

***Is Shipmanagement a
human productivity business?***

***What is the core of the conflict between
existing people and new processes?***

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**Ship management is about being better
than the owner at ship management**

**All else being equal, that means
better productivity per person employed.**

**Certainly this is the basis of
Competitive advantage**



Prioritisation

There are many competing bottom line issues to making a successful ship management company.

So using information technology to improve process must fit with priorities.

- Is customer relationship management more important than process improvement?
- Is hiring people who make better decisions more important than process improvement?
- Are company mergers more important than process improvement?



Prioritisation

- **What would make process scrutiny more important than relationship management?**

When relationship management is sufficient.

- **What would make process scrutiny more important than good judgment?**

When human aspect of judgment is as good as can reasonably be Expected. After that what remains is the heavy lifting that is involved in decision making. When availability of personnel is in shortage and means are required to make the best of the available resources.

- **What would make process improvement more important than mergers and acquisitions?**

When process improvement overcomes the benefits of economies of scale.



Evaluation of process

It is important to focus on the processes and how they can be improved.

Evaluating these alternatives requires thought and analysis.

Most information management practiced in the maritime industry follows the structure of a standard decision making or problem solving process.



Problem solving paradigm

Most processes from spares quantity requirements, to budgeting, to urgent crew repatriation, to crew training, to machinery diagnosis follows the same problem solving paradigm;

- ✓ Event annunciation
- ✓ Information collection
- ✓ Information comparison and relevance to circumstances
- ✓ Coordinating a solution
- ✓ Monitoring solution



Information at the time of need

Efficiency of a process undoubtedly needs:

- Instantaneous and relevant information access
- Better co-ordination of key participants replacing time consuming meetings and disruptive phone calls
- Intuitive linking of related information
- Intuitive comparison layouts
- Dissemination of discussion items
- Timely instantiation of status change

But why is so little effort made to evaluate these processes?



RART 2



Software Purchase Experience and evaluation of potential improvement to process

- ✓ Has the improvement to process failed in the past?
- ✓ If so why did it fail?
- ✓ Has past failure reduced the interest in finding solutions?
- ✓ Do ship owners stop buying or ordering ships after an error in purchase timing?

Analysing how the error occurred is the only way to avoid it again.



Software purchase experience and involvement of senior management

Senior management are rarely involved in information management decisions.

Since productivity is a key constituent of ship management success does it make sense that the selection of the key constituent of productivity is not the primary concern of senior management?



Will software get cheaper? Will it get more mature?

For software to get cheaper it needs to cover large markets

1 solution for 10 industries for example

But enterprise software is going the opposite way;

1 solution for 1 industry tailored to each client



Will software get cheaper? Will it get more mature?

Software will get more industry specialised for two main reasons

- **Performance support needs industry specialization;**

As software addresses the performance and productivity of the user and not just process automation, the need for tailoring to each industry and use becomes a greater percentage of development.

Examples: Can you use a filing system from another industry?

Is your e-mail or Document management filing system automated?

If your e-mail or Document management system was industry specific could the filing be automated? Obviously.

**In fact indexing is at the very core of human performance support.
If Awareness at the time of need, is the ultimate goal of performance support indexing is at the core of this.**



Will software get cheaper? Will it get more mature?

Software will get more industry specialised for two main reasons

Generic cross industry functions are not prohibitively expensive to build from scratch.

There is no mystery in producing software to manage purchase orders to manage documents or any other business object.

What is costly is tailoring to specific industry needs and client variations of process



Will software get cheaper?

- **Software that is generic across a whole industry and not tailor made for each client, is already cheap.**

The license and maintenance cost is about 3000 per ship per year. The process time saved in usage can be ten times this.

- **As it develops it will save more time and do more.**

But it will not get cheaper because in competing to acquire the leading shipping companies in the industry, the software suppliers will make it better and then require a return.

- **There is no comparison between the value of potential improvements to human performance and license cost and this will go on for a very long time.**

Eventually managers will have found out how to evaluate their processes and will be able to value the improvements.



Will it get more mature?

Of course,
especially if it is widely adopted.

As customer use becomes more sophisticated
so will product features.



Thank you

