



**Wilhelmsen
Maritime Services**

Creating value from IT in the Maritime Industry A Value Chain Perspective

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Agenda

- Reflection of IT and the Shipping industry
- The Unitor Business case – a step wise approach to creating value from IT
- Presentation of WMS

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Reflection of IT and the Shipping Industry

“The use of IT in the Shipping Industry is still in it’s infancy”

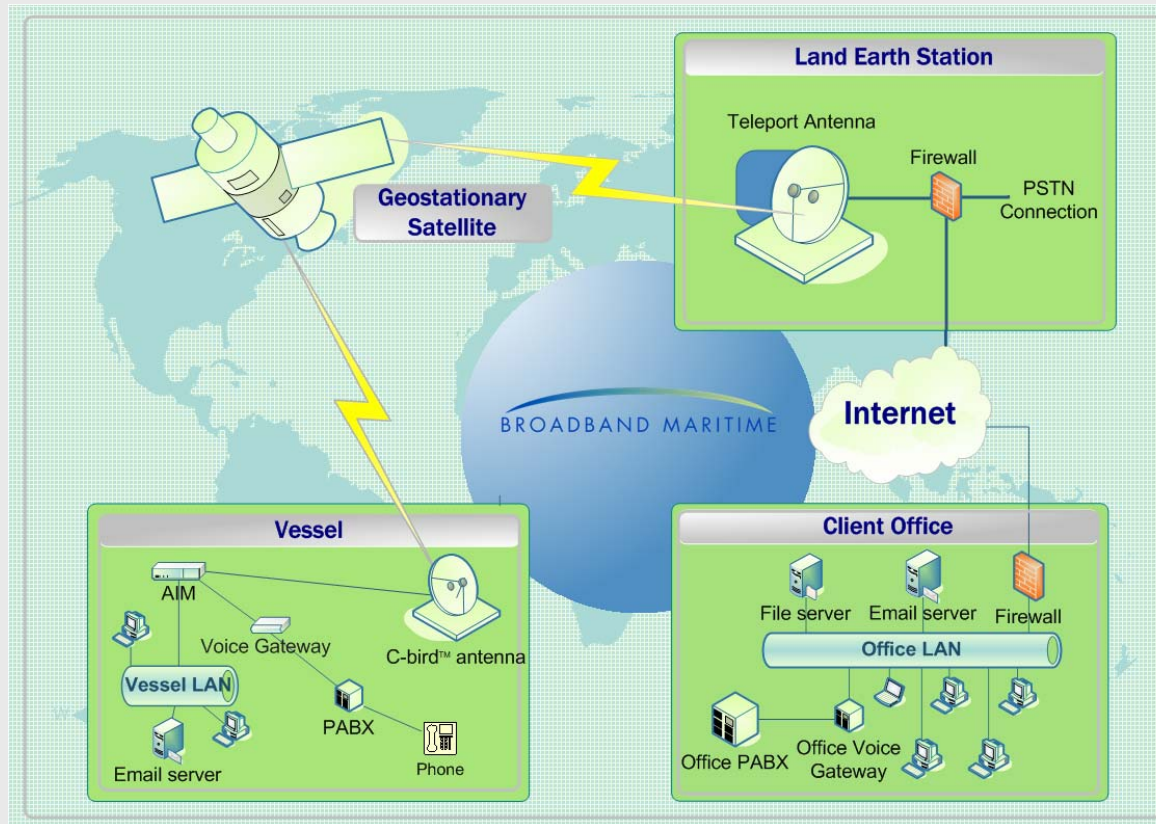
The topics of DigitalShip covers some of the challenges that are rather basic when compared to more land-based industries

- The Communication Challenge: Ship to ship, ship to shore, ship to operator.
- The Onboard Operating Challenge: Operations, Maintenance systems, Quality program
- The IT maintenance Challenge: LAN/WAN/PC’s, Onboard service or Remote management
- Tracking and security

**The progress is there but how can the perception of IT be converted from
“IT is costs” to “IT creates value”**

A challenge is that the profits in the industry comes from “Non-IT” related activities

