



OK, so times are tough. But shipping companies need to look at life beyond cost-cutting measures, and the choices they make with regard to IT are more critical than ever before, believes Himanshu Joshi, director of Teledata Marine.

“IT budgets are becoming prime targets of the cost-cutting exercise. But management should take a careful look now, even more than ever before, at how IT is used across their organisation,” he warned. It is important to bear in mind that targeted IT investments can make operations more efficient and increase revenues, delivering returns larger than simple cost-cutting.”

Uncertain shipping revenues and manpower shortages on ships will change the way shipmanagement is done in the near future, said Capt Joshi. “IT products and services have to be aligned to this need now, much more than ever before.”

TMS says the use of IT to ensure effective cost-management becomes more important as shipping companies battle to keep costs down and ensure profitability through boom-bust cycles.

In response, it has set up what it believes is the world’s first maritime IT consulting service, TMS Consulting, offering end-to-end IT consulting, business intelligence and outsourcing services.

“It has been proved that the deployment of IT services arithmetically generates ROCI at 9% per annum over a period of six years in a medium to large enterprise,” he added.

However, he says, the use of marine software to assist shipowning and shipmanagement operations remains “extremely fragmented”.

“There is a myriad of marine applications that provide piecemeal solutions. The presence of myriad standalone applications that do not give decision support and increase paperwork, and the absence of identifications of IT needs at strategic, operational and tactical layers of the shipping organisations are prevailing endorsements of an ‘old school of thought’.

“The marine industry at large has never executed a complete needs analysis under the logical study heads of management, technology, organisation, information systems and business solution.”

Shipping companies need to take time to explore technology infrastructure and evaluate the variety of options, from shipping enterprise software resource management and webcentric solutions to relational databases and data warehousing, suggested Capt Joshi.



Mark Jennings

“The maritime environment does not lend itself to having complex software systems installed on vessels, as the ‘average’ multinational seafarer does not have the high level of IT knowledge and expertise needed to operate such complex systems”

ABS NAUTICAL SYSTEMS

ABS Nautical Systems has recently introduced new Drydock and On-demand Reporting in direct response to customer requests.

"The Drydock module is one of the most, if not the most, robust Drydocking tools on the market, especially when you take into account its full integration with the Maintenance & Repair module, Purchasing & Inventory module and Financial Reporting tools," said Joe Woods Vice President. "Many clients were [previously] using other custom or third party solutions for managing drydocks. All of the history was outside their core system and didn't allow for transparency, reporting or replication."

The On - demand Reporting module provides all the tools that ABS

Nautical Systems has for developing custom reports and provides these tools to the client, he says. Day-to-day users can generate reports for any data element across any module, and modify standard reports for their own use.

Another new module, Hull Inspection, is a web-enabled vessel-specific tool whose database contains detailed information specific for each asset – tank inspection worksheets, critical areas, inspection zones for each tank, historic information, gauging, drawings, inspection criteria, etc. – allowing users to manage the hull integrity in one easy-to-use software program.

TMS recently launched ShipManager 7.0 which it claims addresses the need for an integrated, efficient, robust and user-friendly IT solution. Implemented across Parakou Shipping's fleet already, it is constructed around four building blocks – Technical, Commercial, F&A and Decision Support. "It is arguably the only totally integrated web-based marine IT solution," Capt Joshi stressed.

Shipping companies need to make the distinction between running a vessel efficiently and running it cheaply, says SpecTec's global sales manager Matthew Hodkinson. "To make this distinction, you need to understand what is happening onboard to a detailed level," he said. "You need to understand what is happening in the office at an operational level. You also need to look closely at what are the impacts when you cut costs, and see what systematic risks you may create by reducing expenditure in a particular area.

"The only way to effectively do this is to have an active, alive risk management process, which is imbedded in all of your management processes – not a standalone, vertical solution. This needs to be an intuitive and practical as possible, so that it remains workable."

It isn't possible safely to reduce costs in one area unless you understand what the impacts are in the other functions of your business, he emphasised.

SpecTec's AMOS2 Enterprise Suite includes modules for maintenance, purchasing, personnel, quality and safety, and voyage management. "While able to operate each business module independently, as well as in unison, each has been fully integrated within the central AMOS database structure to provide consistent and manageable central reference tables for the common sharing of data," said Mr Hodkinson.

According to SpecTec, one of the main issues facing ship operators today is the falling level of competency and the lack of retention of corporate knowledge, due to the high rate of crew turnover.

"This has had a negative impact on the overall management system implementation, both in terms of safety and of control of maintenance and purchasing processes. That is why a system like AMOS is critical,

providing a drip feeding of the management system and processes, allowing the creation of a system that brings complex processes into bite-sized pieces."

