

# BSM | highlights

ISSUE 1  
2020



NEW LOOK REFLECTING A CLEAR AND  
CONSISTENT GROUP IDENTITY

BSM PHILIPPINES: CELEBRATING  
40 YEARS OF SEAFARING EXCELLENCE

BEING AGILE: A PHILOSOPHY TO  
IMPROVE CUSTOMER SERVICE

RAISING THE  
BAR ON SAFETY

BSM CHINA CHARTS NEW GROWTH WITH  
RISE IN CHINESE SHIP LEASING

PRONAV EMBARKS  
ON NEW GROWTH CHAPTER



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*Front Cover Image:  
Evgeny Strelnikov, Electro Technical Officer*

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# WELCOME

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As we enter in the new year, I am delighted to present the first issue of BSM Highlights in 2020 to our esteemed customers, business partners and colleagues in a new look.

We concluded 2019 with the successful launch of the new BSM corporate design that you see today. In the feature article, we showcase how our new look adopts a more contemporary, unified and digital-friendly appearance, reflecting the unity of the Schulte Group members.

Our second feature explains BSM's approach to safety and our ongoing initiatives to exceed industry standards with insights from David Furnival, BSM Chairman, Eva Rodriguez, Director, HR Marine, and Frank Lasse, Director, Loss Prevention, Safety and Quality.

We revisit the HiLo (High Impact Low Frequency) Maritime Risk Management approach we adopted back in January 2018 and assess its relevance as we enter a new year, under a newly incorporated 'Safety' section.

Further, we take a closer look at the IMO 2020 rule, which will impact the marine fuel supply and petroleum refining industries, discuss and weigh the available options.

Regarding corporate developments in the second half of last year, the Schulte Group and ICBC Leasing inked a framework agreement which further deepens our long-standing cooperation. Furthermore, a maritime asset investment platform called Navigo has been jointly established between the Schulte Group and DEVK.

Bernhard Schulte Offshore and MidOcean Wind entered into a joint venture to develop opportunities in the US offshore wind and merchant shipping industries. Eurasia Travel Network awarded Travelpart a new long-term

technology contract to support the shipping industry.

The Country Profile looks at BSM Crew Service Centre (CSC) Philippines, which recently celebrated its 40th anniversary. As BSM's largest and oldest CSC, it continues to recruit and train seafarers to the high standards expected by our customers and the industry.

In a second profile we elaborate how various developments have created new opportunities for BSM China, as Chinese leasing companies increasingly look to third-party ship management to manage their assets.

The Seafarer Profile features Chief Engineer Bernardino Dandan, a BSM veteran of over three decades, who shares his career highlights and how he imbues his passion for seafaring with his co-workers.

Pronav Ship Management, acquired by the Schulte Group in 2018 and a specialist in large LNG carriers, is introduced in this issue.

On the technology front, we take a closer look at the 'agile' processes and methodologies that translate into efficiency, product quality and customer satisfaction.

In the 'One BSM' section, we showcase our Women in Shipping with Nataly Kokhanaya at BSM CSC St. Petersburg; updates on our global environmental activities; how our cadets climb their career path with the Schulte Group Cadet Programme; the Schulte Summiteers who for the fourth time excel at the SCI Mountain Challenge; how to better manage change globally with our new SAMO initiative.

We hope you enjoy reading BSM Highlights!

*Ian Beveridge*  
Schulte Group CEO



# FEATURE

## New look reflecting a clear and consistent group identity

Over the last years, the work of the Schulte Group has broadened beyond the realm of traditional ship owning and ship management to specialised capabilities in various fields of the shipping business. The Schulte Group, with all its member companies, including Bernhard Schulte Shipmanagement (BSM), has become more integrated, evolved and grown its service portfolio as well as expanded its market presence.

“In previous years, we have established special business units for the cruise and offshore segment. We have also set up new offices in locations like Ghana and Mexico. With the expansion of our business areas, the number of logos and designs linked to the Schulte Group increased. But these visuals lacked a clean, common corporate identity,” remarks Ian Beveridge, Schulte Group CEO.

The refined visual identity adopts a more contemporary, digital-friendly and consistent presence in the market, reflecting the Schulte Group’s individual member companies’ combined service offerings and innovative spirit.

This rebranding is about much more than presenting a few new logos. It is about creating an identity that not only harmoniously aligns with the Schulte Group’s values but also resonates with customers and employees, pushing the organisation’s business forward into the future.

### The branding roadmap

Three specific objectives were identified for the new visual corporate identity:

- Present a clearer structure of the Schulte Group’s services and the business units delivering them
- Develop a more harmonious, strong family look

- Create more clarity, especially in the digital and media world

### United under the Schulte ‘S’

After the goals were put in place, redesign work on the logos began.

The Schulte ‘S’ was chosen as the core design element of all the new BSM, Schulte Group and Bernhard Schulte logos (all depicted on the right). Surrounded by a red circle, the ‘S’ represents the longstanding culture and heritage of the family-owned Schulte Group, combining ship owning (Bernhard Schulte) and ship management (Bernhard Schulte Shipmanagement) under one roof.

The enlarged and modernised ‘S’ has been brought into the brand families of Bernhard Schulte and BSM for more clarity, a strong recognisable family look and for better legibility, especially for digital use.





"In reworking the logos, we looked at what brings the different Schulte Group business units together visually, and in fact it is the Schulte 'S' that combines them," explains Helga Reichert, Schulte Group's Marketing Executive Communications. Incorporating the 'S' into each of the new logos is not only expected to help strengthen the feeling of unity and harmony, but also makes it easier for our internal and external audiences to remember and identify the Schulte Group across the web.

In addition to the new logos, Bernhard Schulte Cruise Services has been renamed to BSM Cruise

Services to strengthen the separation between the Group's ship owning and ship management activities. Furthermore, BSM Offshore has become BSM Offshore Services to show greater alignment with the rest of the Group.

"In an increasingly competitive environment and with our expanded and diversified portfolio of services, we need to clearly identify and present ourselves in the market," Ian notes. "With our new look, I believe we will improve brand clarity and consistency, which in turn will enable the Schulte Group to underline its position as a truly global integrated maritime services provider."

## THE OLD LOGOS

**SCHULTE GROUP** 

Ship owning  
(Bernhard Schulte brand family)

**BERNHARD  
SCHULTE** 

**BS OFFSHORE** 

Ship management  
(BSM brand family)

**BSM**  
BERNHARD SCHULTE  
SHIPMANAGEMENT 

**BERNHARD SCHULTE**   
CRUISE SERVICES

**SMC**  
SCHULTE MARINE CONCEPT 

**BSM**  
OFFSHORE 

**Seachef**  
HOSPITALITY SERVICES

## THE NEW LOGOS

**SCHULTE GROUP** 

Ship owning  
(Bernhard Schulte brand family)

**BERNHARD**   
**SCHULTE**

**BS OFFSHORE** 

Ship management  
(BSM brand family)

**BSM**

**BSM** CRUISE  
SERVICES

**SMC** SCHULTE  
MARINE CONCEPT

**BSM** OFFSHORE  
SERVICES

**SEACHEF**



# Raising the bar on safety

As shipping falls increasingly under the public spotlight, the issue of safety becomes ever more central to the purpose and mission of the industry.

For BSM, safety is the rock upon which all its activities are based. Significant strides were made in order to assess the human factor in safety and especially what motivates people to behave the way they do.

OCIMF's (Oil Companies International Marine Forum) Tanker Management Self-Assessment (TMSA) system has contributed greatly to encouraging uniform standards, which BSM applies across its managed fleet as part of efforts to embrace industry best practises.

But as a leading manager, BSM also recognises it must go beyond these accepted industry standards and reach even higher levels of safety awareness and culture. BSM strives for this and is taking a direct initiative towards raising standards.

Technology, artificial intelligence and the digital revolution all are key in taking safety one step further. Everyone in BSM has a role to play. But the company has tasked David Furnival, recently appointed BSM Chairman after a long period as BSM's Chief Operating Officer, to ensure standards are maintained and every effort is made to improve.

David, along with his colleagues Eva Rodriguez, Director of HR Marine, and Frank Lasse, Director of Loss Prevention, Safety and Quality (LPSQ), recently discussed BSM's approach to safety and some of the exciting initiatives now underway.

In his new role as chairman, David is looking at what other industries and other companies are doing to raise safety awareness. BSM's objective is to take inspiration from both the shipping industry's progress as well as the innovation in other industries and use the feedback within BSM to "keep the pressure on internally" so that safety is on top of the agenda, David

mentioned. "That is my main task. To ensure that safety is the key agenda point as this defines our reputation and therefore our success as a business," he added.