**To create value, one major requirement is communication access.
Broadband Maritime has described this as follows**



This solves a requirement to improve within the shipping companies as well as opens for improved operations with the supplier industry

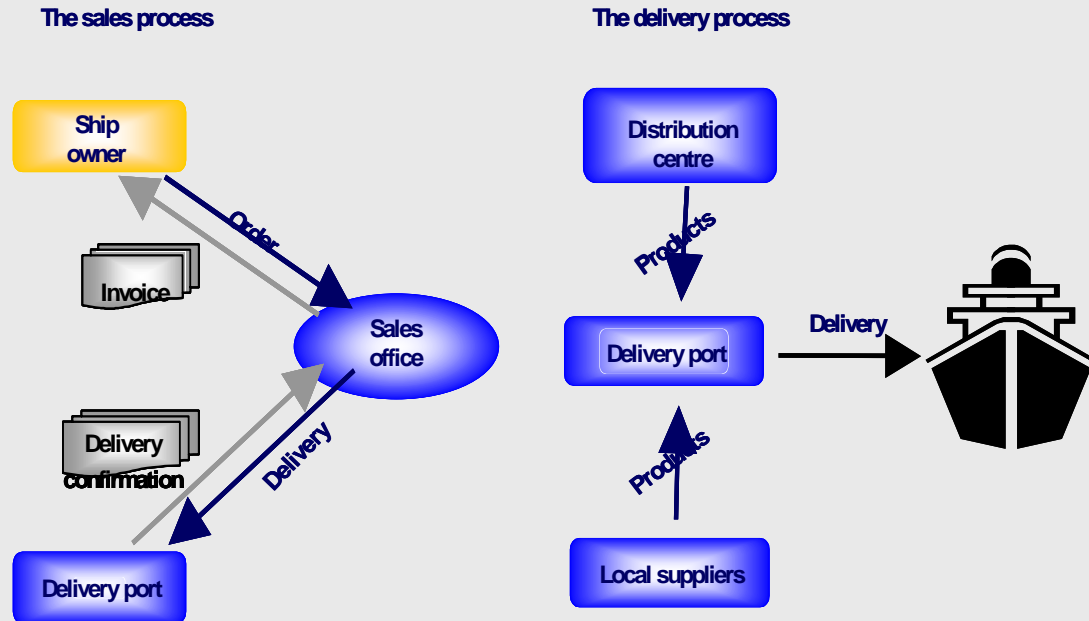
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The Unitor Business case – solving the internal challenges (1)

Pre -2002

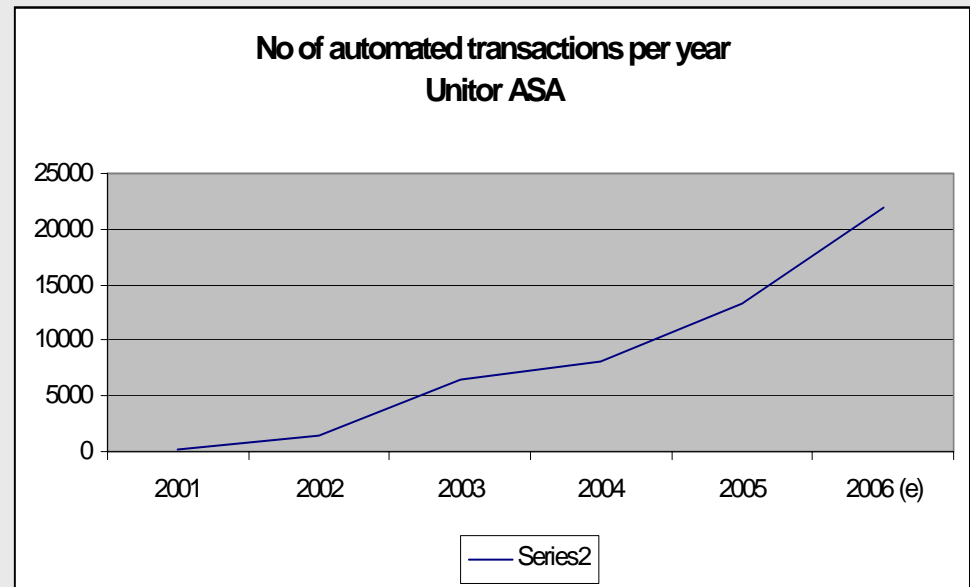
- The Unitor Business model was simple, however execution was expensive and increasingly so
- All internal contacts were in essence manual – (IT systems were batch oriented)
- Significant efforts was made to streamline the different functions through implementing new IT system (IFS)
- The interaction with the customer remained manual (phone, fax, e-mail)



