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July-August 2009

The MARITIME EXECUTIVE

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**Cutting-Edge
Maritime Education:**

Where, What & Why It's Important

Claus

Bihi

Managing Director,

**Maersk
Training
Centre**



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Contents

Reception area of the MTC Guesthouse

22 Case Study:

MAERSK TRAINING CENTRE

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

BY JOSEPH KEEFE

28 Executive Interview:

Claus Bihl

A Conversation With the Managing Director at the Maersk Training Centre

BY JOSEPH KEEFE

32 | Software Silver Bullets for the Maritime Industry

A Review of Some of the Best Software Solutions in the Business

BY MAREX STAFF

36 | Maritime Training:

A Global Perspective

BY JOSEPH KEEFE

42 | Maritime Communications Shootout: No Room for Pirates

Increased Capacity + Falling Prices = Fierce Competition

BY BARRY PARKER

48 | From the Top Down:

Enhancing Safety Through Culture Change

BY ROBERT PATER,

STRATEGIC SAFETY ASSOCIATES

52 | Maritime Training & Education Directory

Find the right program to fit your goals and expectations.

Executive Achievement

8 | Vice Admiral Vivien S. Crea

Vice Commandant of the United States Coast Guard

BY MAREX STAFF

Washington Insider

12 | Congress and the Courts Fashion New Maritime Policies

The domestic political headlines this summer have thus far featured...

BY LARRY KIERN

MarEx OP-ED

16 | Piracy and Its Long-Term Effect on Merchant Mariners

Who Cares for the Victims of Pirate Attacks?

BY DOUGLAS B. STEVENSON

Upgrades and Downgrades

18 | Have Asset Values Finally Touched Bottom?

A lively debate is taking place in shipping circles...

BY JACK O'CONNELL



Claus Bihl,

Managing Director, Maersk Training Centre

As the cover subject for this edition of MarEx, Claus Bihl is more than just the Managing Director of A.P. Moller - Maersk's Maersk Training Centre (MTC) and its facilities in other countries. He's also in charge of DNV's highest rated "Center of Excellence." MTC is home to some of the most innovative trends in maritime training today. Claus Bihl and his team, of course, have a huge hand in all of that. Follow along as Bihl discusses what maritime training can and should be: in the classroom, in the workplace, and in scores of key countries around the world.

MarEx: Starting in 1980 with the A.P. Moller - Maersk Group, your background is perhaps not the traditional route to becoming the Director of a training facility. Tell us about the journey.

Claus Bihl: My route to MTC might be viewed from the outside as being untraditional. But A.P. Moller - Maersk is a diverse place to work, so you might find that this would be the rule rather than the exception. It is true that I've worked on the rigs, later as a shipping man, then in the HR function and now here. At A.P. Moller - Maersk we cross-train and look for new opportunities and challenges. My human resources background gave me an opportunity to see competency training from both sides - and so my customers are now in the same chair I was in before I came down here. I have a better idea than most of the pressures from that end. You are always under constant budget constraints when you sit in the HR department. When the training ends, you want to know: What are we getting out of this?

MarEx: Your experience as a roughneck, derrickman and assistant driller also gives you another perspective. What's the biggest change in oil and gas training that you've seen and how does MTC fit into the leading edge of all of that?

Bihl: I actually considered going into the drilling industry. Therefore, I have an understanding of what is needed and

why. The typical rig person back then was "hands on," perhaps not too academic. And it wasn't as hard to get the oil out of the ground. Today, you drill in 3,000 meters of water and see the technology behind it. Companies are pressured into getting training that satisfies regulatory requirements, but not core competencies. What the drilling industry is lacking is a basic entry education, something similar to what a ship's officer needs in order to get that first job. The drilling industry is unique in that you might start as a roughneck, and one day you'll find yourself a supervisor without perhaps having the necessary educational competencies to support that. At A.P. Moller - Maersk, we have such programs, but this is not an industry standard, worldwide.

MarEx: When the training center moved from a cost center to a profit center in 2000, what was the biggest change that resulted? Is this the critical juncture when MTC began its benchmarking of ROI in training for customers?

