

# Quality at Eurasia

**We interviewed Rajaish Bajpae, president of Eurasia Shipmanagement and newly appointed president of the International Shipmanagers Association, to find out what he thinks quality tanker operations are all about**

**H**ong Kong based Eurasia Shipmanagement, which operates 78 vessels "(and expected to grow to around 83 vessels within a month), mainly aframax, VLCCS and post panamax container ships, recently won a Total Quality Management award from the Hong Kong Management Association, competing against all Hong Kong companies, including airlines and banks. It has also been voted best ship manager 2003 by Lloyds Maritime Asia.

At Eurasia, creating value for the customer is top priority, followed by shareholders and employees. Then comes the environment and the larger community.

"That should be the purpose of every business," Mr Bajpae says. "Its nothing unique."

Quality, at the end of the day, comes down to what customers think of you, he says, and since it isn't always obvious what customers are looking for in a shipmanager or why they want a third party shipmanager that is a very difficult thing indeed.

Managing the ship itself is relatively simple because you know exactly what your target is.

"As well as managing the asset of the customers, you have to manage the expectations of the customers," he says.

Most of Eurasia's customers, he says, manage some of their own ships, and look for a third party manager for the rest, so they have shipmanagement capacity in-house.

Eurasia needs to work out what the customer's business strategy is so it can create value for the customer.

"You have to understand in the first instance why the customer has a need from a service from us," he says.

"Sometimes it is explicit, sometimes it isn't. What is the driver, what is the reason, and we have to make sure that we exceed their expectations, you have to really work on it."

"Once you are able to comprehend that then it is paramount to ensure that he is getting what he is expecting from us."

"The formal and informal feedback, if the repeat business is coming from the customer then it means there is some satisfaction there."

"Customer expectations always change," he says. "The customer is living in a dynamic world, the markets are constantly changing. We cannot make this a one-off exercise. It's a continuous process, I think we learn as we go along."

## Charterers, banks, terminals

Eurasia also works closely with charterers, banks and terminals, he says.

Most charterers show a great deal of interest in how the safety process is managed. "They want to know, who are the faces behind the business, what is the

value of the people behind the business, and what is the value of the culture of the company," he says.

"They would like to know more about the organisation, the values, the systems, the processes, the people behind the processes."

Bankers and terminals show a similar level of interest, he says.

Eurasia's office is regularly visited by charterers including BHP, Shell and Exxon. "Basically, we are open," he says. "Development of trust has to be by way of transparency."

## Ships

"With managing the ship the focus is very clear," Mr Bajpae says. "You have to carry the cargo from A to B safely and economically without damaging the ship."

"We must at all times preserve the value of the asset; the ship must last as long as expected to gain full service."

Currently almost 70 per cent of Eurasia's sea staff is Indian, with the remainder being a mix of many different nationalities. The company aims to side-step nationality issues and train the crew as "Eurasians."

"We basically have a tremendous focus on human resource," Mr Bajpae says.

"The commitment that you expect from them will only happen if you have a long term policy of development of human resource. As people grow their expectations grow."

"They basically are your asset for human capital," he says. "It is ironic that this human capital never appears on the balance sheet."

Getting the best out of people, Mr Bajpae says, involves aligning the company's values and mission with individual's aspirations and goals.

The company operates informal get togethers with top management and senior officers; it also operates open house seminars which seafarer's families are invited to. So the mechanisms are both formal and informal.

Mr Bajpae personally tries to meet as many seafarers as he can, and sends personal letters to the ships. "You learn a great deal from speaking to them on the ship," he says. "You come to know about real issues."

"The advent of information technology has created more avenues and more ways to communicate, but nothing is better than face to face talk," he says.

Eurasia has around 90% repeater rate of seafarers joining back the company after leave the aim is to treat employees as a family and nobody leaves his family easily.

This emotional contract is based on the cornerstones of integrity, loyalty and professionalism, and more importantly on the continuous gauging of these qualities.