The Unitor Business case – customer integration (2)

Post - 2002

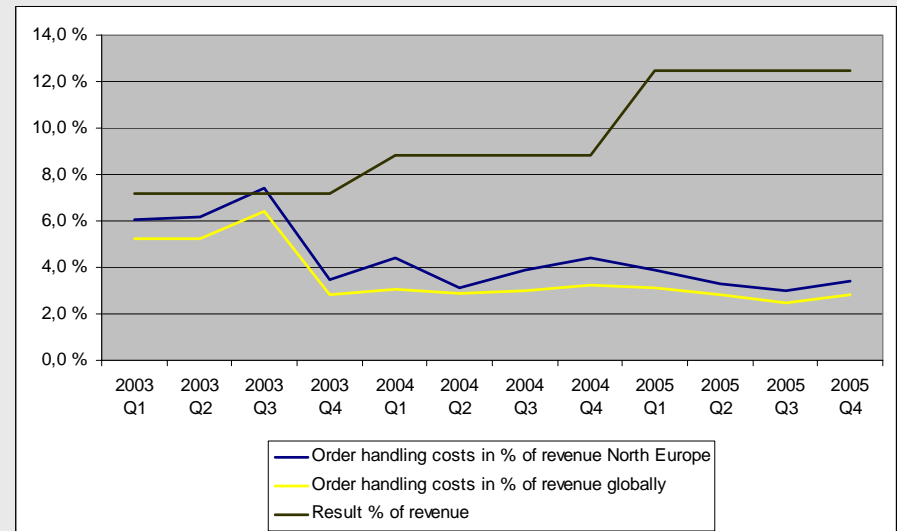
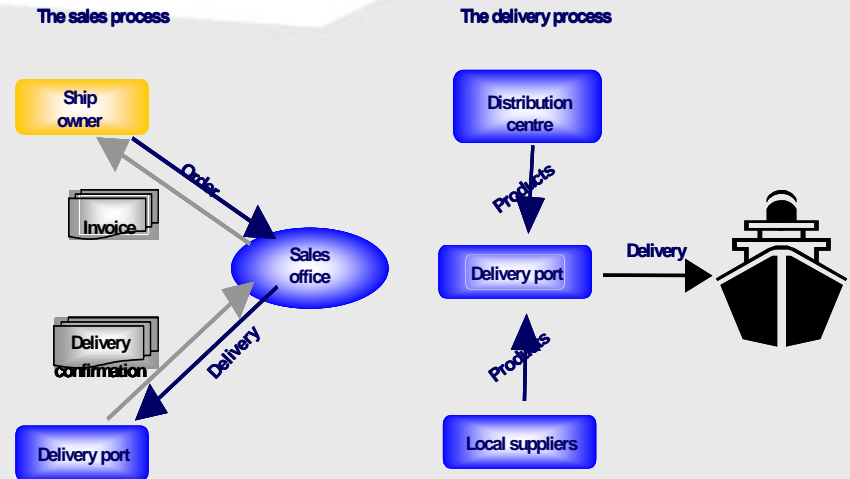
- Increased focus on creating an environment where automated transactions were possible
- Focus on developing a relation with customers seeking the same – simplified processes – the North Europe customers (as a group) has historically been the most receptive
- Eliminate solutions that required one-to-one connection – in the long run this will only increase operating IT costs for both customer and supplier
- Main target was to allow both the customer and Unitor to reduce costs
- Since the start Unitor has seen a significant increase in no of automated transaction
- However the ongoing developments in the market is a dependency for increasing this further and reducing overall costs.



