



# **Developing good relationship with Oil Majors**

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ENESEL S.A

- ENESEL, its predecessor companies and the principals it represents have been Ship Owners, Operators and Investors for over 150 years
- ENESEL has a stable and highly experienced operational management team
  - Average number of years of experience for an operational manager: *circa* 21
  - Average number of years with the Group for an operational manager: *circa* 12
- ENESEL presently manages:
  - 1.176 mil dwt of Tanker assets ( 3 x VLCC, 2 x Aframax)
  - 177K dwt of Dry cargo assets (3 x Supramax)

- The Group has worked with Shipyards in most of the major shipbuilding nations for the construction of new building vessels
  
- The Group has in its history, supervised the construction of over 35 vessels and has advised its clients on the acquisition of a further 65 vessels
  
- ENESEL has supervised the construction of vessels in the following countries:
  - Belgium
  - England
  - Sweden
  - Former West Germany
  - Former East Germany
  - Former Yugoslavia
  - South Korea
  - Taiwan
  - Japan
  - China

- ENESEL services a blue chip client list
  
- Vessels managed by ENESEL have been chartered by, *inter alia*:
  - BP
  - Shell
  - Total
  - Sunoco
  - Vitol
  - Koch
  - Lukoil
  - Saudi Aramco
  - Gazprom
  - Statoil
  - Conoco
  - Kuwait Petroleum
  - IOC
  - Reliance
  - Stena

## *What means Good Relationship with an Oil Major?*

- **Good Relationship with Oil Majors = 75% Operation + 25% Presentation**

- **Operation:** *Safe, Clean, Efficient, Incident-Free and Reliable transportation of oil.* This implies compliance with:

- Officers Matrix
- SIRE inspection standards
- TMSA
- ISM
- ISPS

- **Presentation:** *Involvement of Top Management, Commitment, Motivation and provision of necessary Resources.*

More specifically:

- Staff Training & Retention
- Management Profile
- Leadership / Accountability
- Clear Definition of Roles and Responsibilities
- Operating Culture

## *Objective Difficulties of Vetting Process*

- **Officers Matrix:** Restrictions in promotions disturbing ship personnel development program. Satisfaction of requirement leads sometimes to blind/bureaucratic compliance which is not the safest option. Officers matrix needs to be an Interactive Process between Owner and Oil Majors. **Why Owners not be able to exchange Training for Experience?**
- **Attendance only at Discharging Port:** while appreciating the benefits of vetting inspection during discharging when all systems are in operation and on-board management procedures applicable, realistically is very restrictive if you wish to build a vetting record, especially on VLCCs.
- **Time in Port:** Cargo Operation + Bunkering + Stores + Port State Control + Technical Surveys + minimum Resting Hours + Vetting and we still demand crew's full performance? **Good Planning is needed**
- **30-day Rule:** Restricts planning further
- **TMSA:** Maintaining higher stages is a particularly expensive exercise

*From their relationship, Owners aim...*

- To build solid vetting records and maintain commercial attractiveness
- To satisfy higher evaluation standards (CoA or Period Business) and be short-listed in the elimination process among competitors when a business opportunity arises
- To build reputation within an Oil Major Organisation
- To exchange feedback on Best Industry Practices and continuously improve

*From their relationship, Oil Majors aim...*

- To ensure that Owners' fleet is vetted and accepted for service
- To direct their business to Quality Owners
- To encourage and support Owners addressing continuous improvement
- To "know with whom they are dealing" with. Who can take the responsibility in case something goes wrong and whether the responsible entity has real and sustainable substance (Financial, Operational and Market Exposure/Balance)
- To ensure that Owners have direct and effective control over all operations. Company Integration (design, building and management of assets) is certainly a "plus"



## *Transparency & Risk Taking*

- Be Transparent to Oil Majors. Any solid relationship is built on sincerity
- Create a culture of shared responsibility and feedback contribution
- Train your team to take decisions. Decision-making is a constant coaching process. The more effective decision-makers you have in your team the more efficient the team becomes
- When you assess risk, chase feedback from all departments and ALWAYS quantify your risks
- un-quantifiable risk is an intolerable risk

- Being Aware is –most of times- more important than being Smart
- Improve the commercial awareness of your team. In many cases, there are vital commercial implications that we ignore in decision-making because we ignore or underestimate the merits of Oil Majors' thinking. Synchronise the Mentalities
- Invest time and effort to realise the environmental efficiency status of your fleet and identify feasible measures to improve it
- Change the *“how to do”* training motto into *“why things are done”*
- Develop an operational culture encouraging your on-board personnel to feel and act as company's commercial ambassadors.

- Learn from your organisation. Listen to your office colleagues and seafarers
- Promote a “no blame” culture
- Integrate Cultures. Judge Personalities and not Nationalities
- Encourage the free flow of information.
- Apply control in the form of provision guidance and resources
- Provide autonomy to motivate
- Trust your people

*Show that you Care...*

More than a fully settled Safety Management System and more than a good TMSA score, Oil Majors need to see a Company that has developed a culture of Responsibility, Awareness and Endless Care for the unique system of our industry, the Ship and Environment.

This wind of cultural change shall flow freely among all departments of the Company and within all levels of Management.

Trust your people and Show that you Care...

THANK YOU