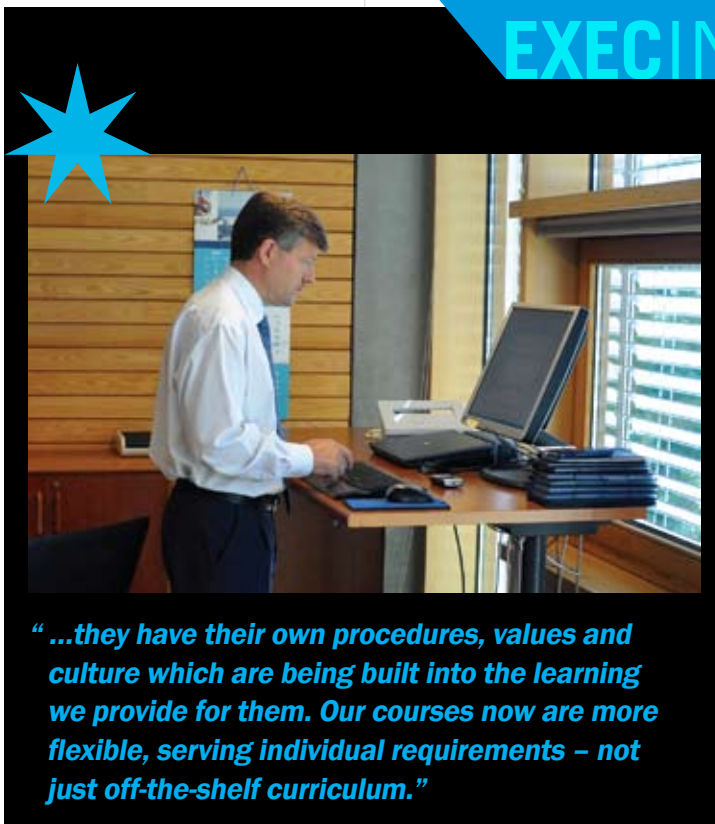
Bihl: I don't think we could say that we measured ROI before that time. We were strictly focused on training and quality. Everyone seemed happy with that - certainly they got high value for what we provided. But could you be absolutely sure that you got the value you paid for? This was the primary driver for management to say that we want this established as a profit center. They knew that the income side

would be 100 percent from A.P. Moller - Maersk, but it was set up as a company and you could monitor the costs in a more sophisticated way than by just saying, "We need training; you get it for us." At MTC, people got a lot more interested in the business of training, more motivated and focused. They started to see our internal customers as customers. It was a whole new perspective. We had to ask ourselves, "Are we providing value?" And our customers began to ask, "Why are we doing it this way?"

MarEx: In 2007 your facility opened its doors to outside companies. You had to convince your Board of Directors to do that. What was the rationale for that decision?

Bihl: From 2000 to 2007 we did provide some training to outside customers, but we did not market it as such. We were approached by other companies who asked if we could provide training. Normally, we did so, but on a very small scale. It wasn't part of our strategic focus, but there is always an upside to engaging with other companies. Every time you deliver learning or are in the learning process with outside customers you receive as much from them as you deliver. Our instructors therefore get a broader benchmark on what constitutes "best practice" in the industry. You have to look at how others do things and then, by delivering a higher volume of training, you get better at it. We as a training center are also less vulnerable to demand fluctuations. In the end, I don't think it was a difficult decision for the Board to give its approval. The only real concern was that perhaps we might be giving away competitive knowledge that others, outside the A.P. Moller - Maersk Group, did not possess. And we still have courses that reflect a high degree of Maersk procedures, values and culture, but those aren't the courses we offer to outside customers because they have their own procedures, values and culture which are being built into the learning we provide for them. Our courses now are more flexible, serving individual requirements – not just off-the-shelf curriculums.

MarEx: What percentage of your work caters to internal requirements and what percentage to outside needs? Has there been a time when A.P. Moller - Maersk personnel might have had to stand in line for training, or perhaps when an outside customer had to be told, "We're doing internal training right now. Your course will have to be



"...they have their own procedures, values and culture which are being built into the learning we provide for them. Our courses now are more flexible, serving individual requirements – not just off-the-shelf curriculum."

pushed back"?

Bihl: Fortunately, we have never had a situation like that. We've been able to build our capabilities and resources here as we attracted outside business. It's a matter of proper planning over a period of three to six months. Work splits vary from branch to branch. In the U.K., for example, it's about a 50-50 split. In other places, like Denmark, it might entail as much as 90 percent for the A.P. Moller – Maersk Group.

MarEx: You've always had to prove that your

services were both cost-effective and of equal or better quality than those offered by outside training groups. But the greater workload from outside has likely changed your business plan. Talk about the challenges of doing both at



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the same time.

Bihl: In the beginning, it was strictly internal training with little pressure to market and demonstrate financial value. Someone at A.P. Moller – Maersk somewhere would call and say, “We’ve got issues with competencies in XYZ areas,” and we’d devise a solution. It was always coming from one side, more reactive than proactive. Now, we pick up the phone and make the call. Doing that, we hope to influence the customer’s choices in training and learning 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.

MarEx: Do you market differently internally than to an outside group? Can you point to some valued outside customers for your training?

Bihl: We see the A.P. Moller – Maersk Group as a very big customer. Most of us have come through the Maersk work experience so we share the same culture and values. That’s perhaps easier than serving outside customers. We don’t do a lot of traditional marketing. We present at conferences and try to communicate our skills at meetings. We don’t “sell” courses; instead, we teach competencies and discuss with our customers all aspects involved in the learning pro-

cess. Both A.P. Moller – Maersk and our outside customers are just that: our customers. For many years we have been well connected to the oil and gas sector. We have done courses for oil majors such as ConocoPhillips, Statoil, Total and EXXON. Those relationships existed before we became a profit center. We’re now getting the word out that we don’t just do training for Maersk – we do it for others too. On the shipping side, we provide training for MOL, Shell, Torm, Acergy and others.