David, Eva and Frank believe that for safety to improve, the approach of all tasks must be measurable, dynamic and capture constantly developing updates to follow and learn from. Safety in shipping is a topic that is discussed in length, but only when the concept is measurable it becomes meaningful for staff, crew and customers alike.

BSM has a robust safety performance "and we can objectively say we have improved," David says. The biggest challenge in improving safety is changing human behaviour and mindset. David also noted that in the past there was a culture of not reporting negative incidents in fear of the consequences for the individuals involved.



*David Furnival  
BSM Chairman*



*“To ensure that safety is the key agenda point as this defines our reputation and therefore our success as a business,,*

Today, a ‘Just Culture’ means there is far greater transparency, which creates an environment of trust, improves performance and results in one hundred percent of negative incidents being reported. All of these are achieved, through:

- Encouraging sea and shore staff to take greater personal responsibility for their actions
- Acknowledging behaviour that exceeds expectations
- Taking firm action where inappropriate behaviours are evident

“In aviation, reporting everything is part of its culture in a transparent way and we are heading in that direction, as shipping is in general,” David noted.

BSM believes this change in reporting culture has, in part, been driven by external influences such as the oil majors and other charterers. “We have moved from a blame culture to a no-blame culture, and now to a ‘Just Culture’ in which there is an atmosphere of trust that fosters open reporting of unsafe or unethical situations, but in which employees are accountable and understand what is acceptable and unacceptable behaviour. Wilful negligence is dangerous and drives an inappropriate attitude in others, especially if the person is senior; taking shortcuts is not OK and may cause severe repercussions,” he added.

Tangible proof of this change in culture at BSM came in 2018, when the company underwent an audit carried out by DNV GL. The classification society carried out a Safety Culture Audit in all BSM offices and on managed vessels, plus hundreds of shore staff. The company scored 3.5 out of a possible 5 which was a passing mark, but David pointed out there was room for improvement.

Further, underpinning these improvements are other organisational changes which signal BSM’s intent to become a global leader in safety management systems. One such significant change occurred when BSM split the loss prevention function from daily operations and appointed Capt. Frank Lasse as the head of LPSQ. Regional LPSQ managers all report to Frank and each BSM Ship Management Centre has an independent LPSQ manager with a dual reporting line.

BSM believes this structure ensures uniformity as well as a separate, rigorous investigation process when there is an incident. Frank mentioned that this uniformity extends to BSM’s documentation system which sets procedures in place, ensuring all vessels meet the same high safety standard requirements.

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“The vessel type does not matter. Why would we require a container vessel to be less safe than a chemical tanker, for example? We do not make any differentiations with our safety



*Frank Lasse  
Director of LPSQ*



measures between vessel types or offices. Everything concerning safety is led from a centralised group function, however each employee is required to contribute to the overall safety culture of the organisation," Frank mentioned.

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"All offices and vessels work with the same set of manuals and guidelines. The simplification of the procedure wording over the last five years has supported a clear language and concise content. This makes the safety requirements easier to understand for each employee," he added.

Frank has seen a steady improvement in quality control in the past five years, and has set procedures followed by all crew and staff which have led to a higher quality service delivery. "Our procedures do not address safety alone. They govern everything we do. If the procedures are followed and lived by all our staff, then we are

*"We do not make any differentiations with our safety measures between vessel types or offices,"*

delivering a high-quality product. The processes are described in our manuals to make it easier for our staff to manage any aspect we must address to satisfy our customers," he noted.

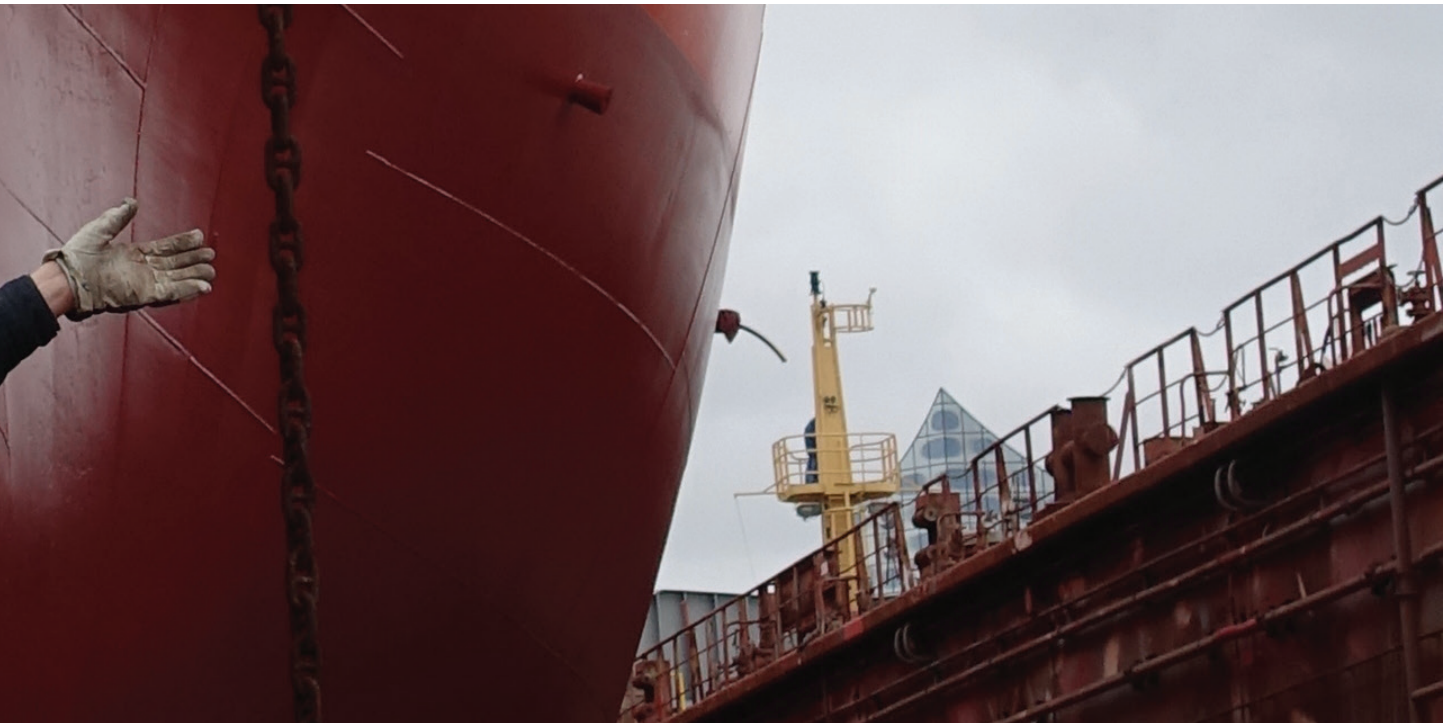
For Frank, the LPSQ 'concept' is not static and he points out that BSM is making continuous improvements, including changing the way BSM responds to Behaviour Based Safety reports to achieve a higher degree of involvement of the fleet teams and the crew.

"We have made numerous changes to our LPSQ software, such as making reporting easier and thereby removing reporting barriers. We have also introduced a business intelligence system that allows us to keep track of trends and interfere at an early stage if things do not go in the right direction," Frank mentioned.

BSM is also a member of a project which helps predict the risk of high impact accidents known as HiLo (High Impact Low Frequency), among the first of the global management companies to do so.

Focusing on people, Eva Rodriguez, Director of HR Marine, believes the challenges of standardisation and uniformity when striving for better safety must also reflect the fact that BSM has a vast, multinational, multicultural seafarer base.





She firmly believes the challenges of a multicultural seafarer pool in relation to safety lie in the different cultural understandings of language, communication methods and perceptions of authority.

“For safety on board, it is vital that seafarers are using standard maritime English and a closed loop communication to prevent misunderstandings. They must also feel confident in objecting to unsafe practices, even if this means challenging a superior or external authority, such as a pilot,” said Eva.

She argues that to implement standardised communication and safety practices, BSM’s multicultural seafarer pool must be well-served by the company’s in-house training centres and crew service centres in key locations across the world.

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“The advantage of having such a network, is that the same standardised training is delivered to all crew but by local and very experienced trainers who understand as well as overcome cultural hurdles to ensure the message of safety culture is meaningfully received,” Eva concluded.



*“The same standardised training is delivered to all crew,,*

Eva Rodriguez  
Director of HR Marine

# LATEST NEWS

## IMO 2020 Sulphur Cap: Managing the transition

### Overview and background

On October 27, 2016, the International Maritime Organization (IMO) agreed that the sulphur content of fuel oils used on board ships must not exceed 0.5 percent mass by mass (m/m) globally as of January 1, 2020.