## Leadership

Training is geared around leadership. The focus on leadership goes to help seafarers reach their maximum worth and feel the most fulfilled.

The company defines the ship as a floating factory and the top four namely, Master, Chief Officer, Chief Engineer and Second Engineer are the people who are running this factory. The Captain could be managing director of the \$40million factory with \$40million worth of cargo.

"Leadership is about ownership," he says. "People asking, 'what is my purpose' whatever role or responsibility they hold. They must be very clear of their purpose of existence on the vessel."

"If the captain is in charge of a \$50m ship and 25 lives, 1,000 tons of bunkers, it has the ability to pollute and threaten. His purpose must be very clear."

"He has to say, the cargo must arrive from a to b safely - without damage. The cargo must arrive timely it must arrive economically. If the purpose is very clear in his mind, He will do anything that is required to fulfil that purpose."

Leaders are also expected to rise above the ordinary, go beyond the basics. And as Mr Bajpae was quick to point out "Leaders must also accept the combined concept of reward and reprimand at each level of challenge." In the end, "Leadership is about creating new leaders, and not followers" he says.

To help foster the Eurasia attitude, the company has its own manning offices, training centres and recruitment offices, and aims to train seafarers in both technical and leadership skills.

The approach is follows the development from cadet to officer, and interface with training offices, superintendents and fleet managers.

## Seafarers and safety

The way to improve shipping safety lies not with class societies, vetting inspections, or port state control, but with better working relationships with seafarers, Mr Bajpae believes.

"My view is that the people who know the ship best are the people who are sailing on the ship. They eat, sleep there, that's their home."

"If we allow them to speak, if we empower them to make decisions, I think a lot of problems will be behind us."

"I think our responsibility as managers is to select the right people with the right attitude, give them the right knowledge and skills, the right values, empower them - to make the right choices - enable them with



Rajaish Bajpae

the correct and proper systems and tools."

"What traditionally happens is that we disable them. We go onboard the vessel pretending that we know more than them, we are more knowledgeable than them, and we offer them solutions.

"Naturally, they would prefer to shut their brains and shut their mouths and they do."

We need more humility on the part of managers, vetting inspectors and flag states," he says.

"Everybody wants to preach something to the master, he loses his self esteem, he doesn't feel like he is the managing director of the factory when he is being bombarded by recriminations from all corners."

"It is their knowledge and their skills we have to recognise, if we have to attract the best minds, the best talents from our universities," he says.

"Otherwise we only have graduates that have shipping as the last option. An industry which is not able to attract the best and the brightest will have difficulty."

## Safety and regulation

Mr Bajpae is adamant that systems and quality codes, including ISM, should be considered enablers, rather than drivers of safety.

"We are too much overburdened from procedures and burdens and vetting and inspections," he says.

"The process supersedes the purpose. The process is uppermost in the mind. Very often the purpose doesn't have the same degree of importance in the mind."

Besides, people should not follow regulations just because of the threat of punishment if they don't; they should want to follow the rules anyway.

"We already have adequate regulatory regime," he says. "We should not overburden ourselves with all kinds of external enforcement and compliance."

## ISMA

Mr Bajpae recently assumed presidency of the International Shipmanagers Association (ISMA), and will pursue the same objectives through ISMA as he does with Eurasia.

"One of the things I am quite keen to pursue and support is the aspect of quality leadership in whatever small way I can," he says.

"ISM does not necessarily mean that every ship is a quality ship - and every manager is a quality manager."

"To pursue excellence - that cannot be nurtured in a mandatory compliance culture," he says.

"We as an industry have to focus on the positive aspects of the industry, bring about the image of the industry as a responsible industry," he says. "A self regulating industry - rather than being driven by imposed regulations. I think we will be moving in the correct direction."

## Captain Sareen

*Digital Ship* was fortunate to be able to interview Captain Sareen, a master mariner with Eurasia for nine years, during which time, he says, the company has

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taken care of him very well.

