



The Future of Ship Management

Trends in Technical Fleet Management

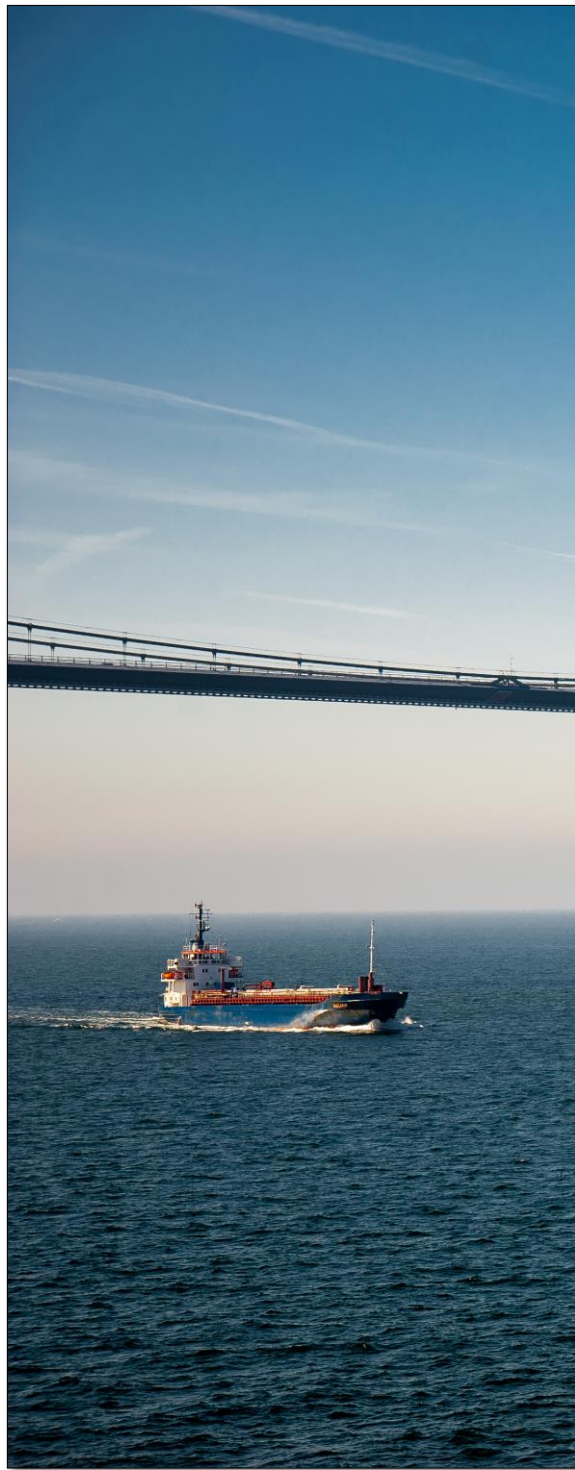
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Introduction

1. Existing models for the Third Party Managers
2. Key to success?
3. New approach
4. Drive for optimisation through digitalisation
5. Economies of scale
6. Procurement
7. Compatibility with vertical market

1. Existing models for Third Party Managers



- Too small, too expensive with restricted services, or
- Too large, commoditised, focussed on lucrative services or IPO
- 20% of world fleet only
- Transparency transparency
- Partnership transparency

2. Key to success?

- Act like a big company but think like a small company
- Continues crew training and development
- Be relevant and compelling
- Economies of scale in procurement, etc.
- True Partnerships of interests
- Full transparency – Totality in relationship
- Personalised service
- Comprehensive service
- Provide and allow for optimisation of service through digitalisation



3. Our new approach

- Adopt all of the keys to success
- Capability to offer a variety of Offer tailored relationships – second party management, JV models, investments, etc.
- True Partnerships of interests
- Wider & Specialised Platform of services – combined with transparency on income flows and focus on management



3. Our new approach

- **Performance Optimisation Control Centre:**
 - Performance optimisation
 - Procurement optimisation
 - Maintenance optimisation
 - Crew optimisation
 - Commercial optimisation
 - Optionality
 - Replicated for clients