The shipping industry is no stranger to regulations on emissions control. In May 2005, vessel operators have had to control the level of sulphur oxides (SOx) produced by their fleets under Annex VI of the International Convention for the Prevention of Pollution from Ships (MARPOL).

In 2008, the IMO introduced Sulphur Emissions Control Areas (ECAS) where the global limit was set at 3.5 percent m/m and just 0.1 percent m/m in ECAS, which covers coastal areas of the Baltic Sea and North Sea, Canada and the US, including Puerto Rico and the US Virgin Islands.

### Impact

The IMO 2020 rule has impacted operating models for merchant shipping, which currently handles over 90 percent of global trade through the world's merchant fleet of around 53,000 vessels. Likewise, the rule has, and continues to impact the marine fuel supply and petroleum refining industries which need to cope with changing demand for High-Sulphur Fuel Oil (HSFO) and Very-Low-Sulphur Fuel Oil (VLSFO).

### Available options

The global merchant fleet had essentially four viable options ahead of the rule implementation:

1. Switching from HSFO to Marine Gas Oil (MGO) or distillates
2. Using VLSFO or compliant fuel blends
3. Retrofitting vessels to use Liquefied Natural Gas (LNG), Compressed Natural Gas (CNG) or alternative fuels such as ethane, methanol and fuel cells

4. Installing Exhaust Gas Cleaning Systems (EGCS) that operate on regular HSFO

### Weighing the options

Theophanis Theophanous, Managing Director of BSM Greece, pointed out the industry was aware of what was expected from them. "All BSM customers were on top of the regulatory constraints and applicable methods for compliance, as were the extended network of Greek owners with whom we converse during meetings and industry events," he said.

Sanjeev Sharma, Managing Director of BSM India, mentioned, "We collected information through class societies and other reliable forums to understand compliance and challenges that this new regulation presented to ship owners and managers. In addition, we conducted a risk assessment for each ship in consultation with various experts to reveal gaps which were then notified to the owners. For example, Japanese yards sometimes deliver ships without viscosity controllers in the fuel oil service system."

### Cost and supply concerns

According to statistics from BIMCO, VLSFO prices in Singapore, the world's largest bunkering port, reached as high as 742 USD per metric tonne (MT) on January 6 2020, but dropped to 641 USD per MT on January 22 2020. Over the same time of period, the VLSFO-HSFO spread narrowed by 19 percent to 284 USD per MT.

While these figures indicate a hitherto stabilising bunker market, it is unclear how fuel costs will impact operating margins in the coming months, and if earlier 2019 estimates prove to be accurate - the shipping industry was projected to incur an additional 60 billion USD in 2020 if it were to switch entirely to VLSFO.

On bunker supply, the initial fears of compliant fuel unavailability have eased. According to the IMO, only ten cases of compliant fuel being unavailable were reported in the IMO's Global Integrated Shipping Information System (GISIS).

Sanjeev noted the challenges for certain vessels such as Very Large Ore Carriers (VLOCs) which are making the transition from HSFO to VLSFO. "VLOCs typically receive bunkers once every three months, and their port stays tend to be unpredictable. Extra attention is needed to ensure the transition is carried out safely and optimally.

Theophanis pointed out a related challenge – the short time frame for preparing the fuel storage tanks to take on VLSFO. "Some charterers decided to transition to VLSFO only towards the end of December 2019. We trained our crew to carry out tank inspections and preparatory cleaning ahead of VLSFO bunkering, in a manner that is safe and efficient."

### Scrubbers

Taking the scrubber route entails significant initial capital outlay – retrofitting a vessel requires an investment of two to three million USD. Furthermore, the installation process can take up to two months, which may be further delayed by

shortage of skilled labour and raw materials such as high-quality steel and chrome alloys.

Sanjeev noted that some ships are scheduled for EGCS retrofit only in 2020. "BSM India has three vessels that are scheduled for retrofit in the second quarter of 2020. These vessels will be required to operate on compliant fuel for about three months before reverting to HSFO. We will assist the affected ship owners by making timely notification to the relevant flag states and obtaining approval for consuming HSFO for the EGCS trials."

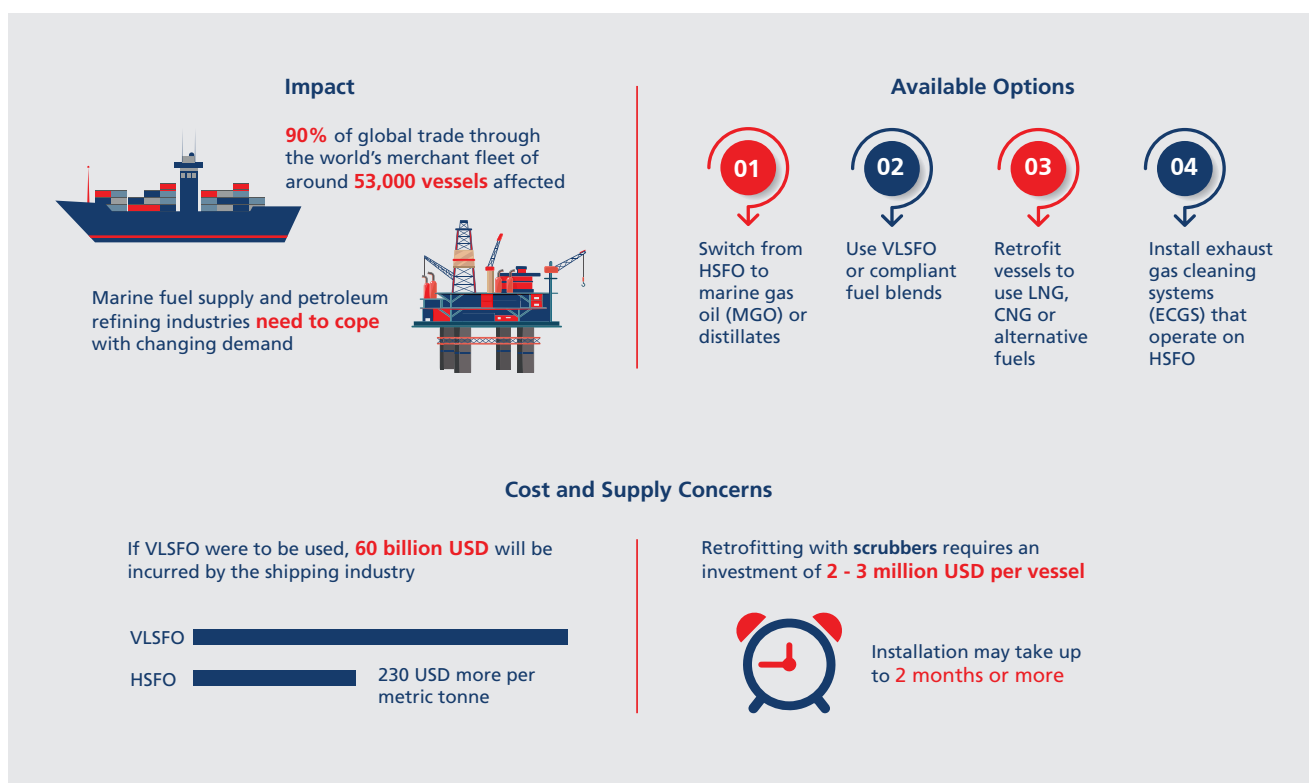
"Since 2019, we have helped our customers choose the appropriate scrubber systems as well as plan and supervise the installations. To date, we have assisted with installations on seven vessels," Sanjeev added.

### The challenges ahead

The early stages of the new rule have largely been smooth, and predictions have been proven wrong thus far. However, the jury is still out on bunker quality issues and enforcement as the year progresses.

BSM is cautiously optimistic. As a professional third-party ship manager, we continue to closely monitor market and regulatory developments and advise our customers every step of the way.

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# BSM appoints new Chief Operating Officer



In July 2019, BSM proudly appointed Jeroen Deelen as the company's new Chief Operating Officer (COO).

Jeroen, who was previously BSM's Deputy COO, took over from David Furnival who has been appointed BSM Chairman for a three-year term.

David has amassed an exemplary career in the industry having recently celebrated his 21-year anniversary with BSM. He has worked both at sea and shore following opportunities which led him to his current role.

"I am delighted to hand over the COO baton to Jeroen, who brings with him over 17 years' experience on shore in various segments. He is undoubtedly well-positioned

to achieve and exceed predefined performance and quality levels in all operations whilst ensuring safety and security of the marine personnel," said outgoing COO David Furnival.