SpecTec also sees environmental management becoming entrenched in most of the business processes, so that it cannot be considered a stand-alone process. "This is why vertical solutions will fade out as they struggle to efficiently support broad business interconnectivity."

While maritime IT solutions are becoming ever more sophisticated, complex and all-encompassing, the overwhelming message from the software companies is the client's need for simplicity and ease of use.

"The maritime environment does not lend itself to having complex software systems installed on vessels, as the 'average' multinational seafarer does not have the high level of IT knowledge and expertise needed to operate such complex systems," said Mark Jennings, Operations Manager of Marine Software. "Careful thought and consideration is given by shipowners and shipmanagers when they select software applications, as these need to be simple and easy to use, robust, and cost-effective with a low training overhead.

"Any software needs to be a simple tool to assist the seafarer and

VESON

Veson Nautical, which recently launched version 6 of its Integrated Maritime Operations System (IMOS), says the knee-jerk reaction of many ship operators is "to not spend any money".

"In general people buying a system like this look at a five-year horizon – but we are now seeing companies staying longer with the systems they have," said president John Veson.

"Our challenge has been to say it is an important time to make investments – because in a year or two when things start coming back, you are going to be in a much better position than those that didn't invest. When people buy software, they want to know what the ROI is – we find that our software pays for itself typically in less than a year in terms of efficiency and operational costs.

"In these straightened times, software can be made to work hard in keeping finances healthy," he said: "That includes staying on top of demurrage claims and staying on top of overall invoicing – making sure you are collecting everything, so you have a fair idea of the risk, who isn't paying you and who you need to be more careful with.

"In terms of direct cost reduction, it is all about efficient operations. The market is going to come back and historically speaking the companies which have invested in these downturns are in a great position when things pick up."

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reduce the time spent in front of the computer, and without the need to send crew away on lengthy training courses, which is both impractical and expensive.”

Complicated, costly land-based solutions have not lent themselves to providing a real business benefit in the marine environment, he says. “Tight operational schedules, fast vessel turnaround times and often low financial margins dictate that maritime software needs to be simple and inexpensive to give the operator any hope of getting a genuine return on IT investment. Marine Software’s solutions offer a unique way in addressing these concerns.”

Among the developments from Marine Software is a new Lay-Up module to help manage the planned maintenance requirements when laying up ships.

The company has also produced a specific module within its Marine Safety Manager software to meet a request from Estonia’s Tallink Group for help in recording environmental aspects and impacts under ISO 14001. Tallink has upgraded its fleet of over 20 vessels to incorporate this new feature.

Marine Software has recently supplied its Marine Purchasing system to the National Oceanographic Centre’s research vessels James Cook and Discovery and its technical office in Southampton.

ABS Nautical Systems says the message from clients is clear: make the system as easy as possible to use, while still providing the same robust solution with full reporting capabilities.

“They are looking to maximise the data they have collected for trending and improved efficiencies. One of our largest clients told us ‘we don’t collect data we don’t intend to report on or analyse’. The solutions we provide must be streamlined and built to extract data just as easily as you enter data”

MESPAS

Swiss-based software company MESPAS, founded only five years ago by marine engineers, software engineers and venture capitalists, has provided its fleet management system to about 450 vessels.

In June (09), it announced its version 5.12 of its mespasR5 system, which features four new models – TMSA II, Form Manager, Noon Report and Crew Management light.

The overarching goal when establishing the company was to develop a drastically more efficient way for managing marine fleets. The founders recognised that a fleet management system can, if established using a centralised database, help contain operational costs, and improve efficiency and information flows,” says marketing manager Christa Thoma. “This is particularly important in times of economic downturn. Shipmanagers should be able to concentrate on their core business again, while being able to count on a system that lets them manage their fleet in an efficient and cost-effective way.”

Being able to manage a fleet as opposed to single vessels provides is key to saving costs, she says. mespasR5’s multi-tenant architecture approach enables overheads for operation and maintenance to be reduced significantly because of the economy of scale, says Ms Thoma.

“Cost and complexity are always concerns, especially in the market conditions we face today,” said Joe Woods, Vice President of sales and marketing. “We are seeing a growing number of clients and prospective clients looking for a single integrated solution.

“They want to limit the number of systems they need to support, implement, train personnel on, and manage on a day-to-day basis. They want to enter a long-term relationship with a ‘partner’ who will allow them to grow and change as the market changes.”

As well as this, a growing number of companies are inquiring about

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reporting capabilities, said Mr Woods. "They are looking to maximise the data they have collected for trending and improved efficiencies. One of our largest clients told us 'we don't collect data we don't intend to report on or analyse'. The solutions we provide must be streamlined and built to extract data just as easily as you enter data."

Clients also want to be able to access data from anywhere in the world and minimise the deployment effort required for initial implementations and ongoing upgrades, he adds.