The Unitor Business case – creating value (3)

Post - 2002

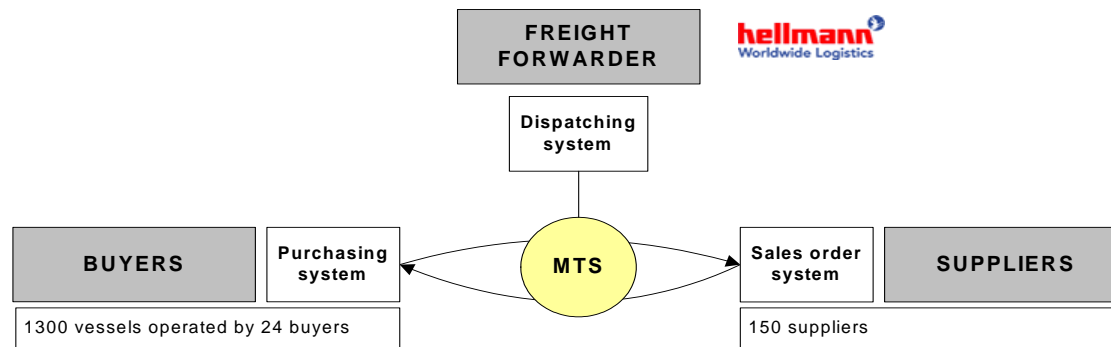
- Main target was to allow both the customer and Unitor to reduce costs
- Since 2002 Unitor's order handling costs North Europe has been reduced from 5,8% of revenue to 3,4%
- The yearly cost reduction, in \$, amounts to \$M 1,7.
- Globally the cost reduction in sales order processing is more than \$M 8, representing 50% of the improved profits for Unitor
- There are many sources to this improvement, however the value chain approach was a significant factor
- Unitor has developed MTS together with industrial partners to provide this environment to allow a win-win situation



MTS a Value Chain Integrator



MTS enable buyers, their suppliers to fully automate the business transactions they have with each other



Key integrated buyer customers



- Contact
- Price list
- Main menu
- Quality/Safety
- Agency manual
- Company info
- Recruitment
- The Journal
- Feedback

PARTNERS



Key integrated supplier customers



MTS offer products and services which let the customer take one step at the time - learning how to realize the benefits

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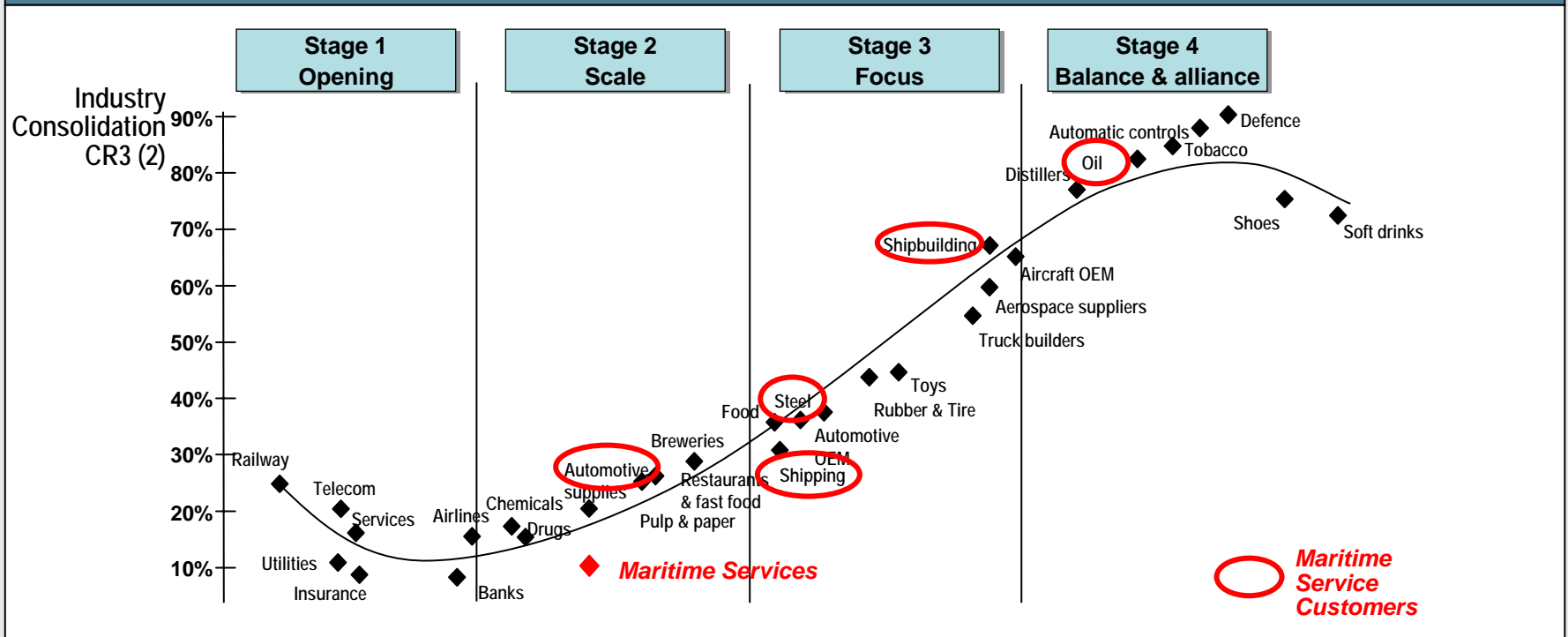
We have defined an ambitious vision for WMS