Previously, Jeroen served as Deputy COO, Gas Tanker Director and Project Manager within the Schulte Group. "I am honoured by the opportunity to serve the BSM family in my new role. I look forward to working with them, building on the foundations laid by my predecessors, in particular by David Furnival who has led numerous transformational projects at BSM. I certainly have big shoes to fill," said Jeroen.

"I am pleased to appoint Jeroen to his new role and I am confident he will build on David's work to ensure BSM continues to operate in the most efficient and effective manner in accordance with global and regional marine legislation and quality standards," said Ian Beveridge, Schulte Group CEO.

## Signing of an 'International Co-Leasing Arrangements' agreement

On September 6, 2019, Tobias Pinker, Schulte Group CFO, attended a signing ceremony with the German Chancellor, Dr. Angela Merkel, and the Chinese Premier of the State Counsel, Mr. Li Keqiang, in the Great Hall of the People in Beijing.

During this occasion, Mr. Pinker signed an 'Intentional Co-Leasing Arrangements' framework agreement, amounting to 500 million USD to further increase the already intense co-operation between the Schulte Group and ICBC Financial Leasing. On behalf of ICBC Financial Leasing, the agreement was signed by ICBC Chairman, Mr. Chen Siqing.

The signing took place in the course of a visit of Dr. Merkel with a German trade delegation comprising of the CEOs of selected German companies, among others BMW, Daimler, BASF, Deutsche Bank and Siemens.

ICBC Financial Leasing and the Schulte Group are already co-operating in several projects, such as the financing of 2x 7,000 TEU and 3x 9,400 TEU container vessels, 2x SOVs (Service Operation Vessels) as well as ship management and newbuilding supervision services.



# Bernhard Schulte Offshore supports US offshore wind industry

Bernhard Schulte Offshore (BSO) and MidOcean Wind (MOW) have entered into a joint venture to build and operate support vessels for the US offshore wind industry as well as explore opportunities in other sectors of US merchant shipping.

Signed during the AWEA Offshore Windpower 2019 Conference in Boston, the Connecticut-based joint venture signals a new chapter of cooperation between BSO and MOW, which began in late 2018 when the two parties partnered in WINDEA Offshore US to provide a single point of contact for offshore wind customers in the US.

"We have been following the successes of the Schulte Group for some time now and recognise they share the same business values, focusing on long-term partnerships. Their experience in the operation of offshore wind vessels is needed to support this upcoming new industry in the US," Volckert van Reesema, co-founder and principal of MOW, pointed out.

Matthias Müller, Managing Director of BSO explained, "The Schulte Group has a track record of more than 550 newbuilding projects around the globe and MidOcean is a specialist at building vessels of various types under the local regulations in several US shipyards. Since the on-time delivery of a vessel to our charterers is critical, we are the ideal partners to



support the US offshore wind industry with specialised units."

Bradley Neuberth of MOW summarised, "Wind farm owners and turbine manufacturers will be able to reduce their risks by working with our team. MidOcean will ensure the vessels will be Jones Act compliant and delivered, as agreed. Bernhard Schulte Shipmanagement as the operator of the ships will bring the learnings of the European wind farm projects into the US market. We have been working closely with the Schulte Group for more than a year and the time is right to formalise our partnership on offshore wind vessels."

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# Eurasia supports the maritime industry



Eurasia Travel Network (ETN) awarded Travelport, a leading technology company serving the global travel and tourism industry, a new long-term technology contract to support the shipping industry.

The new deal comes just a few months after ETN, the marine and corporate travel agency of the Schulte Group, entered into a new joint venture with BCD Travel to provide specialised maritime travel services for the energy, resources and marine sectors.

The agreement between Travelport and ETN will cover the needs of travelers on a global scale, extending a relationship that has existed between the two companies for more than 15 years.

As part of its agreement with ETN, Travelport will continue to provide real-time access to a broad range of high-quality content from more than 400 airlines, hundreds of thousands of hotel

properties and over 37,000 car rental locations worldwide. ETN and its partners will continue to benefit from Travelport's market-leading search, automation, shopping and booking technologies; data, business logic and profiling functionalities via a single platform.

Yiannis Sykas, BSM Director of Strategy and Product Development, said "We are proud to welcome Travelport on board as our strategic partner, reinforcing one of our key strategic objectives, which is innovation. We have a deep understanding of what customers in the shipping industry need and we are sure that with Travelport we will be able to offer an exceptional experience of buying and managing travel for everyone through one platform."

Damiano Sabatino, Vice President and Managing Director of Key Account Management for Europe at Travelport, said "The international shipping industry is a highly-complex operation that often requires crew, technical and executive travelers to be able to move quickly and efficiently between multiple locations around the globe. Having access to advanced technological solutions that provide planners and travel management companies with enhanced visibility, control and flexibility, has been crucial for our travel partners in the maritime sector. We are delighted to extend our relationship with ETN."

## Establishment of a maritime asset investment platform

The Schulte Group and DEVK, one of Germany's well-known insurance groups have established Navigo Shipholding AG (Navigo), a maritime asset investment platform for institutional investors.

The long-term objective of Navigo is to build up a mixed portfolio of vessels, predominantly under long-term charter agreements, providing good visibility of future earnings and thereby ensuring a calculable long-term steady yield. Navigo has been established to offer institutional investors a capable, competitive and not least distinctly different investment alternative.

The initial investment portfolio comprises two vessels, a Service Operation Vessel (SOV) for windfarms with a long-term charter to GE (General Electric), currently under construction, and a 12,000 cbm gas carrier (semi-ref LPG) operated in the Unigas Pool.





# LiveFleet goes mobile

In September 2019, BSM announced the launch of its LiveFleet mobile app, building on the success of its existing LiveFleet web portal, available on iOS and Android.

Developed in partnership with software experts at MariApps Marine Solutions, the technology arm of the Schulte Group, LiveFleet is a vital component of BSM's PAL4 ship management Enterprise Resource Planning (ERP) system. With the release of this new app, ship owners will benefit from access to near real-time operational, technical and financial information anytime, anywhere. Featuring an intuitive interface, the all-mobile experience is designed to allow customers to further keep track of their vessels in a convenient and faster way.

"We are very excited to announce the launch of this app which will help ship owners access information on their vessels quickly and simply, no matter where they are in the world," said Sankar Ragavan, Schulte Group Chief Digital Officer. "At BSM, we constantly strive to improve and

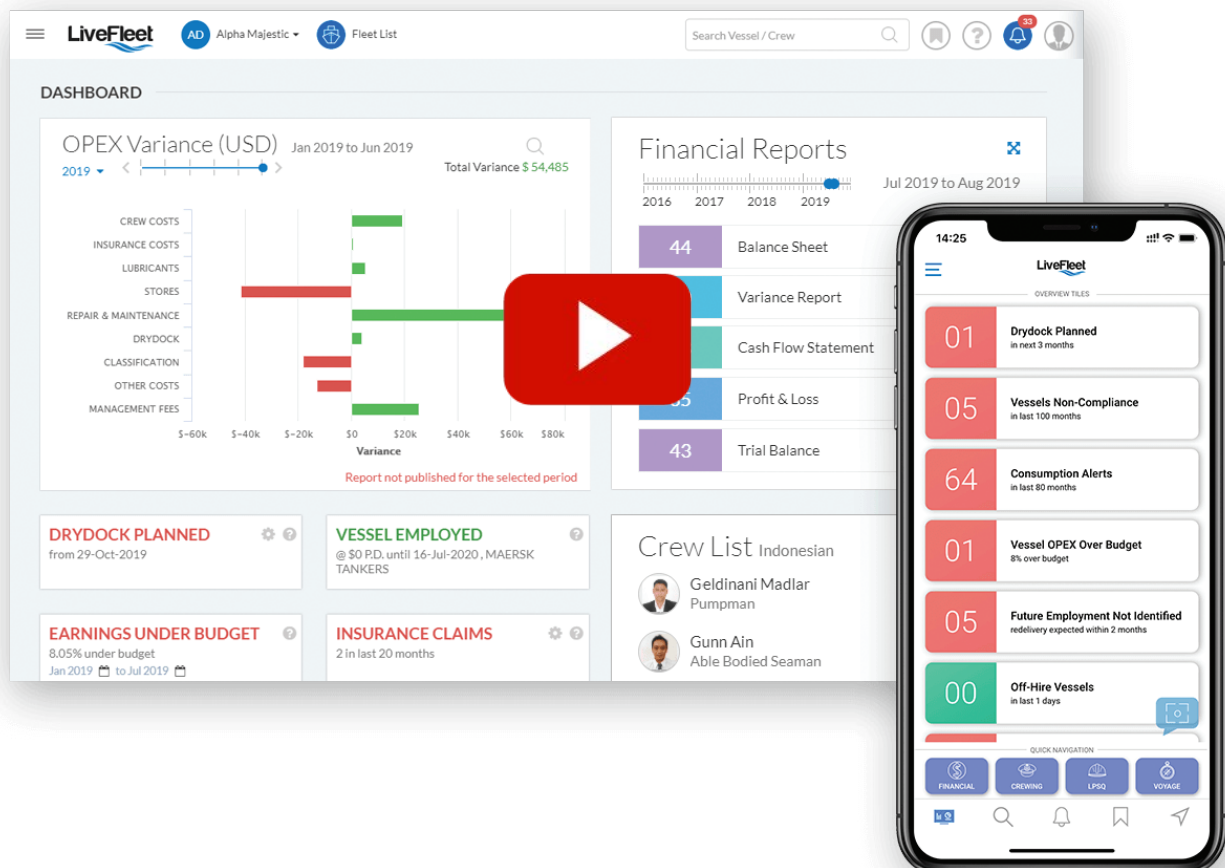
simplify interactions with our customers as well as be as transparent as possible, and this app is a continuation of our company's innovative spirit."

