



# The MARITIME EXECUTIVE

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# MAERSK TRAINING CENTRE

**At Maersk, Certified Excellence and Cutting-Edge Innovation Add Up to Measurable ROI.** By Joseph Keefe

## From the Start: Measured Growth Built on Founding Principles

“No loss should hit us which can be avoided with constant care.” That simple credo, spoken first by A.P. Møller in 1946, eventually became the philosophy on which the multinational giant would create one of the most advanced and forward-thinking maritime training centers in the world. Today, safety and vigilance are two of the fundamental cornerstones of the A.P. Moller - Maersk Group and its Maersk Training Centre (MTC).

After an accident in 1978, which was attributed to human error caused by insufficient competencies, Maersk Drilling Training Centre was established in Svendborg, Denmark, specifically to train offshore employees. Within four years it was recognized as an international training center and in 1989 became one of the founding members of the European Well Control Forum. Twenty years later, the training facility now extends its reach to established centers in Chennai, India; Newcastle upon Tyne, U.K.; and, just recently, a third subsidiary in Wuhan, China.

Claus Bihl, Managing Director of MTC since 2000, neatly states the A.P. Moller – Maersk approach to training when he says, “We don’t ‘sell’ courses; instead, we teach competencies.” That tenet again is rooted in the 1978 accident that, after investigation, revealed that employees were properly certificated and had the required training – but not necessarily the right competencies to do the job. Bihl adds, “When the training ends, you want to know: What are we getting out of this? Well, so do we.”

## Benchmarking MTC: From Inside and Out

MTC is part of a diversified conglomerate known as the A.P. Moller - Maersk Group. Founded in 1904, this total group

of companies – totaling 117,000 employees in 130 countries – reported net profits of \$3.4 billion in 2007. Through the A.P. Moller – Maersk Group, MTC serves customers worldwide in five critical faculties, which combined can deliver almost any type of learning an organization would need today. MTC defines these faculties (and the year that they were added to the current curriculum) as Oil & Gas (1978), Maritime (1994), People Skills (2002), Safety & Security (2005), and Terminals & Logistics (2007).

Through a highly competent group of permanent employed instructors and a strong network of external consultants, MTC is capable of delivering the latest knowledge within any subject area, extending from the very technical maritime and offshore disciplines all the way to people skills and leadership development that cross all lines of business. Although much of the Centre’s original task was to respond to the greater Group’s increasing demands for training officers in the expanding Maersk maritime fleet, the management structure was changed, along with the name, in 1994. And although the word “drilling” ceased to be part of the title, its importance was undiminished, and Oil & Gas is still counted among the Centre’s five key faculties.

Eventually, MTC began to be approached by outside companies looking for training that quickly was becoming recognized as some of the best in the business. Claus Bihl looks back on the early interactions with outside groups and realized that, although MTC wasn’t actively marketing to outside companies, the need to benchmark its services against a recognizable standard was undeniable. “We had been going around saying that we have high quality, but anyone can say that. We then set out to prove it.” Today, MTC not only competes with other training facilities for



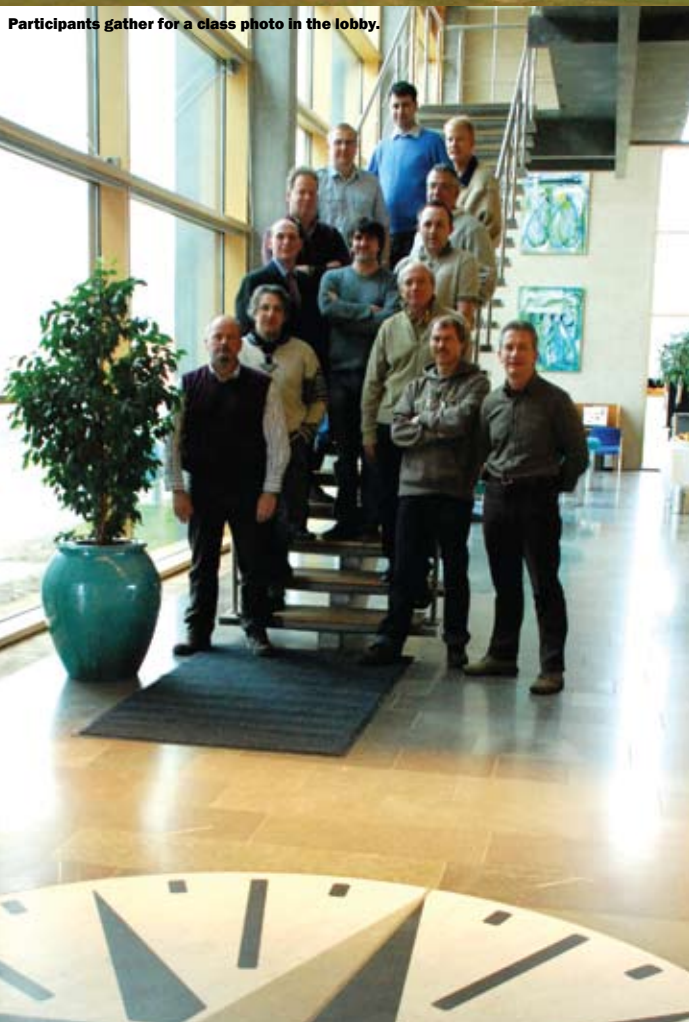
*Three decades after its inception...MTC has received from Det Norske Veritas (DNV) their first-ever SeaSkill Award for Excellent Performance in the field of maritime training (Certificate of Excellence). With a 94 percent rating, MTC has established itself – in the words of DNV – “as the benchmark to which all others can aspire.”*