“Wilhelmsen Maritime Services will be the shaper of the maritime service industry.”

Maritime Services is an immature industry

The customers to the maritime service industry have moved further up the consolidation curve

The consolidation curve (1)



Source: (1) Harvard Business Review, 2002

(2) CR3 = The combined market share of the three largest companies in the industry (based on A.T. Kearney's value-Building Growth database of 25'000 companies)

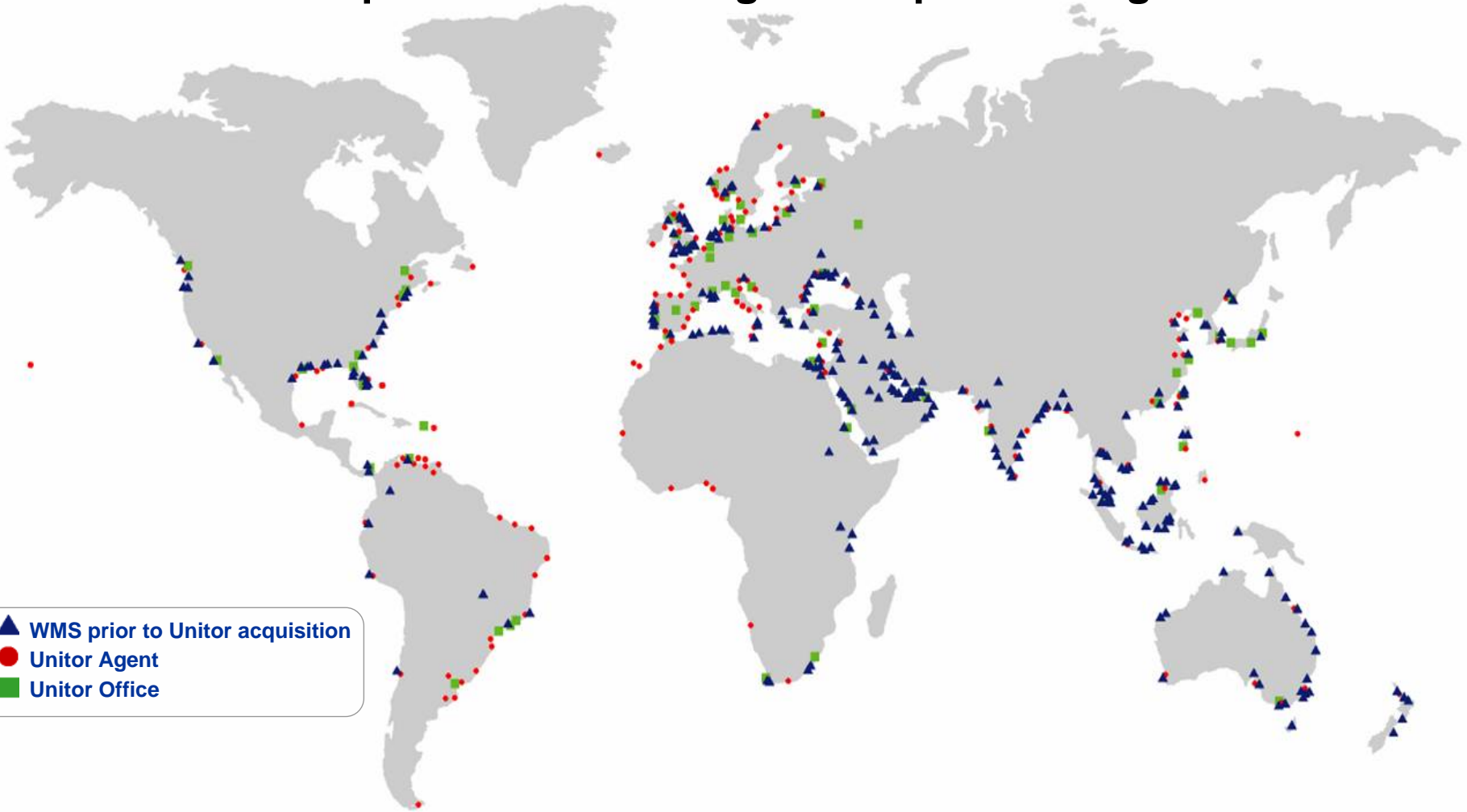
Wilhelmsen Maritime Services – key facts and figures



