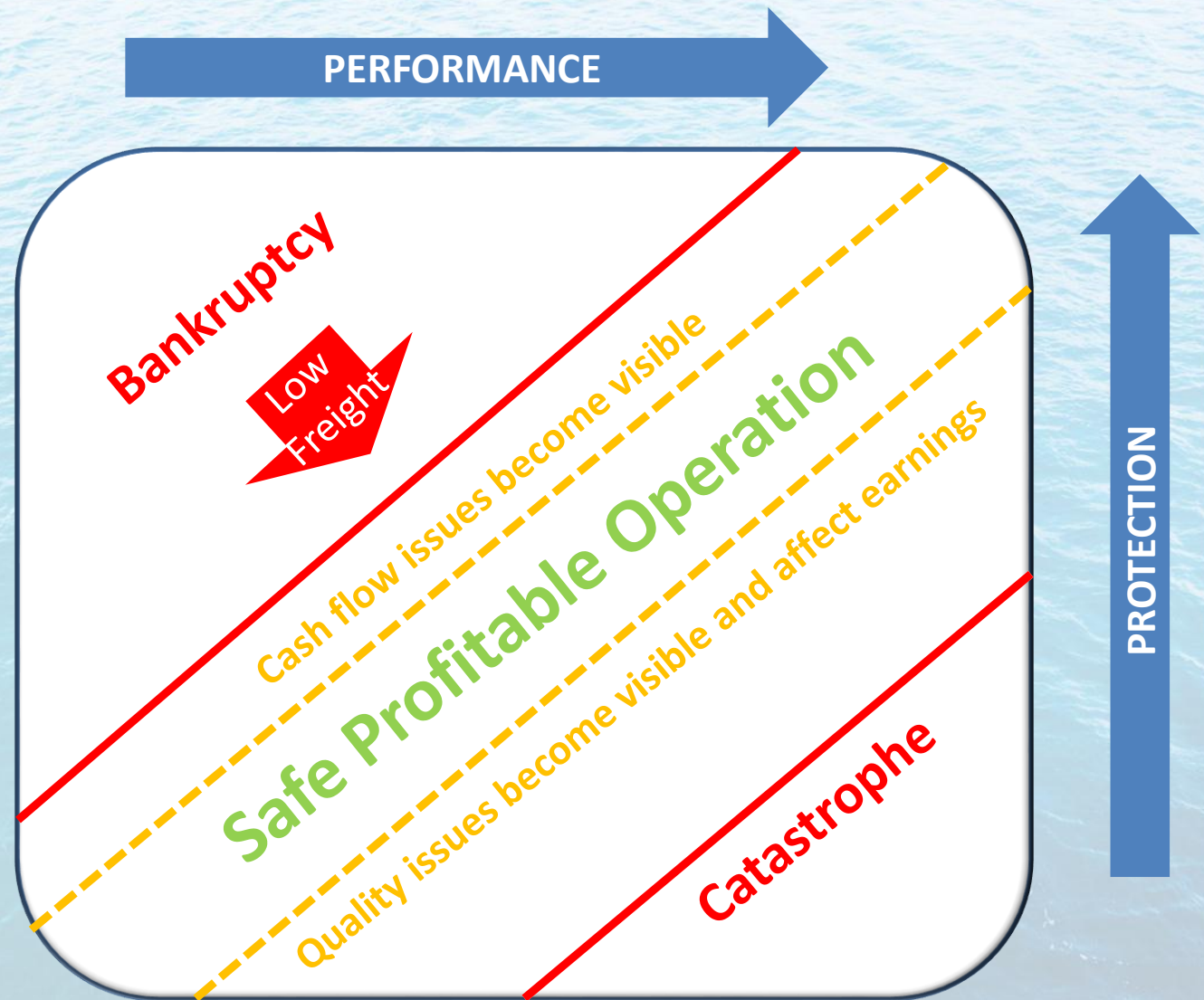
Managing

## Managing

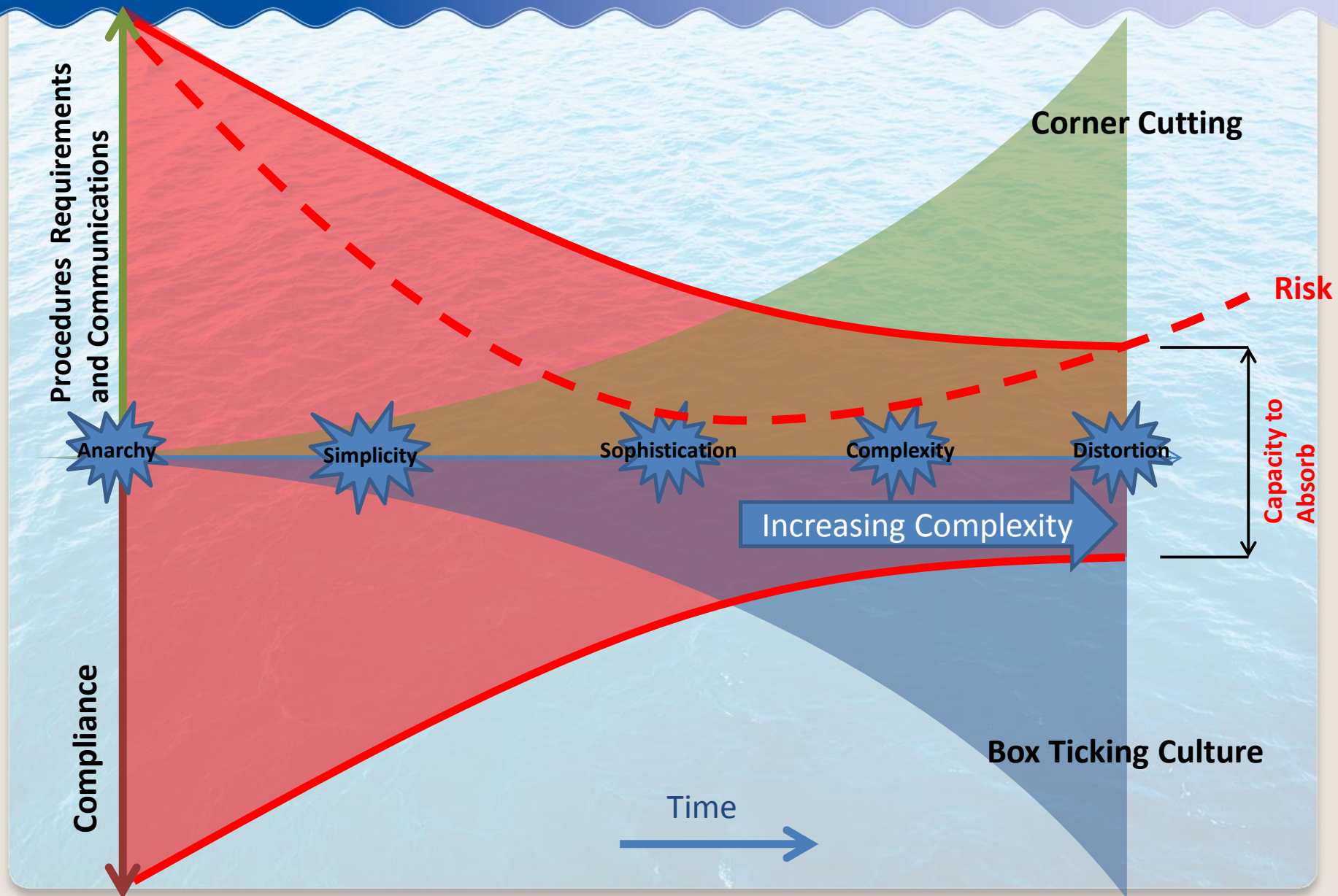
- ✓ Resourcing
- ✓ Organising
- ✓ Controlling
- ✓ Performance