## Key features of the LiveFleet app:

- **Vessel monitoring:** LiveFleet mobile allows users to pinpoint a vessel's current location, view key performance metrics, monitor upcoming activities and access essential operational information and financial reports.
- **Built-in messaging:** Users can see the contact details of the team managing their ships and can ask questions or provide feedback through the app.
- **Report saving:** Equipped with a bookmark feature, LiveFleet mobile allows users to save reports and review at any point from any device.

LiveFleet mobile is exclusively available to employees, partners and customers of BSM and is available to download on mobile phones or tablets.

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# Schulte Group's presence in Cyprus stronger than ever

The Schulte Group and the Cyprus Ports Authority signalled a new chapter in their 47-year-long partnership during an inauguration of the new outer look of the BSM Maritime Training Centre workshop training facility.

Held in conjunction with the recently concluded Maritime Cyprus Conference in October 2019, the inauguration ceremony was officiated by Yiannis Sykas, BSM's Director of Strategy and Product Development, and Nicos Nicolaides, Mayor of Limassol. The ceremony took place at the BSM Maritime Training Centre in the presence of officials and representatives from both organisations as well as from the local and global shipping industry.

In his address, Yiannis registered his appreciation to the Cyprus Government and reaffirmed the Schulte Group's commitment to Cyprus.



*Yiannis Sykas*

*BSM Director of Strategy and Product Development*

Hanseatic Shipping Co., part of BSM since 2008, the first ship management company on the island.

Today, more than ever, we believe the strength of the Schulte Group lies in the strength of our people and investing in our people's training remains a

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"Our shared history began in 1972 when the Schulte Group Chairman, Dr. Heinrich Schulte, one of the founding fathers of the Cyprus shipping industry, first set foot on Cyprus and established



*Ribbon cutting with the Mayor of Limassol, Nicos Nicolaides*





strategic priority. This joint initiative between the Cyprus Ports Authority and the Schulte Group represents a joint commitment towards furthering our partnership and building on the values of the Cyprus maritime community.”

A strong supporter of the internationally renowned bi-yearly exhibition and conference ‘Maritime Cyprus’, BSM was this year for the 16th time present as an exhibitor.

Given the occasion of ‘Maritime Cyprus’, the Schulte Group hosted a hospitality event on the same evening of October 7th, at the Marina Beach Bar, attended by over 500 guests, including customers, business partners, distinguished personalities from the shipping industry, high officials from the Department of Merchant Shipping of Cyprus, the Cyprus Shipping Chamber, the Cyprus Union of Shipowners, port authorities, representatives from shipping companies as well as employees.

The guests were welcomed by the Schulte Group CEO, Ian Beveridge, and the Schulte Group Chief Commercial Officer and Managing Partner, Johann Schulte, followed by a lively performance of the retro swing band ‘The Swingin’ Cats’.



*Ian Beveridge  
Schulte Group CEO*

*Johann Schulte  
Schulte Group CCO and  
Managing Partner*



# Waypoint launches a fully owned office in China

Waypoint Port Services have hit another milestone by opening a fully owned office in China.

According to the directorate of the foreign investment enterprises registry in Shanghai, Waypoint Port Services (Shanghai) Ltd is the first wholly foreign-invested international ship agency in Shanghai.

Waypoint China, with many years of ships' agency experience in the country, will handle all the vessels entrusted to them in the People's Republic of China.

The Shanghai office is at a key location since six of the ten main ports in the world are located in China. This will lay the first stone for a future expansion the Belt and Road Initiative promises in the years to come, mainly through the Maritime Silk Road.

With this new office addition, Waypoint is now present in 25 countries over the world and offers its services in over 360 ports across five continents.

The new office is located at: 3F Block No.7, 1690 Cailun Road, Zhang Jiang, Pu Dong Shanghai.



# BSM welcomes Mexico's President on board

Past December, the President of Mexico, Mr. Andrés Manuel López Obrador, and his cabinet members visited the two BSM managed flotel vessels *Reforma Pemex* and *Cerro de la Pez* during a tour to the Xikin oilfield and the Akal-C process complex in the Gulf of Mexico, as part of the supervision and implementation of the Business Plan 2019-2023 of Petróleos Mexicanos (PEMEX), the Mexican Oil State Company. The strategy of this new plan is

to focus in the exploration of oilfields in shallow waters and onshore areas, that is expected to be covered with the establishment of 45 oil wells by 2023, producing 2.6 million barrels of oil per day.

President Obrador was accompanied by the Director of Pemex, Octavio Romero Oropeza, the Secretary of Energy, Rocío Nahle, and the governor of Tabasco, Adán Augusto Lopez.



Both vessels' Masters, Capt. Flores Ricardez and Capt. Alejandro Moreno, together with their officers and crew spent time with the President's team, briefed them on safety matters and shared with them their experience serving on board.

"We, as Mexicans, should be proud of the commitment of PEMEX to have a lead role in the oil and gas industry, including excellent equipment, safe procedures and a motivated crew serving on board," the Secretary of Energy mentioned.

# Seafarer Profile:

## Bernardino Dandan

Born and raised in Barili, a province in Cebu, Philippines, Chief Engineer Bernardino Dandan has always set his sights on sailing the high seas. Since his early childhood days, he always dreamt of working on a large vessel. After high school, he took his first step towards his dream when he enrolled in the Marine Engineering course. "Being a seafarer provided me with the opportunity to offer my family a better life, while having the chance to travel the world and explore interesting places," he said.

As Chief Engineer, Bernardino is tasked with ensuring that all machinery and equipment on board are working efficiently, for a smooth and safe navigation. He oversees all engine operations and conducts regular planned maintenance, performing repairs when needed.

After 30 years with BSM, today Bernardino still remains highly passionate about his work. He shared that his secret is to remain positive even when performing the most difficult task. "I strongly believe in taking full responsibility for my actions," he said.

With a team under his supervision, he highlighted that he enjoys sharing his knowledge and experience to motivate his co-workers to become better engineers. "As the head of the Engine Department, I am constantly guiding and coaching my crew, and I maintain frequent communication with them. Ultimately, I want to inspire and encourage the new generation of seafarers to be passionate about their job," Bernardino mentioned.

Despite the challenges he faces every day, he is proud both of himself and his team for managing everything successfully. Throughout all his years of service at BSM, he is constantly undergoing a series of training programmes to ensure he meets the required BSM standards on safe operations.



Further, through BSM's in-house training, he is able to cultivate and improve his skills to better meet the demands of his job on board.

Through BSM, Bernardino looks forward to providing his family with a good life. While on board, he remains in close contact with them through social media and makes frequent calls and texts back home. When asked about his long-term ambition, Bernardino stated that he hopes to provide his children with "a quality education by sending them to good schools so that they can have a bright future."

*"I am willing to do what is necessary to achieve the best outcome ,,"*





## BSM Philippines: Celebrating 40 years of seafaring excellence

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Incorporated in 1979, BSM Crew Service Centre Philippines (BSM CSC PH) recently celebrated its 40th anniversary with an appreciation dinner held at Sofitel Plaza in Manila.

Over 500 sea and shore staff, as well as local and international dignitaries including Dr. Schulte, Chairman of the Schulte Group, customers and representatives from local authorities, embassies, P&I clubs and seamen's unions attended the dinner event. The celebration was livestreamed to its two branch offices located in Cebu and Iloilo.