The company has always been helpful in matters relating to his relief, joining back, family joining him on the ship as well as other personal matters as well, he says.

The company has a very well maintained fleet and there is no compromise on the safety issues, he says.

A quality standard is maintained by continuous training the seafarers, keeping them motivated and ensuring the competency levels of the ship staff.

"The Company by naming us the managing director of the ship has put a high responsibility on our shoulders," he says.

"The attitude towards work changes when the employer is highly motivating and entrusts with you responsibility."

### New regulations

Generally, new regulations "have made life better for the seafarer," Captain Sareen says.

"The ship is in a proper shape and well maintained."

With the involvement of everyone right from the Owner, Ship manager, Superintendent, Master, Chief Engineer and Crew, things have become better, he says.

There are initial problems for the people to get adapted to the changes but slowly they realize that the changes and the regulations are for their own good.



Capt Rakesh Sareen

Initially the seafarer is not very comfortable with doing a lot of courses/training program to get familiarized to the new regulations, but then these courses are for his own good, for the safety of the ship.

The scenario has changed after all these regulations like ISM, Port State Control have come into force.

In the 80's and 90's it was easy going for the shipowners/manager but with the new regulations it has become tough for them to find escape routes, he says.

Now that everything is recorded and well documented, the ship owner/ superintendent have to take action on any con-

cerns/requisition the ship raises and cannot ignore it.

Equipments are in order, well maintained and in better condition. The safety onboard is good and there is a sense of security in the seafarer's mind, he says.

### New technology

Technology has reduced paperwork and the workload on the seafarers, Captain Sareen says.

The advent of new technology like Global Positioning System, Electronic Charts etc. has made life more comfortable for the seafarer on-board the ship.

The disadvantage is over-dependence on technology by the young officers, he says.

There are chances of a critical situation arising if there is a malfunction/failure in the equipments on board.

With the advent of GPS the deck officers have become dependent on it for the position of the ship, but in case of its failure the officers must know how to manually take the sight to know the position of the ship.

Keeping this in mind it is a standard practice on the ships for the officers to take manual sight at least twice a week, he says.

Eurasia has adopted this in its Company Policy, to ensure safety and take care of any situation, which might arise due to such failures and make sure that its seafarers are always prepared/trained to handle such situations.

The new means of communications like satellite communications and e-mail have resulted in better communications between the ship and the shore, he says.

Regular updates are possible for the various software used on-board, requisitions have become fast. It has also resulted in better communications between the seafarer and his family.

With the increasing use of mobile phone more and more seafarers are carrying a mobile phone with them on-board, this has helped them to remain in contact with their family at all times.

Captain Sareen was of the view that there should be some special package for seafarers by the mobile service providers

# V.Ships and Securicor

**V.Ships has announced a ship security strategic alliance with industrial and port security experts Securicor.**

The company decided to team with Securicor after listening a number of security consultants. "A lot of what they offered was quite depressing, demonstrating little awareness of the commercial maritime environment," the company says.

Securicor has already established itself as a leader in port security, having conducted port security assessments in Hong Kong, China and Malaysia, currently bidding for work in Ireland. It has a number of US customers.

V.Ships was very keen to get involved in security as soon as it became obvious that the maritime industry would have to put together ship security plans.

The first IMO working committee on ship security met in Feb 2002, 5 months after 9-11. In August 2002, V.Ships had its first version of the ship security plans.

In October 2002, the company appointed its "Company Security Officers," and in June 2003 carried out its first security assessment. In August 2003, Lloyds Register gave approval of V.Ships' first ship security plan, the first plan it had approved.

In October 2003 V.Ships also began carrying out its in-house training for the ISPS code and in November 2003, was issued with its first ever ship security certificate by LR.

However the company notes that it still had a head start; the company had ship security plans even before 9-11.

"It takes about 3 months from start to completion to prepare an adequate ship security plan," says V.Ships' David McFarlane. "You have to put the plan onboard and get crew used to it, and then send it back to the office.