# moams Finding the right balance-Direction

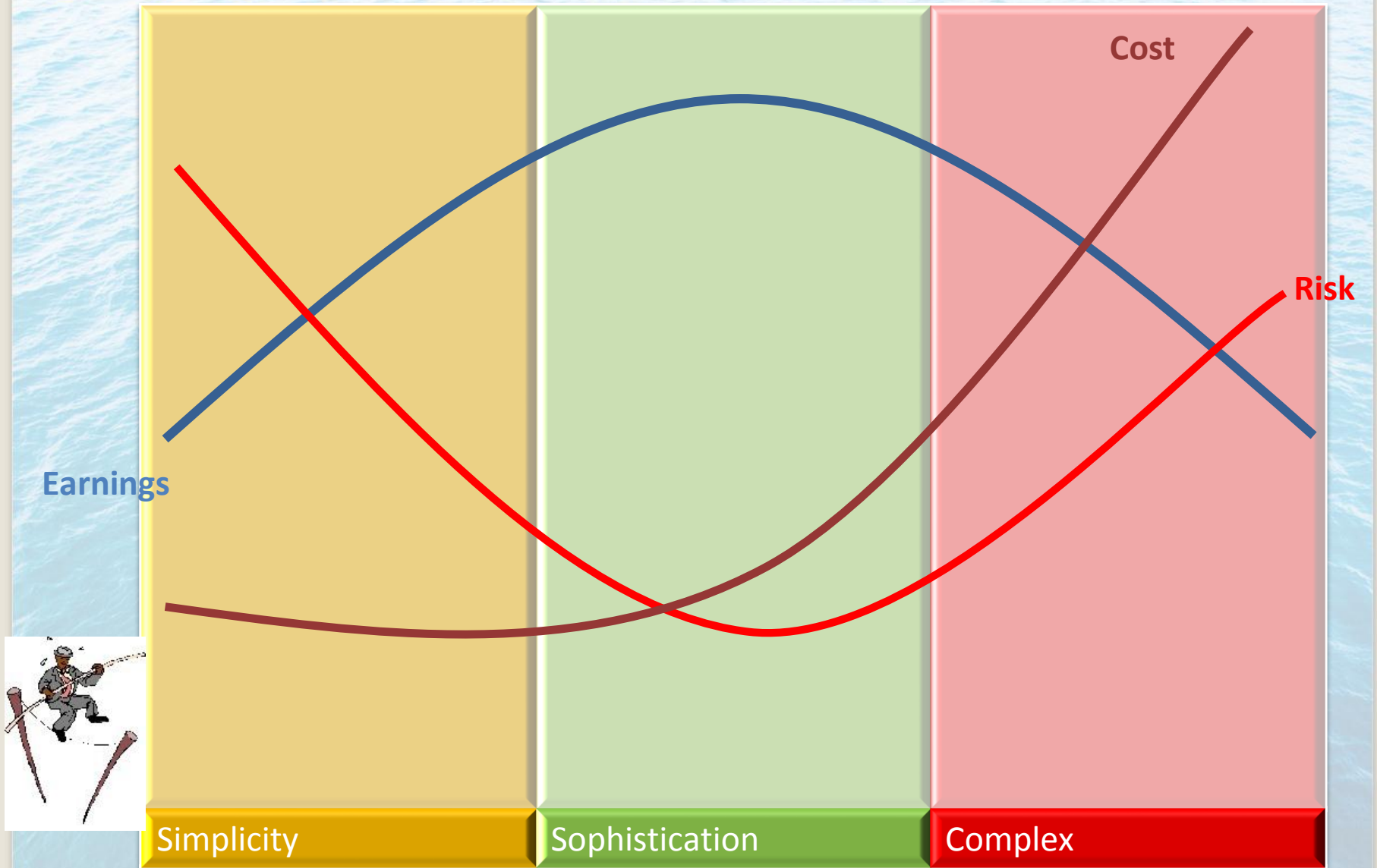


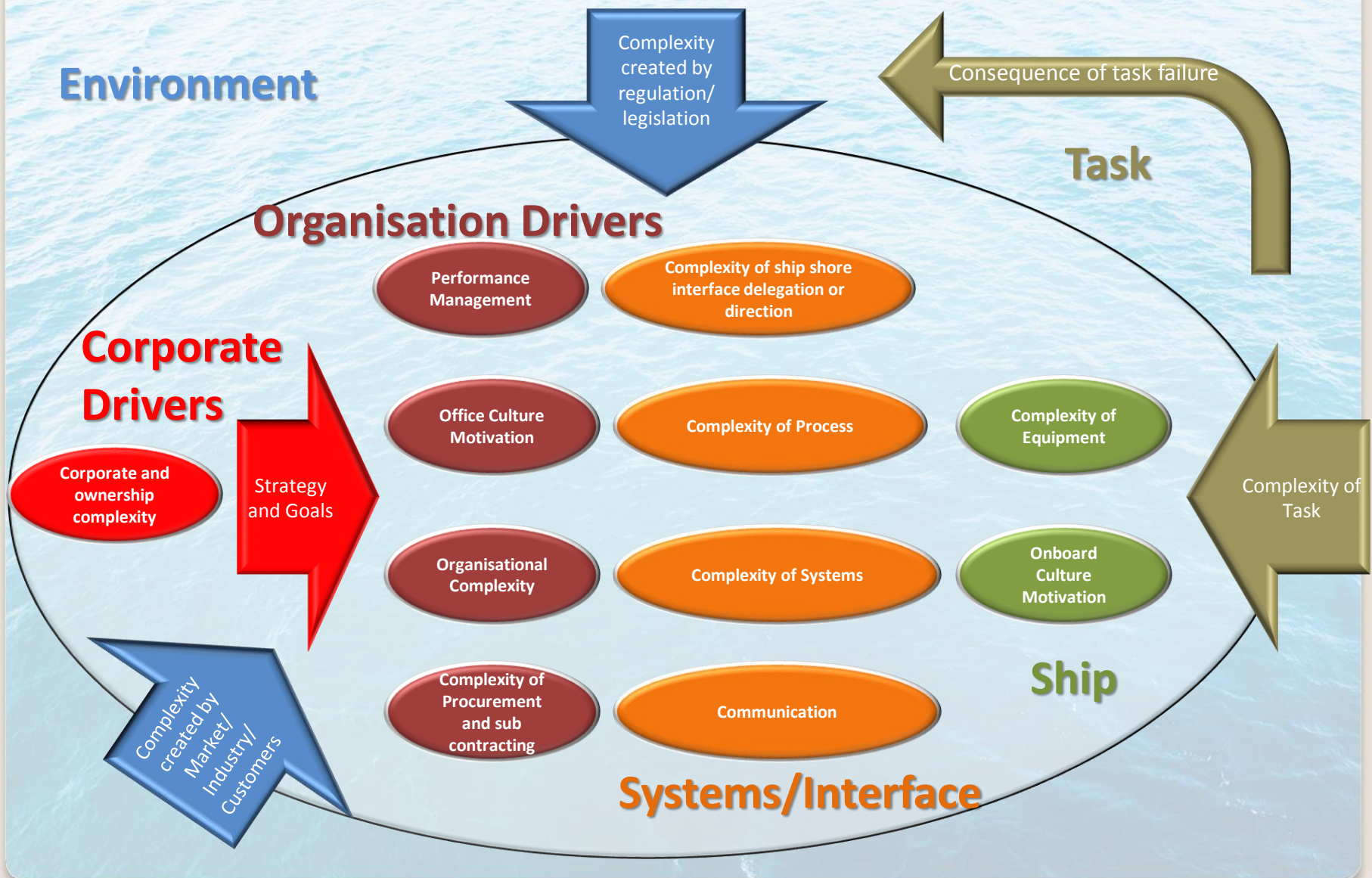
# moams Complex Management





# moams Finding the right balance-Management





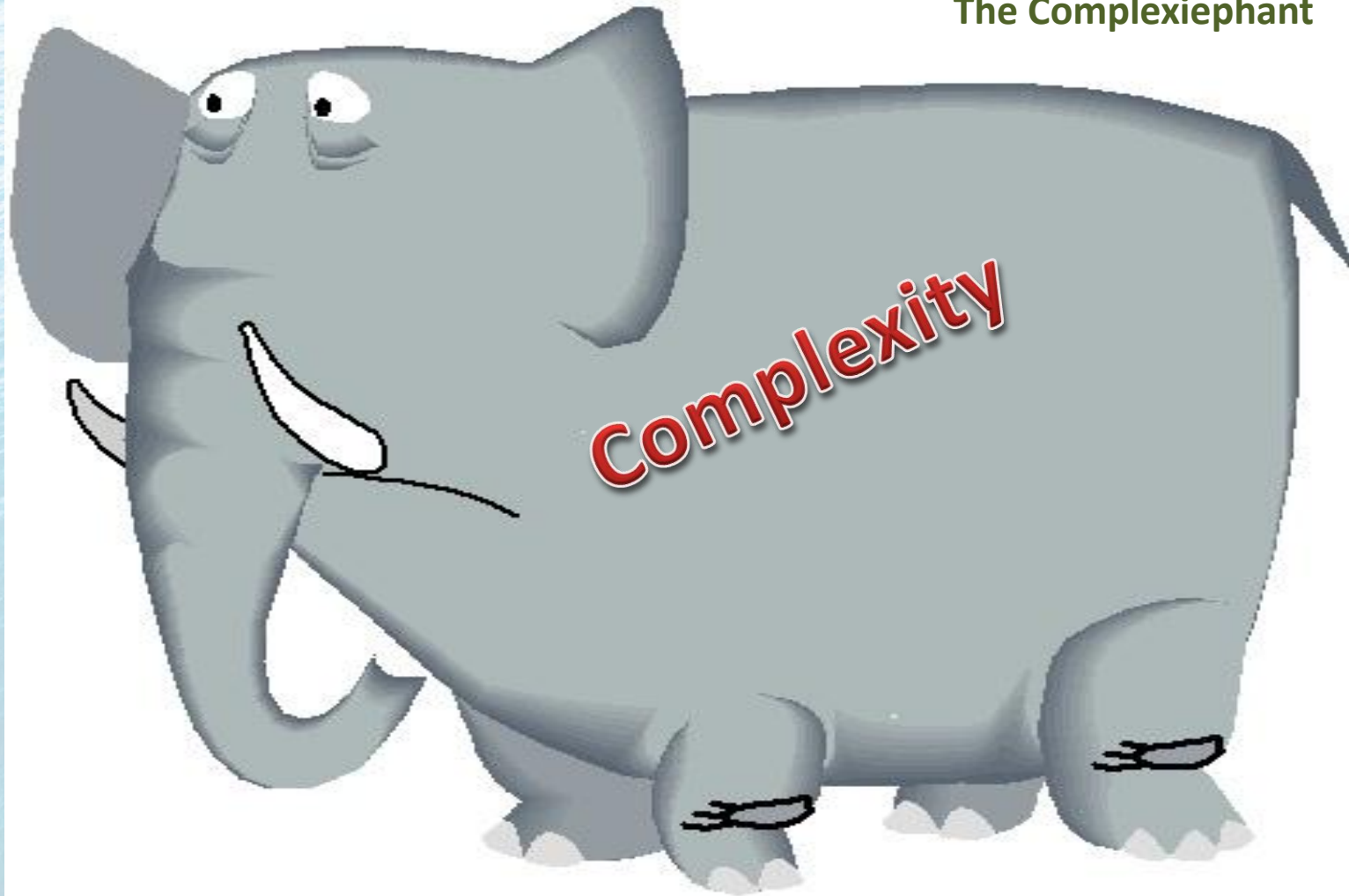


- Complexity obscures direction and undermines leadership
- Complexity doesn't slow down it speeds up
- Exponential growth in process, cost, value loss
- More process traps
- More inexplicable incidents

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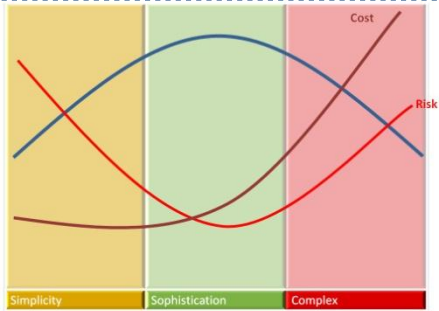
How to push back complexity ?

The Complexiephant



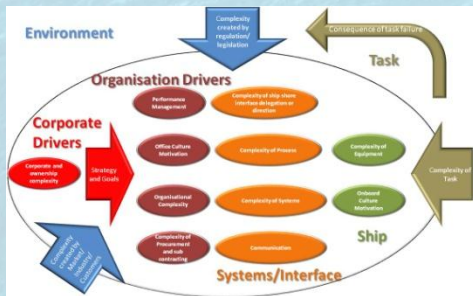


# moams Re-balancing your company



Where are you on the curve?

Stop it getting worse



What drives complexity?

Establish  
Direction,  
Strategy, Goals

Direction needs to  
be clear to people

Leadership

Motivate,  
engage and  
train staff

Management systems must  
reflect direction

Performance  
and Learning

**Management**

- Resource the Project!
- Review corporate requirements
- Review processes and systems
- Review KPI's
- Identify standard processes

Management systems must  
reflect skills. competence  
and training of staff

- Markets remain low, companies continue to fail
- Complex companies are 10% less profitable than simpler ones
- The company's most important asset is its collected brainpower
- **Leadership , direction and management** need to be balanced
- Without direction and leadership complex overmanagement will just get you to the wrong place more quickly
- Complex organisations are brittle
- Simple organisations lack the sophistication to survive in the modern tanker industry

**A sophisticated organisation with the right balance of direction, leadership and management will mobilise the whole workforce to deliver the things that are required to survive and take advantage of the upturn when it comes**



# A Balanced Shipping Company is a Successful Shipping Company

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