"40 years is a significant milestone, and we commemorated that by giving out a number of long service awards at the event to thank our seafarers and shore staff for their loyalty and excellent work over the past years. Cadets from our two branch offices also joined in the celebrations with their dance performances that were livestreamed to Manila," said John Pritchett, General Manager Human Resources Marine for East Asia and Pacific.

BSM CSC PH is the oldest and largest of BSM's 24 Crew Service Centres, providing international customers with recruitment and provision of

competent, experienced and well-trained seafarers. The recruitment centre's pool consists of over 6,500 seafarers on board and ashore employed on various vessel types such as LPG and LNG carriers, crude oil, product and chemical tankers, containerships and bulk carriers.

John shared that the Philippines is a major manning centre for BSM, with "many clients specifically asking for Filipino seafarers on their vessels. They are vastly recognised as highly skilled and hardworking and their proficiency in English is always a strong consideration for our customers," he explained.

"Seafaring remains very popular for many Filipinos as it offers a professional career with an attractive salary package, allowing them to provide for their families comfortably," John added as he elaborated that it is not uncommon for Filipinos to have a family member who is a seafarer. He highlighted that BSM maintains its high standards among Filipino seafarers through its strong reputation established over the years fostering an open culture among seafarers.

"BSM's salaries are highly competitive and we conduct annual salary reviews to ensure that they





*“Seafarers are our bread and butter, and we cannot simply rely on our reputation,,*

are in line with the industry. However, it is not just the money and reputation that make our seafarers stay on for so many years – we provide our seafarers with a high level of professional service which they appreciate,” John said.

He further elaborated, “Seafarers are our bread and butter, and we cannot simply rely on our reputation. That is why we have fostered an open and transparent culture in our operations.”

BSM works to a ‘Just Culture’ which means BSM encourages accountability among its seafarers. “When something goes wrong, we have to critically examine the problem and determine the root cause. If it is a human error, we can explore retraining to prevent a recurrence,” he said.

Training is one of the top priorities for BSM’s seafarers. John shared that while BSM recruits seafarers of a high calibre, they are continuously given the opportunity to enhance their professional career with the company through the mandated interactive training and value-added training on offer.

“Through the continuous training and upgrading, we support our seafarers with career progression. We have seen seafarers who started their careers with us at the cadet level and have progressed to Master or Chief Engineer today, with some even moving on to management positions ashore,” John said.

With opportunities abound at BSM CSC PH, John highlighted that they have a retention rate of over 90 percent with most seafarers and staff choosing to stay on for many years. He shared that they regularly give out long service awards - about once or twice a month - as an appreciation of all their hard work.

“Companies are not necessary about the name, but it is always about the people. It is always great to present the awards to a room of staff with a collective 100 years of service in front of you,” John said.



*John Pritchett, General Manager  
HR Marine for East Asia and Pacific*



# BSM China charts new growth with rise in Chinese ship leasing



The ship financing market has evolved dramatically since the 2008 global financial crisis. Traditional banks have reduced their exposure and ship owners have had to explore alternative sources of financing for fleet renewal and growth.

Over the past decade, Chinese bank-affiliated leasing companies have come to the fore and emerged as global leaders in ship financing, in part due to the Chinese government's Belt and Road Initiative that aims to create a modern-day maritime Silk Road.

These developments have created new opportunities for BSM China, as Chinese leasing companies increasingly look to third-party ship management to manage their assets.

Indeed, Chinese leasing companies are looking beyond asset plays – they are seeking new growth strategies including tendering for long-term ship

charters to the oil majors and cargo owners such as Shell and BHP.

Leading Chinese leasing companies wanting to own new tonnage to be offered for these tenders are looking to partner with third-party ship managers like BSM, a point which BSM China Managing Director, Liu Mingfa, made during his panel session at the Marine Money Week Asia conference in Singapore last year.

He cited mining giant BHP's recent public tender for long-term charters on bulk carriers as bolstering interest among leasing companies to invest in more tonnage.

BHP's tender, open to ship owners, banks and LNG fuel network providers, is intended for the charter of LNG-fuelled bulk carriers to transport 27 metric tonnes of iron ore from Australia to China.



*“Managing gas carriers and LNG-fuelled ships would be the next opportunity for BSM China,”*



This particular tender, which went public in July 2019, extends leasing companies an avenue to make inroads with BHP, an Australian-based resource giant which exerts significant demand in the bulk carrier market.

Mingfa noted that the market is aware of BHP's high standards on shipmanagement. In response, leasing companies keen on the tender have teamed up with experienced ship managers such as BSM China to satisfy the charterer's requirements.

Mingfa pointed at similar opportunities arising from Shell's now-concluded tender for LNG dual fuel tankers. He postulated that more of such tenders may surface in the tanker market — one segment in which charterers tend to impose more stringent demands on ship management, as compared with those in the bulk carrier market. “Such new opportunities are likewise supporting BSM China's foray into tanker

management,” Mingfa added. “Tapping into the Schulte Group's vast experience in managing and operating tankers globally.”

BSM China manages 18 containerships and 26 bulk carriers at the moment.

“Given China's growing need for medium-sized LNG carriers of above 80,000 cbm in capacity to transport cargoes to certain terminals, managing gas carriers and LNG-fuelled ships would be the next opportunity for BSM China,” said Mingfa.



*Liu Mingfa  
BSM China Managing Director*



# SAFETY

## Minimising risk through collaboration

As the saying goes, “to avoid major incidents, we must pay attention to the minor ones.” BSM could not agree more. That is why it adopted the HiLo (High Impact Low Frequency) Maritime Risk Management approach, in 2018.

HiLo uses predictive mathematical models to foresee the probability of high impact events for the shipping industry. This information then guides companies to take the necessary steps to manage risks and work towards a zero-incident future. By collating anonymised incident data from across the industry, HiLo can identify patterns of minor incidents and use them to predict high impact or ‘undesirable’ events.

### The power of numbers

HiLo was launched after four years of development and analyses data from more than 3,000 vessels operated by 42 subscribers. HiLo uses around 10,000 near miss and incident data already collected on board every month and filters out the noise, leaving approximately 1,000 events for analysis.

From August 2017 to June 2018, HiLo reduced the risk of lifeboat accidents by 72 percent on 900 vessels. From January to June 2018, it reduced the risk of engine room fire on 1,800 ships by 65 percent, and in the same period reduced the risk of bunker spills by 25 percent on 1,800 vessels.





HiLo tailors its models to fit the specific vessel types, which are currently available for tankers and bulk carriers, with models for containerships, passenger vessels and ferries available in 2020.

### How does HiLo work?

In its simplest form, the model takes the frequency of leading event occurrences and multiplies it by the probability and projected impact of each undesirable event. For example, for every 100 failures of navigation equipment, an assumed one percent probability of a resulting collision and an average projected impact of one fatality gives a calculated risk of one. Using the same principle for steering loss, with 80 recorded cases, and an assumed probability of collision of four percent and one fatality, the risk associated is 3.2.

This approach is at odds with traditional assessments, where the higher incident rate of navigation equipment failures would result in these events being classed as a higher risk. HiLo demonstrates that owing to the higher probability of collision, loss of steering poses the greater hazard.

### HiLo in practice

HiLo is able to analyse each incident report and

calculate the influence of weak signals on major events. It provides 'actionable insights', which are targeted information giving pointers to the highest risk areas on specific vessels, based on the identified weak signals. BSM then acts to reduce these risks.

For example, HiLo predicted a high risk of engine room fire owing to reports of small fuel leaks, a typical weak signal. Following investigation of the company's defect management framework and reporting culture, BSM is now promoting more timely reporting of minor defects and the need for prompt rectification, in order to reduce the risk of them becoming high impact incidents.

### Looking ahead

The maritime industry is becoming ever more tightly regulated, making it increasingly important ethically, environmentally and economically for operators to prioritise their time and effort to avoid high impact events. The HiLo risk model helps to identify early warnings and dangers that might not otherwise be seen, enabling operators and fleet managers to focus on key areas and ensure the safety of their crew and assets.





# TECHNOLOGY

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## Being agile: A philosophy to improve customer service

The shipping industry is complex and the environment of many shipmanagement services so dynamic that traditional project management processes and methodologies are no longer adequate. This landscape is not set to change, except in the sense that developments will happen even faster in the future, especially those driven by new business models and digitalisation.

This dynamic environment is one of the key reasons why the relevance of the Project Management Office of MariApps Marine Solutions, the Schulte Group's software development company, has consistently grown, with dozens of projects being added to the portfolio, from both BSM and external clients every year.

Moving forward into 2020, MariApps plans to focus even more strenuously on effective project execution and timely deliveries.

