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Supplying food for thought in Asia

Ship chandlers are under pressure to come up with innovative solutions, says **Robert Steen Kledal**, managing director of Wrist Ship Supply

As shipping markets continue to move east, shipowners are increasingly investing in resources and sites in Asia. Because this is a competitive ship chandlery market with a wide choice of local suppliers, it's more important than ever for global companies to have a strong presence in the region if they are to make an impact.

Besides the practicalities of being able to nurture customer relationships on the ground, the role of the global ship supplier must be highlighted. An outsourced supplier can provide standardisation of vessel supplies and consistency to the same quality levels as in the west. It is essential to communicate the importance of a quality ship supply service that is consistent and the role this plays in motivating seafarers and ensuring their welfare, as well as safeguarding efficiencies and productivity.

The ship supply sector has been steadily professionalising for several years and regulation is increasing to safeguard best practice and support the industry in working towards a global standard. Many of the leading

players are well established and have a long legacy spanning several decades. Key to succeeding in new regions is channelling this expertise into new ways of working.

Customers are demanding change and innovation, which is spurred on by developments in technology that bring greater visibility and transparency to consumable costs. This is driving the evolution of the ship supply market as shipowners look to strip out inefficiencies within their operations and achieve cost savings wherever possible. Articulating the wider commercial benefits of efficient ship supply to the Asian market is important as ship suppliers look to grow their presence and network in this region.

Balancing quality with cost

efficiency is all-important because shipowners cannot afford to compromise, particularly when it comes to food. This is especially significant given the Maritime Labour Convention 2006 guidelines, due to come into force in 2013 in Asia, as elsewhere. This regulation includes references to the importance of seafarer nutrition standards and there are continuing discussions involving seafarer representative organisations looking to develop and enforce nutritional guidelines, which will improve crew welfare.

Increasing presence in a new regional market challenges change management in any industry. This is amplified at sea, and particularly for ship suppliers. Ship supply represents only 3-5% of a vessel's operating costs and can therefore often be overlooked by those on land; for those on board, the type and quality of consumables are very important. Both seafarers and management must feel their needs are being met, which means balancing product choice and quality with value for money. Communicating changes in supplies, particularly food and provisions, which seafarers depend on



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Quality ~ Reliability ~ Knowledge ~ Innovation

for productivity, motivation, and morale – meal times are the most important time of their day when away from home for long periods – is difficult as the culture and structure on board has changed over time.

As a hierarchy on board has become more prevalent, the gap between the crew and shipowning officers and the captain is wider than ever before, making communicating change a challenge. Those on board are demanding software that makes their lives easier, particularly in the kitchen, where menu-planning programs that provide budget control and ensure balanced and healthy meals can ease the workload and safeguard compliance. Ensuring these needs are communicated to ship management and that a workable solution is met is the role of a competent outsourced ship supplier. This task is even more important when building relationships in new regions.

The solution is to spend time and effort with the crew on making improvements that are manageable. By increasing their regional presence in Asia on the ground, ship suppliers will be better placed to respond to the changing market demands of what is an essential operational element. ■

Links bring strength

Wallem's alliances keep manager versatile with 'menu of services'

There's something of a consolidation going on in the world of ship management.

Among the most recent moves was Wallem's alliance with LMS Shipmanagement, a subsidiary of Alabama-based International Shipholding Corp. It encompasses vessels, crew and marine technical services for the latter's non-US flagged ships. The parent assured investors in a statement early in September that "US-flagged vessels will continue to be operated from Mobile, Alabama".

The initiative enables International Shipholding Corp to take advantage of the economies of scale of a larger management organisation for its 37 vessels in the tanker, bulk carrier, and car carrier sectors.

For Wallem, the move underlines the attraction of maintaining a full range of management services, from which clients can access some or all of the expertise available.



'Managers are the last option'

Simon Doughty

to draw on our experience in managing the vessels to international standards," commented managing director Simon Doughty.

For both Nanjing (and its parent Changjiang National Shipping Corp) and Wallem, the expectation is that Chinese shipowners will want to join to ensure their ships are managed to internationally-accepted standards. Part of the attraction for Nanjing Tanker is Wallem's help in strengthening the pool of experienced Chinese tanker officers.

Speaking to *Fairplay* in Hong Kong, Doughty said Wallem Group was now "large enough to do what we want to do", which means the MD can talk to bankers about their distressed assets from a position of strength. "We have to have scale in order to make a profit but the perception is that we are too large."

This is a reflection on the number of ships, but management, Doughty stresses, is a "menu of services" and not every shipowner wants every expertise. But only by offering the full range can Doughty, and other Asian managers, compete with smaller rivals. "Managers are the last option," he said. There's nowhere else to go. ■

Two months earlier, Wallem unveiled a management venture with China's CSC Nanjing Tanker Corp, to be based in Singapore. NW Shipmanagement is Hong Kong-headquartered Wallem's first management presence in the city state, and formed a significant push into the Asian tanker sector.

"Wallem already manages 130 tankers, putting NW Shipmanagement in a good position



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