Key figures

- **WMS annual turnover approx 550 MUSD**
- **Approx 51 000 port calls**
- **Around 175 000 deliveries to some 16 400 vessels per year**
- **Service and delivery to more than 1 200 ports and 145 shipyards**
- **Approx 300 ships on management**
- **Approx 4 500 full time employees**
- **Approx 8 500 seafarers available through our crewing network**

WMS meets customer needs through it's complete offering and combined competence and through an unparalleled global network.



***Global capabilities and local expertise -
covering more than 2200 ports and 116 countries***

Barwil Port Services & Liner Agency

Barwil Port Services:

Port agency catering all your needs



Liner Agency:

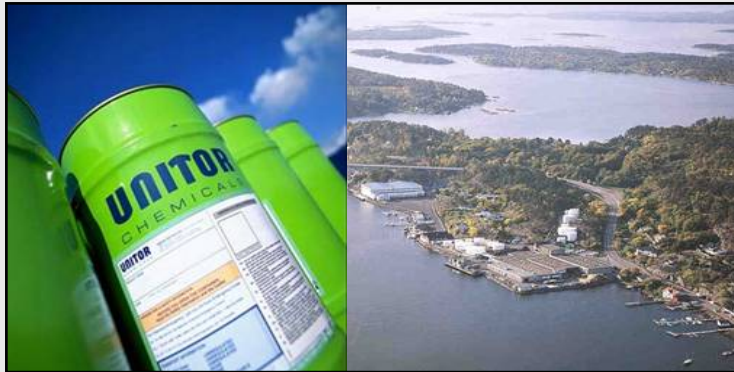
Liner representation and local cargo logistics



- Handled 51 000 port calls in 2005
- Approx 5% of the world market

Unitor Ships Service

Chemicals:
No 1 in marine chemicals



Maintenance & repair:
Standardised range of maintenance and repair products



Refrigeration:
Refrigeration products and refrigeration service



Safety:
The only globally certified safety service provider



- 175 000 deliveries to 16 400 vessels in 2005
- 41% fleet penetration (vessels > 300GT)
- In value our market share is approx 17%

Barber Ship Management

Technical Management: Operating vessels



Crew Management: Sourcing and training officers and crew



- 300 vessels on management
- 156 vessels on full technical management
- 8700 seafarers in our crewing pool