The core pillars of MariApps' optimised focus on project management are threefold: communication among team members, collaboration and adaptability to changing conditions based on customer feedback. This is called 'being agile'. And it is a philosophy for managing software projects and teams.

Similar to how lean manufacturing principles help to eliminate waste and increase production, agile methods help improve focus on customers, product quality, development efficiency, and more in the project lifecycle.

### **Achieving quality excellence through agile processes**

In 2019 alone, MariApps hired ten new project managers with experience in Agile/Scrum methodologies. With a focus on implementing agile methods across the organisation, MariApps has formed a core team to train and guide other

project teams on how to implement processes that allow continuous iterations of development and testing for better collaboration and faster feedback from users.

By consistently focusing on key people, processes and strategies, MariApps is on the path to streamlining overall quality orientation. Beginning at the project planning stage, strategies are initiated to meet quality standards, and conscious efforts are made to ensure that the testing team is involved from the project kick off for all products.

With time to market as one of the critical testing parameters, quality control must be planned and executed with a high level of diligence. As a result, requirements are tracked with the help of a requirement traceability matrix and are dealt with experts, to ensure total coverage.

### **Supporting agile transformation with technology**

Reducing costs and improving efficiency while ensuring optimum quality and meeting ever-expanding testing needs is not practically possible. That is why MariApps is investing in building a Test Automation Centre of Excellence for developing and maintaining a test automation framework, a program written within the test automation tool, designed to cater to specific testing needs. Automation helps the Quality team to execute a specific set of feasible manual test cases with minimum manual intervention. This helps the management save up time for the testers to perform much value-added functional validation and reduce overall costs.

### **Bringing agility to customer care**

Developing a product that is valued by customers is the cornerstone of agile project management and MariApps recognises the importance of customer feedback in continuous improvement.

MariApps has also invested in market leading tools like Jira and Zoho, to enable support service teams to register and resolve customer issues. All customer feedback is logged as a digital ticket in the software. These tickets are then analysed to derive trends and determine where quality needs to be improved. These insights are then shared with the Product and Quality Control and Assurance teams, helping drive quality orientation across the whole organisation.

## The bottom line

By using agile processes and tools, MariApps is now more than ever, better equipped to quickly adapt in changing conditions. Moving forward, MariApps expects to see its focus on agile transformation increase productivity and improve quality for customers, further cementing the organisation as a market leader in its industry.





# DISCOVER

## Pronav embarks on new growth chapter



Founded in 1995 in Hamburg, Pronav Ship Management is a third-party ship manager specialised in large LNG carriers.

Shortly after its foundation, Pronav entered the US and Japan markets with the incorporation of 'Pronav Ship Management Inc.' in the two countries. In 1998, Osaka-based Pronav began managing a fleet of eight steam-driven, Moss-type LNG carriers that were supplying LNG from Indonesia to Japan as part of an energy transportation project, which concluded in 2011.

In 2005, the Hamburg head office of Pronav won the Qatargas II project tender and was assigned with the management of four large Q-Flex LNG carriers. The vessels have an LNG capacity of 210,100 cubic metres and are equipped with an onboard reliquefaction plant. In 2012, two conventional steam-driven LNG carriers built in 2004 and 2006, owned by Qatari interests and chartered out to RasGas, today's Qatargas, entered the Pronav managed fleet.

### A one-stop shop

In January 2018, the Schulte Group received clearance by the German Federal Cartel Office to fully acquire Pronav. Today, as a member of the Schulte Group, Pronav has full access to the operational experience of BSM, including LNG carriers of the latest generation, i.e. vessels with X-DF or ME-GI engines.

This enables Pronav to offer full management services for all currently operating types of LNG carriers: no matter if steam-driven, propelled by slow-speed diesel engines and equipped with a 100 percent reliquefaction plant or featuring different dual fuel propulsion systems. In addition, the company has extensive experience and knowledge of the particularities of different cargo containment systems, for example in terms of different membranes and Moss-type cargo tanks.

One of Pronav's hallmarks is its operational excellence, which is reflected in its stellar operational and safety track record.

From 1998 to date, the LNG carriers managed by Pronav have successfully performed about 4,300 LNG cargo operations, either with shore-based terminals or floating units such as FSRUs and FSUs, without any major incidents and accidents. In addition, Pronav has maintained 100 percent availability of the nine vessels it managed in the past years - currently it manages six - with no operational off-hire from 2015 to date.

It therefore comes as no surprise that Pronav is highly recognised by energy majors, LNG charterers and LNG terminal operators throughout the world for its safety, quality and reliability of operations.

Pronav has a confirmed Tanker Management and Self-Assessment (TMSA) average rating of 3.58 (with a minimum stage three throughout the entire TMSA), verified by management reviews of charterers and energy majors.

Its managed fleet of LNG carriers are accepted by all major loading and discharge terminals around the world, including Japanese LNG terminals, which are technically compatible with the managed ships.

In addition to its specialised technical LNG ship management services, the company also provides experienced and qualified LNG crew complements. The retention rate for senior officers and gas engineers is at approximately 100 percent and the Pronav complements comply with industry requirements with respect to crew experiences, SIGTTO matrix and others. The company ensures it fulfils the respective matrix requirements also during periods of high demand for experienced LNG seafarers. This is safeguarded by several initiatives and mainly by Pronav's participation

in the Schulte Group's dedicated LNG seafarer training programme.

### **Well-equipped for future challenges**

In view of the substantial growth of the world's LNG fleet in the coming years, Pronav is working closely with the Schulte Group's LNG Co-ordination Centre (LCC). In 2019, the LCC and Pronav started their joint marketing and sales initiatives for both existing and prospective customers with the aim of promoting new LNG projects and to cultivate long-term business relations and partnerships with clients. In addition, the LCC and Pronav jointly provide

advisory services to major industry players in the fields of LNG crewing, OPEX analyses and technical assessments.

Pronav's strategy is to enlarge its managed fleet by offering the highest quality of full management services to the industry. Due to its highly motivated and experienced teams on board and ashore, its focus on new technological developments and industry safety trends as well as its active participation in training for qualified officers, Pronav is well-placed and fully prepared for the future challenges of the LNG ship management market.





# ONE BSM

## Women in Shipping: Nataly Kokhanaya

Nataly Kokhanaya, Director of BSM Crew Service Centres Russia, is used to charting new waters.

After graduating from university in the early 2000s, Nataly began her work at BSM as an English Language Inspector assessing Russian seafarers' English proficiency. But it wasn't long before she set out on her voyage into fleet management, becoming one of the first women in the company to oversee a tanker fleet.

"Over the years, my role as an English Language Inspector lost its relevance," Nataly explains. "Therefore, I became Assistant to the Fleet Personnel Officer, and after 10 years of good service, I was promoted to Senior Fleet Personnel Officer."

Nataly says it was her relentless determination and resourcefulness that allowed her to break stereotypes and forge a path for herself in the shipping industry.

"My entire career has drawn upon my desire and ability to learn," she notes. "When I began managing fleets at BSM, I was one of the first women to work with a tanker fleet, and I used all of the materials available to learn – which wasn't a lot at that time."

I have always been keen on finding solutions in the midst of difficult situations."

After serving BSM for 13 years and obtaining an additional four years of experience at another shipping organisation, Nataly was offered the director's position for BSM's Crew Service Centres in Russia, based out of St. Petersburg. Driven by her desire for lifelong learning, Nataly fully embraced the new challenge.

"My motto is 'do it well or don't do it at all'," Nataly remarks. "I graduated from university with an engineering degree, maybe that's why I'm constantly trying to understand problems and offer solutions."

Nataly believes there is more to success than just hard work. She credits her colleagues' support and encouragement as an important factor in her career development.

"Throughout my years in this industry, I have been surrounded by team players at all times," Nataly reflects. "I am truly thankful for their help and support."

When asked her advice for young females entering the shipping industry, Nataly shares, "The only way to do great work is to love what you do. If you are interested and willing, everything is possible."

"I believe everyone, regardless of their gender, can succeed in the shipping industry."

*"The only thing that stands between you and your dream is the willingness to try and believe in yourself,"*

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# The Schulte Summiteers excel again

In September 2019, the fourth Seamen's Church Institute (SCI) Mountain Challenge, a biennial fundraising event, took place. Since its inception in 2013, BSM participated at all four challenges.

During the past challenge, 55 teams covered the 25-miles-distance and 12,000 feet in elevation over the mountains of Western Maine, United States, in addition to a five-mile canoe ride on a tributary of the Androscoggin River in just over eight hours. The 'Schulte Summiteers', consisting of Ian Beveridge, Schulte Group CEO, and Jens Alers, Sales Representative, embarked on this challenge with the magnificent Native American summer scenery as a reward for their efforts.