"You have to get ship staff accustomed to understanding their new security duties and responsibilities."

"I would allow 26 weeks [altogether] to fully comply for one vessel."

Most of the ship security officers are chief officers or chief engineers, although V.Ships says that one of its shipowners is considering putting an extra officer onboard making the security requirement a full time job.

### Screening

The most complex aspect of the ISPS code is the screening issues.

There is no point in building a high security fence if it isn't of the same height for its entire length.

So it goes with shipping; if it is possible anywhere for a non-screened person to gain access to the port facility or a ship, then the entire process is violated.

Violating the security fence leads to serious implications. For example a ship which has visited a non-ISPS compliant port, out of its last 10 port calls, can be refused entry or searched prior to entry if it aims to enter an ISPS compliant port.

This will clearly be of big concern to brokers, which will need to be thoroughly aware of which ports are not ISPS compliant so they do not fix any ships to go to them; ports which are not ISPS compliant can expect to not receive any ships.

There is a "declaration of security" mechanism, where ships can declare to the authorities in advance that they have been to non-ISPS compliant ports and wait for the authorities to make a decision about whether or not to let the ship enter.

In ports, the ISPS code is defined as covering the "port facility," the area where the ship meets the land. Anybody in this area will need a certain level of screening, to make sure unauthorised persons do not gain access to the ship from the land.

The precise definition of a "port facility" is not clear, since many ports have, for example, residential areas right in the

middle of them. But what is clear is that the port facility must be a restricted zone.

V.Ships has now adopted various levels of screening for its crew and other people who might come into contact with the vessel, such as tug operators.

Securicor puts its staff through 5 year and 10 year checks.

### ISPS concerns

Despite the speed with which regulators issued the requirements, they are still getting behind when helping shipping companies implement them.

IMO has recently put out its own model courses for ship security officers, which, Mr McFarlane thinks, came out far too late.

"Many flag administrations still have to issue requirements," he says. "We work with 23 flag states; I have only seen the requirements for 15 of them."

There are also confusing variations in the flag state requirements, which will be particularly annoying for ship managers or owners working with more than one flag.

"We have been putting the IMO number on the bridge front," he says. "One flag administration says they want the number on the side of the ship so that it can be seen by other ships and aircraft."

Martin Stafford, of V.Ships Consulting, has concerns about the competence of some "recognised security organisations," appointed by flag states to determine whether or not ships should be provided with ship security certificates.

He believes there can be real value to the ISPS code, but the relatively short timescale in the minds of some operators reduces the exercise to compliance for the sake of compliance.

Colin Atkins, project manager with Securicor, notes that the ISPS code is a risk management exercise, similar to exercises done in all kinds of other industries for many years.

However he calls for more consistency around the world in the different requirements under the code, which will make more sense of the scalability of it, as both shipping companies and ports are expected to be able to move easily between levels 1 2 and 3.

### Consulting

V.Ships has a subsidiary company, SeaTec, which is providing security consulting services, in association with Securicor. Seatec has been providing safety and training services for over 12 years.

In the security arena, the services SeaTec can provide include preparation of the plan, security assessment, security officer training.

SeaTec can also provide what it terms a "ship security pack," which includes hardware a ship can use for ISPS compliance, including CCTV cameras, signs, a visitors log, visitor passes, door seals, a guide to the ISPS code.

SeaTec also provides advice as to small design changes which can be made on ships which improve security, in particular installing access control systems (doors which stop intruders gaining access to the ship) and closed circuit television; also improved lighting and blast protection (eg curtains which protect windows from shattering all over rooms if there is an explosion outside).

"Why don't we create some kind of barrier at the top of the accommodation ladder," notes Mr Stafford. "Its very simple - it will only cost a few thousand dollars. Very few shipbuilders consider this."

"We can have a controlled entrance, linked back to the cargo control room; we can put a door there and improve the position of locks. I don't know if we can stop a determined terrorist but we can make it more difficult."



Martin Stafford