ABS Nautical Systems is also reporting an increased use of system audits in reaction to the economic downturn. A consultant will spend two or three days with a client looking at how efficiently they are using the system and leave them with suggested tactics to gain more from the software.

"Many times we find that over time internal processes have changed but they have not updated their workflow, authorisations or provided the training necessary to match these internal changes," says Mr Woods. Such an audit can have clear implications for the bottom line, he added.

Later this year (2009), the company will launch an N-Tier solution for its NS5 fleet management software.

Michalis Hatzimanolis, in charge of marketing at Ulysses Systems, says the significant contribution that IT can make in avoiding errors is based on sharing experience and implementing practices refined by experience. IT should apply predictability and continuous improvement to management operations, he says, and he compares this to football management.

"If a football coach was to manage as many teams as a shipping company manages ships, the manager would have to maintain his ability to apply normal management practices to teams he cannot see.

"He would still have to view each player's actions, discuss them, suggest improvements, pass experience from one team to another, etc. If technology could be used, it would record how each team and individual player performs, and would use the experiences to channel focused improvements to each player and team. The target of IT in shipping is very similar."

Capt Hatzimanolis says IT has to show results, in a tangible way, and where better than to look at insurance records, which show the same errors being made on ships again and again – anchor losses, collisions, groundings, machinery damage, etc.

Commercial losses are also often repeated – lost charters, frustrated sales, damaged reputations.

"There are very few new and interesting problems, which indicates that we

METWORKS

There is a risk that more computer-derived managing enabling the "man in the office" to keep a closer eye on all that's happening on his ships is likely to alienate the shipboard staff who will feel they have a "spy in the cab", says Steve Johnson, director of MetWorks.

"They could be made to feel untrusted or incompetent where every decision is questioned by an office-bound worker that does not have the 'feel' of the real situation on board," he said.

Weather routing specialist Metworks aims to engage the master with the route recommendations, he says – "we appreciate that the man on the spot will have a better understanding of his own and the ship's requirements. To this end, all our routing is advice only and we welcome feedback from the master with his own preferences and experience giving him a better understanding of his vessel than anyone else or nay computer sensor could ever have. This method requires good, reliable and fast communications between the ship and shore – this is an area that will continue to improve as more ships are provided with broadband that is faster, cheaper and more reliable than before."

MetWorks receives request from customers for a variety of weather information services away from its mainstay of routing work. This includes monitoring weather conditions for a delicate marine operation offshore, research and analysis, and feasibility planning for marine operations.

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MARKET SECTOR IT & MANAGEMENT SOFTWARE**BIBBY**

Bibby Ship Management has been appointed exclusive European distributor of IDESS IT's competency assurance package CASys.

The system allows companies to monitor the professional development of their personnel and is increasingly relevant in today's market, says Iain Forrest, competence assurance manager at Bibby Ship Management.

"We felt there was a growing market for this type of system – companies are becoming more and more interested in 'how do we help ourselves by helping our people' and this is one of the tools that allows them to do this.

"Essentially it is an electronic extension of the old paper-based training record books of the past. It is about developing the people you have

to perform effectively. Companies are realising that the better people they have on board ship, the better the ship performs and the better the return to themselves as owner or manager."

The web-based CASys enables companies to focus more clearly on performance issues related to individuals and their development, with information updated and shared between ship and shore on a regular basis.

"The system will generate reports on who is ready for promotion, or nearly there, and what it is they have to do before they can be promoted. Time-limited and safety-critical tasks can be built in. It allows the training manager to focus his spend and budget, and look ahead a little bit more."



are nowhere near exhausting the need for improvement in areas we already know are risky. Shipping doesn't change much. However, collisions and machinery damage occurs more frequently in inexperienced companies and in sectors where management scrutiny is not strong.

"Most IT systems aim at recording data that will assist coordinated decision-making. In short, the aim is to support users with the right information at the right time to overcome gaps in information and knowledge that will result in errors."

Recording of observations or more routing data is often inconvenient and incomplete, so the software needs to make this process convenient and of direct benefit to the user entering the information, says Capt Hatzimanolis. When people make decisions, they are preoccupied with conflicting goals and pressures – they need convenient and

well-designed software navigation to benefit from corporate data.

People are very busy and often competing with each other within the organisation – so do not help each other with experience. A management system must pick up experience as a by-product of normal work, not through extra effort by one person to pass his experience to another.

And, said Capt Hatzimanolis: "People often do not remember the right experience at the right time unless they have practised for years. After a black-out, a duty engineer will rarely check the oil before starting another generator. Technology that understands shipping procedures can help with that.

"The process of being reminded about what to do or about what has happened in the past, at the right time, is rarely well thought-out. The right reminder at the right time is essential to efficient operation." ■

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