All teams competing in last year's SCI Mountain Challenge raised a total of 353,000 USD for the fantastic work the SCI is continually doing with their various programmes, serving mariners

globally. The 'Schulte Summiteers' team contributed to that amount by raising the amount of 19,000 USD, which won them the third prize in the competition.

The fifth SCI Mountain Challenge will take place in September 2021, with no doubt that there will be a 'Schulte Summiteer' team hiking for glory again!



## SAMO: Better managing change across the globe

Every good ship owner knows the importance of sending their ship to drydock for regular maintenance and every good management team requires equal attention to the maintenance of internal systems and processes.

By establishing the Strategy and Action Management Office (SAMO) this past year, the Schulte Group created a stronger mechanism and process for managing change to better serve customers and employees. Specifically, SAMO will help the Group to prioritise strategic initiatives, deliver critical resources when and where needed, and provide consistent and robust tools for managing projects and change across the globe.

The Schulte Group will utilise SAMO to deliver greater customer and employee-focused improvements, promptly, effectively and on budget. Improved use of resources will allow the entire Group to offer the same high-quality ship management and maritime services at more competitive rates, globally.

In conjunction with SAMO, a new module called 'My Idea!' has been developed from MariApps Marine Solutions, the software developer of the Schulte Group. The intent of this module is to help fast track the bright improvement ideas of the company's employees. Whether best practice, improvement or innovation, the Schulte Group is eager to accelerate employee insights into solutions that its customers will love. Supported by SAMO, 'My Idea!' will help to rapidly identify gaps and opportunities, develop projects, form teams, assign resources and enact change.

With these internal enhancements, the Schulte Group remains committed to delivering the highest quality experience to its employees and customers as well as sustained innovation across the organisation.





# BlueSeasMatter engages sea and shore staff with environmental activities

BlueSeasMatter is a Schulte Group's Corporate Social Responsibility (CSR) initiative, created in 2018. Born out of the passion to protect the world's oceans, rivers and beaches, this inspirational initiative unites all the Group's offices with one common goal, to eliminate plastic pollution globally.

Throughout 2019, this CSR initiative completed its first global event 'small act, BIG IMPACT' by engaging

all employees with two activity days, themed after and taking place on their internationally recognised environmental days, Earth Day (April 22) and World Ocean Day (June 8).

On Earth Day, the first activity day 'Grow Social Responsibility' took place, where employees from 19 countries arranged park and beach cleanings, switched off the lights and air-conditionings, car-pooled or cycled to work, planted flowers and herbs

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for their desks, participated in creative workshops on how to make natural soaps and deodorants, and hiked to green areas for a day of tree planting.

On World Ocean Day, the second activity day 'A Wave of Change', took place, with 116 BSM full managed vessels joining the cause and participating with environmental activities tailored to them. Worldwide, the Schulte Group managed to arrange 12 clean-up initiatives which had a total impact of over 1,730 kg of waste removed from the environment as well as eight tree and flower planting activities, adding up to over 770 plants.

Offices and vessels made an extra effort to reduce printing, switch off lights and replace bulbs with energy-efficient alternatives. Seafarers sorted their garbage into recyclable materials, re-purposed

plastic waste, old drums and ropes on board.

Additionally, shore employees were encouraged to think green and participate in all the activities. With over 760 people globally engaged in this initiative, a new way of thinking has begun which is kinder to the environment.

Even a small change, in a large community like the Schulte Group, can have a big impact on the environment and the quality of life for our future generations.

You can follow our environmental stories on:

 [www.blueseasmatter.com](http://www.blueseasmatter.com)

 @BlueSeasMatter |  @blueseasmatter



# Charting cadets' path of success with Schulte Group Cadet Programme

In recent years, marine institutes globally have been shifting towards theory-based learning. As institutes recognise the importance of building a strong and safe theoretical foundation, it serves as a base for cadets' practical development later. However, life at sea can be challenging for first-timers. Whenever new cadets make their first trip at sea, they are often looked upon as a safety risk given their limited knowledge and experience base.

Since its existence over the last eight years, the Schulte Group Cadet Programme aims to bridge this performance and knowledge gap, as officer cadets transit from their university degree to working on board their first vessel.

The Schulte Group Cadet Programme is targeted at developing Deck, Engine and Electrical Cadets who fulfil the programme's entry requirements, providing full time development support. As an enhanced training programme, it is aimed at

addressing the need for development of future senior officers.

## **The Programme comprises of three parts:**

1. Selection Board: This is a one-day assessment consisting of four tests which identify the individual's effective intelligence, leadership, power of communication, values and motivation. Additionally, candidates undergo a general fitness test that highlights the emphasis on good health.

2. Foundation Course: For those who pass the selection, this shore-based vocational skill development occurs over 12 weeks in one of BSM's Maritime Training Centres (MTCs).

3. Cadetship: This section provides constant monitoring of the cadet's progress on board a vessel, along with ongoing assessment, guidance and support, all in an effort to qualify the cadet for the sea-time requirement licensure exams.





### Providing a realistic training environment

Typically, the selection of cadets for other training programmes involves a review of their academic performance and a brief interview. Cadets are then immediately sent on board a vessel without any pre-sea preparation. This often results in considerable challenges for cadets as they struggle to bridge their theoretical knowledge gained from the course with the practical reality of onboard life. Due to their intensive working schedules as crew on board, these cadets often do not receive proper mentoring and guidance from their superiors.

The Schulte Group Cadet Training Programme offers a personalised approach supported by highly qualified learning and development specialists on shore, ensuring that cadets receive equal opportunities for training and assessment in a controlled and realistic working environment.

Through the 12-week foundation course in one of BSM's MTCs, it ensures that the cadet arrives at the vessel with key competencies, enabling a quicker transition to life at sea.

### The benefits

The Programme has been tested on board 70 BSM-managed vessels with over 90 percent success rate. This comes as no surprise as the cadets' performance and progress are constantly monitored through a specially developed Electronic Task Book that supports them during their onboard training period. This allows their Designated Training Officers (DTO) on board and ashore to monitor the cadets' performance and adjust trainings to better meet the requirements stated in the STCW Code and to comply with MLC 2006 work and rest hours regulations.

Customers too, benefit as a result from the success of the Programme. With a more competent workforce, operational expenditure can be reduced, while the number of on-hire days increases. Similarly, the safety record is improved as individual safety awareness among the cadets increases. As each aspect of the Programme seeks to minimise the risk of underperforming crew, the number and gravity of personal factor incidents are reduced.

Finally, fleet performance is improved as junior personnel has better pre-sea preparation, elevating the fleet's average knowledge and experience base.



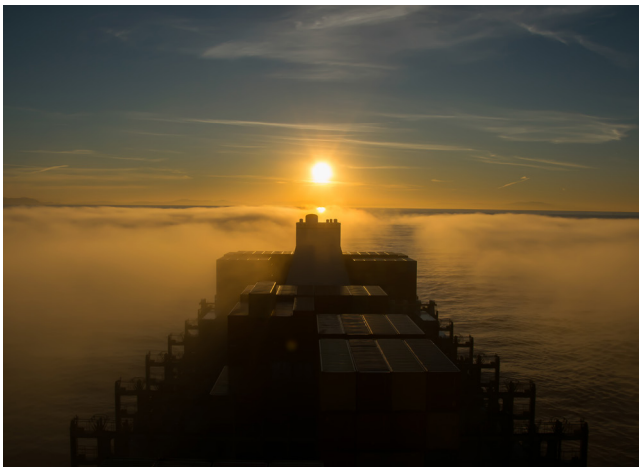


# Photo Competition 2019

The past year was the fourth consecutive time BSM organised a Photo Competition. Both sea and shore-based employees, from around the globe, shared over 580 stunning photos that capture the true spirit of the organisation.

All Schulte Group employees were invited to act as judges with the total points collected, determining the four winners. Out of the 22 finalists, four winners have been chosen.

**Here are our 2019 winners:**



**1st place winner**  
*'Dreamy morning in the Pacific Ocean'*  
by Ashwin S. Shetty, CSC Mumbai



**2nd place winner**  
*'Through the lens'*  
by Smokov Georgii, CSC Ukraine



**3rd place winner**  
*'The race'*  
by Vipul Jamdade, CSC Mumbai



**4th place winner**  
*'Rain inside of double rainbow'*  
by Dziahtsiarou Raman, CSC St. Petersburg

# SHIP MANAGEMENT CENTRES

## BSM Cruise Services

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