Main building panorama.



Guesthouse and MOSAIC (Simulator building) panorama.



Participants gather for a class photo in the lobby.

outside business but is required to demonstrate that its price and quality beat outside competitors when marketing to its core customer – A.P. Moller - Maersk.

Three decades after its inception, MTC has subsidiaries in India, the U. K. and China and has received from Det Norske Veritas (DNV) their first-ever SeaSkill Award for Excellent Performance in the field of maritime training (Certificate of Excellence). DNV, which for many years had recognized individual courses and management programs, developed a four-step program to evaluate the entire learning process in order to give companies and organizations a benchmark to guide them when selecting the right programs. With a 94 percent rating, MTC has established itself – in the words of DNV – “as the benchmark to which all others can aspire.”

### **Internal Requirements: Driving Cutting-Edge Technology and Training**

At MTC, internal A.P. Moller - Maersk requirements ultimately drive decisions involving which training to provide and how to do it. Supporting some of the 200 course offerings at MTC are the Reefer Simulators, a Full-Mission Drilling and Drilling Operation Trainer Simulator, an Anchor-Handling and Dynamic Positioning Simulator, a Liquid Cargo-Handling Simulator, an Electronic Chart Display Simulator and a Fire Contingency-CO2 Simulator. At the heart of all of that is what MTC maritime instructors call the MOSAIC, or Maritime Offshore Supply and Innovation Centre. The new, state-of-the-art anchor-handling complex is already on line for DP, Anchor Handling and Ship Handling/Maneuvering courses.

MTC's anchor-handling simulation training is anything but new, however. It began in 2000 as a response to in-



Firing up one of the three new satellite simulators.

ternal requirements and has now expanded to a broad industry clientele who know it to be among the most advanced in the world. Rather than wait until mandated by law or triggered by a high-profile accident – as others have notably done – MTC invested significant capital in emerging technologies such as anchor handling and dynamic positioning. Long before it became a “profit” center, the facility enjoyed solid relationships with such offshore industry heavyweights as ConocoPhillips, Statoil, Total and EXXON.

Leading-edge training doesn’t just mean sophisticated simulators. And while the idea that “training doesn’t have to be conducted here” isn’t necessarily new, the use of “mobile simulators” certainly is. MTC’s mobile crane simulators, CraneSIM, were created together with APM Terminals but caters to the entire industry. Bihl explains, “It’s primarily cost-driven. We set out with APM Terminals on a project and bought two simulators and built them into 40’ containers and a small classroom as well – full-mission simulation. The container comes right into the terminal off a ship. You just lift it off and plug it in.” Needless to add, the mobile simulator can go anywhere in the world, probably on a Maersk ship, and someday will train countless operators from a wide range of companies.

The crane simulator in particular goes to the heart of MTC’s mission and vision. Beyond the tremendous savings for internal and external customers alike, the attraction and convenience of training people who don’t want the stress of



Examinations.

Instructor with students in the MTC Auditorium.



a 12-hour travel day on both ends of the course is a key component. Some would characterize that philosophy as smart business. Claus Bihl calls it, “**Return on Investment.**” What that means in more simple terms is to measure training so as to define value.