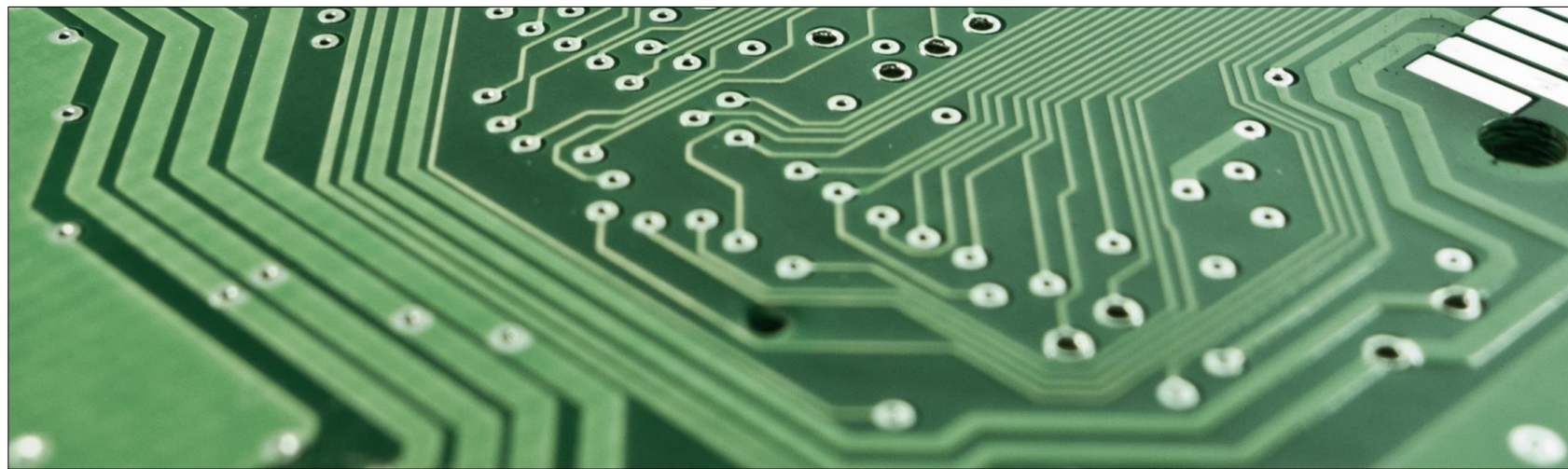
4. Drive for optimisation through digitalisation

- Digitalisation is a means to the end, not the end itself; Optimisation is the end
- What is digitalisation?
 - Misunderstood
 - Intersection between technology, processes and innovation
 - Digitalise process excellence
 - Path not a project
 - Vision, Agenda, Ideation, Creation and Application – Full Circle
- Facilitates integration and compatibility with complex and/or vertical clients of the future
- Feeds into and facilitates optimisation techniques including Control Room



5. Economies of scale

- Big is only beautiful if economies of scale are achieved without compromising tailored focussed service
- If they can, then any argument against consolidation and size-serving fails
- Economies achieved on
IT, Optimisation, Training, Insurance / Claims, Tech / Crewing , Procurement
(including price, payment terms and incentives), platform services



5. Economies of scale

- **BENEFITS MUST BE PASSED BACK TO THE CLIENTS**
- Big operators want to deal with big managers – therefore better for the clients
- **THINK BIG – ACT SMALL!**



6. Procurement



- The modern manager has to be able to provide a comprehensive procurement platform
- Achieving the best prices and returning bulk buy commissions
- GenPro is CSM's platform
- Joint venture with BSM
- Over 1000 vessels and covering all services / consumables
- Framework agreements and then separate contracts
- USD 50-100 per day paid back against OPEX or Management Fee subject to specific assumptions.

7. Compatibility with vertical market

- Modern manager has to ensure/enhance employability in today and tomorrow's marketplace
- Market pace is consolidating, becoming even more technologically sophisticated and vertical
- Performance Optimisation Control Room will help – attractive to employers
- Digitalisation of processes will help
- Size and associated economies will help
- *Alibabas* and *Amazons* of the future will not want to manage the steel, but will want to own it to shorten distance between seller and buyer and remove market uncertainty





Thank you for listening



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