MarEx: Where some training facilities only certify certain courses, you have managed to get an entire training system and facility “DNV-approved.” How did this come about and how difficult was it to achieve? What do you have to do to maintain that “DNV Center of Excellence” certification?

Bihl: We’ve been going around saying that we have high quality, but anyone can say that. We set out to prove it. It has been estimated – by DNV themselves – that as much as 50 percent of maritime training worldwide is substandard. Some facilities have on their walls a certification of their general management systems. The acid test occurs when you bring all of your training and management into action. That’s where the learning takes place. You can have the best courses, the best management, the best simulators and the best instructors. But if you don’t manage to tie these things into one another, none of it is worth anything. We had DNV sitting in on more than ten courses in a week’s time and evaluating how we performed. In the end, they told us that we had set the benchmark for the industry. And they come back every year – we just had an audit. But we don’t see an audit as a problem. We look at it as a help. If we have non-conformities, well then, let’s deal with them and find ways to do things better.

MarEx: Beyond the seafaring aspects of China, India and the U.K., what made you expand there as opposed to other places?

Bihl: Simply put, we had requests and inquiries from our A.P. Moller – Maersk’s business units. We had a lot of officers coming out of these regions and were trying to recruit in others – India and China, in particular. It was more cost-effective to run our training activities locally in those countries, and it brought us closer to our ultimate customers. We also wanted to cater to outside companies. That has been going very well in the U.K. We look at new countries all the time but now from a purely MTC commercial aspect.

MarEx: You’ve pioneered a number of training concepts. The idea that “training doesn’t have to be conducted here” isn’t necessarily new, but the use of “mobile simulators” certainly is. Talk about your mobile “crane” simulators and why you think this aspect of your services is important.

Bihl: 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 –


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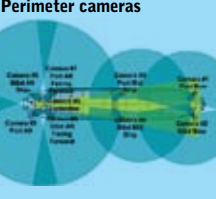
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MarEx: A unique aspect of MTC's operating scheme is your "focus on ROI." Give a good example of how the customer can document "changed behavior and performance" that

translated into actual savings. In this challenging financial climate, can this help generate increased business?

Bihi: It's about identifying the "gap" in competencies and then developing the solution to close that gap. In terms of the global downturn in the economy, the crisis has had the positive effect of making companies more open to listening to new ideas rather than just sending people to a course. Remember, 75 percent of the cost of training is typically salary and logistics: travel, lodging, etc. So only 25 percent determines the quality of learning. Everyone should be focused on trying to measure the ROI of the time and money spent on training. From the standpoint of the customer, it forces you to define goals and the definition of "success" from the outset. As an example, we just ran a big safety campaign for APM Terminals. And in the first quarter of this year alone, we have seen LTI rates drop by up to 50 percent. That means a lot in monetary terms, but on the human side it is huge. On another front, we were among the first to develop anchor-handling simulators. We'd had some accidents on our vessels and, of course, we did not like that and tried to do something about it. In 2001, we set about developing those simulators – not necessarily available at that time. Since then, we haven't seen an anchor-handling accident involving fatalities on Maersk vessels. Now we are upgrading those simulators so as to be able to recreate scenarios like the Bourbon disaster. We are working closely with Kongsberg on that project.

MarEx: Pick out one critical trend in maritime training that is only now emerging. What would that be, and why? Give us your slant on what you feel to be the biggest change in maritime training since you started with A.P.



"We set out with APM Terminals... 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. Our trainer comes down and runs the course the next day."

knew their educational background, etc. That's no longer true. How do you measure competencies across cultural and international boundaries? That is very hard. I'm not saying that our Danish system is better or worse than any other, but it is very complicated to judge the value of various graduate certificates. Fourteen different nationalities do not necessarily provide for a homogenous training experience.

MarEx: Your "vision" is to develop people and business for tomorrow. Your "mission" is to be a full-service learning provider. From our point of view, both goals should be interconnected. What's the difference between these two ideologies and where do they connect?

Bihi: Good question. Our long-term goals should be reflected in our vision. The mission is our everyday progress and work towards achieving that vision. How we accomplish that mission might change over time. We have strategy meetings every year to evaluate our mission and determine if it is still appropriate. That process is kicking off in August, actually. As a DNV-certified center of excellence, we want to be sure that the areas that we do cover are covered well instead of trying to be all things to all people over a broad range of subjects. The two are connected in the sense that only by focusing on the customer need – to gain learning and competencies – and only by focusing on the entire activity chain for any training and learning activity will you truly be able to develop not only individuals but also the organizations. Ensuring that the organization has the right competencies at the right time is crucial for any organization to achieve its goal.

MarEx: Good stuff. Thank you for your time.

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