### MTC Defines ROI: Identifying the “Gap” in Training and Developing the Solution

To say that education and training at MTC are a progressive event would be understating the total package. At the place where course development, more often than not, is developed using tools like “Bloom’s Taxonomy” (a multitiered model of classifying thinking according to six

cognitive levels of complexity) or “Kirkpatrick’s Four levels of Learning” (each successive evaluation level is built on information provided by the lower level), the goal is clear: **delivering Return on Investment to the customer.**

When the training center moved from a cost center to a profit center, MTC began its benchmarking of ROI. Before then, says Claus Bihl, “We were strictly focused on training and quality. Everyone seemed happy with that – certainly they got high value for what we provided. But could you be absolutely sure that you got the value you paid for?” Although Maersk knew that the income side for a time would be 100 percent from internal sources, it established MTC as a profit center so that costs could be monitored in a more sophisticated way. In response, MTC educators got more interested in the business of training and additionally

began to see their internal clients as customers. It was a whole new perspective.

The now standard way of doing business has served MTC ever since. Internal and external customers can expect to be queried at length about first identifying the “gap” in training and then developing the solution to close that gap – well before the first lecture or simulation session ever takes place. With 75 percent of the cost of training represented by logistics (travel, lodging, etc.), the global downturn has had the positive effect of making companies more open to new ideas rather than just sending people to a course. MTC’s Bihl insists, “Everyone – the customer and the provider – should be focused on trying to measure the ROI of the time and money spent on training.”

From the customer’s view, defining ROI means identifying the goals from the outset. As an example, MTC recently ran a safety campaign for APM Terminals where, in the first quarter of this year alone, LTI rates dropped by up to 50 percent. From a monetary standpoint alone, the savings were huge. In terms of human capital, the long term benefit was incalculable. It was just this type of success early on that prompted MTC to be among the first to develop anchor-handling simulators. Since doing so, Maersk hasn’t seen an anchor-handling accident resulting in a fatality

on any of its vessels. Today, MTC is working closely with Kongsberg to upgrade these simulators so as to be able to recreate scenarios similar to the recent Bourbon disaster.

### Looking Forward: Getting Back as Much as You Deliver

From 2000 to 2007, MTC was occasionally approached by other companies looking for quality training. Normally, MTC agreed, but provided the service on a very small scale. Although the practice was not part of their strategic focus, Claus Bihl and his management team soon realized there was tremendous “up side” to engaging with other companies. Bihl adds, “Every time you deliver learning or are in the learning process with outside customers you receive as much from them as you deliver.” In doing so, MTC also keeps abreast of what constitutes “best practice” in the industry.

Today, training to outside companies at the various MTC worldwide locations can be as much as 50 percent of course output or as little as 10 percent, depending on the location. Claus Bihl, of course, knows that his training center is less vulnerable to internal demand fluctuations when there is a healthy supply of outside business. As MTC ramped up its efforts to provide training to outside firms,



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Participants come to grips with wire in one of the more practice-based courses.

the only real concern was that perhaps it might be giving away competitive knowledge that others, outside the A.P. Moller – Maersk Group, did not possess. In the end, MTC’s courses now are more flexible, serving individual customer requirements – not just off-the-shelf curriculums.

Headquartered in Svendborg, Denmark and with three branches around the globe, MTC today conducts more than 30,000 course days annually, using 11 simulators, and trains more than 8,000 students. On the other hand, there are a lot of good training facilities from which to choose. The reality of today’s maritime training is that it is a competitive world, with many choices and many variables to consider. Hotel-quality accommodations, restaurant-quality dining, technology and state-of-the-art simulators are but a few of the factors. Adding all of that up can be a

daunting task.

From MTC’s perspective, training used to be a matter of answering the call from its A.P. Moller – Maersk principals. Claus Bihl sums up today’s business plan at MTC when he says, “Now, we pick up the phone and make the call. Doing that, we

hope to influence the customer’s choices in training and bring value to the table. We take our roots from an internal drilling accident and knew what we wanted to accomplish from our inception. Today, those roots are key to our drive to measure training ROI.”

As MTC continues to grow, this proactive rather than reactive approach serves parent A.P. Moller – Maersk – and customers like MOL, Shell, Torm and Acergy – quite well. But that’s not to say there isn’t room for change. MTC’s annual strategy meetings kick off in August to determine how best to carry out the mission. One thing that isn’t likely to change, however, is MTC’s Certificate of Excellence status from DNV. That standard, coupled with forward-thinking techniques and cutting-edge technologies, adds up to just one thing: **ROI.**

**MarEx**



**Robert S. Norell, Esq.**  
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of labor and employment law  
for the past 15 years representing  
both employees and employers in the  
following matters:

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Robert S. Norell, Esq.  
**ROBERT S. NORELL, P.A.**

7350 N.W. 5th Street  
Plantation, FL 33317  
Tel.: (954) 617-6017  
Fax: (954) 617-6018  
E-Mail: [rob@foridawagelaw.com](mailto:rob@foridawagelaw.com)

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