

ShipTek 2009 Conference – IT Revolution in Maritime Industry

The impact of Managed Services on existing business process boundaries

A photograph of a red navigational buoy in the middle of the ocean. The buoy is cylindrical with a lattice structure on top and the number "2A" visible. In the background, several large ships are visible on the horizon under a blue sky with light clouds.

Gino Fiore
Singapore - May 6th, 2009

Navigating through this presentation

Content

The impact of Managed Services on existing business process boundaries

- Definition of Managed Services
- Value creation chains and business process boundaries
- How other industries re-define their value chains
- The maritime industry compared to other industries
- Innovation trend “solution and services oriented approach” - *Cloud Computing*



Definition of managed services

Managed Services

*purposely forged term
that sounds more sophisticated*

=

*the practice of transferring day-to-day related
management responsibilities as a strategic method to
improve effective and efficient operations*

or in other words =

Outsourcing

*widely used term
with debatable reputation*

The following Managed IT Services concepts
are also applicable to technical fleet management.

Ultimately it's about the key benefits of managed services

- **Competitiveness**
 - Focus on core business
 - Reduce and control operating costs

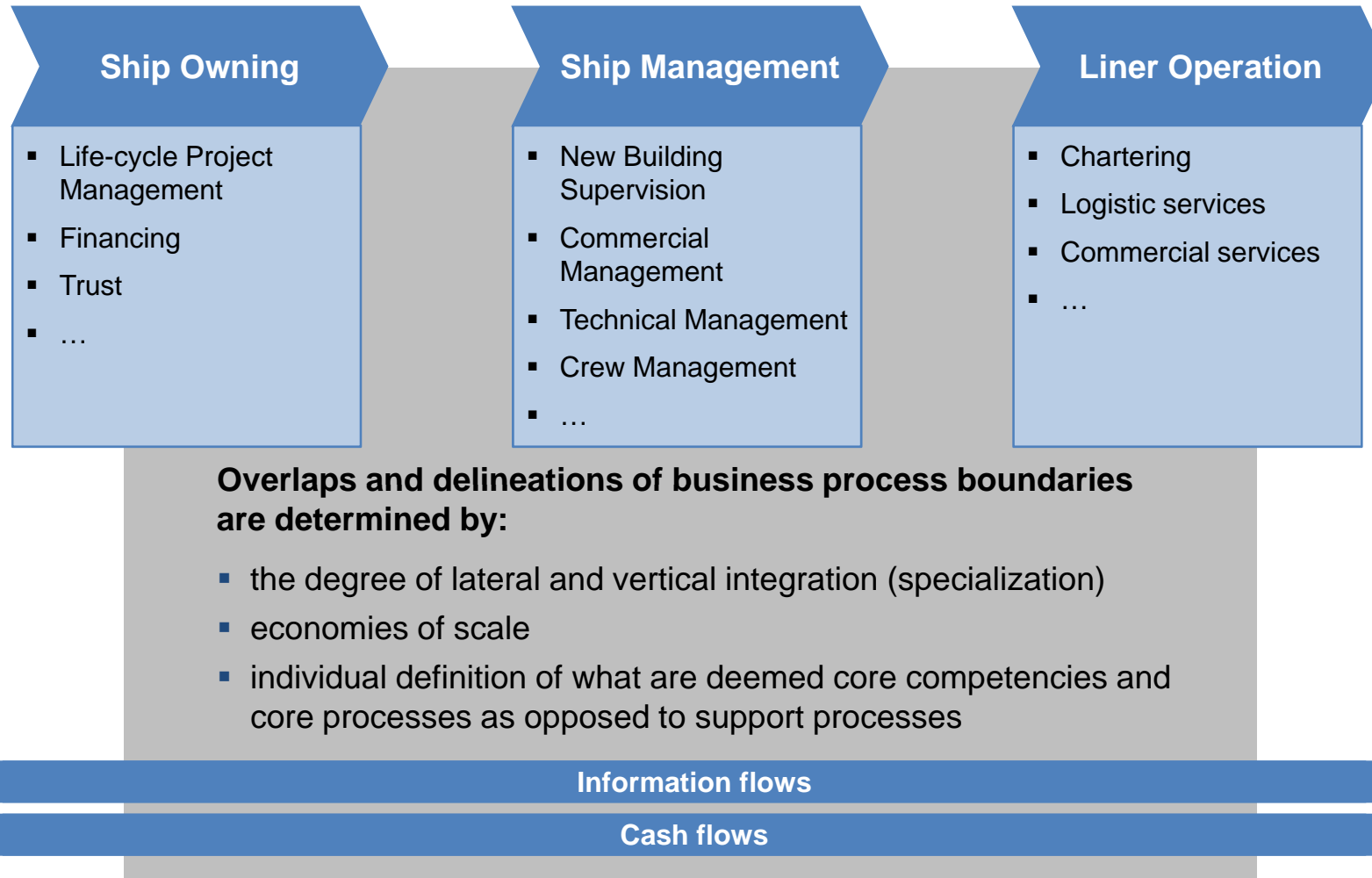
- **Flexibility**
 - Free resources for other purposes
 - Reduce complexity in technology and in business relationships

- **Responsiveness**
 - Access of complementary expertise
 - Ensure time and cost to market



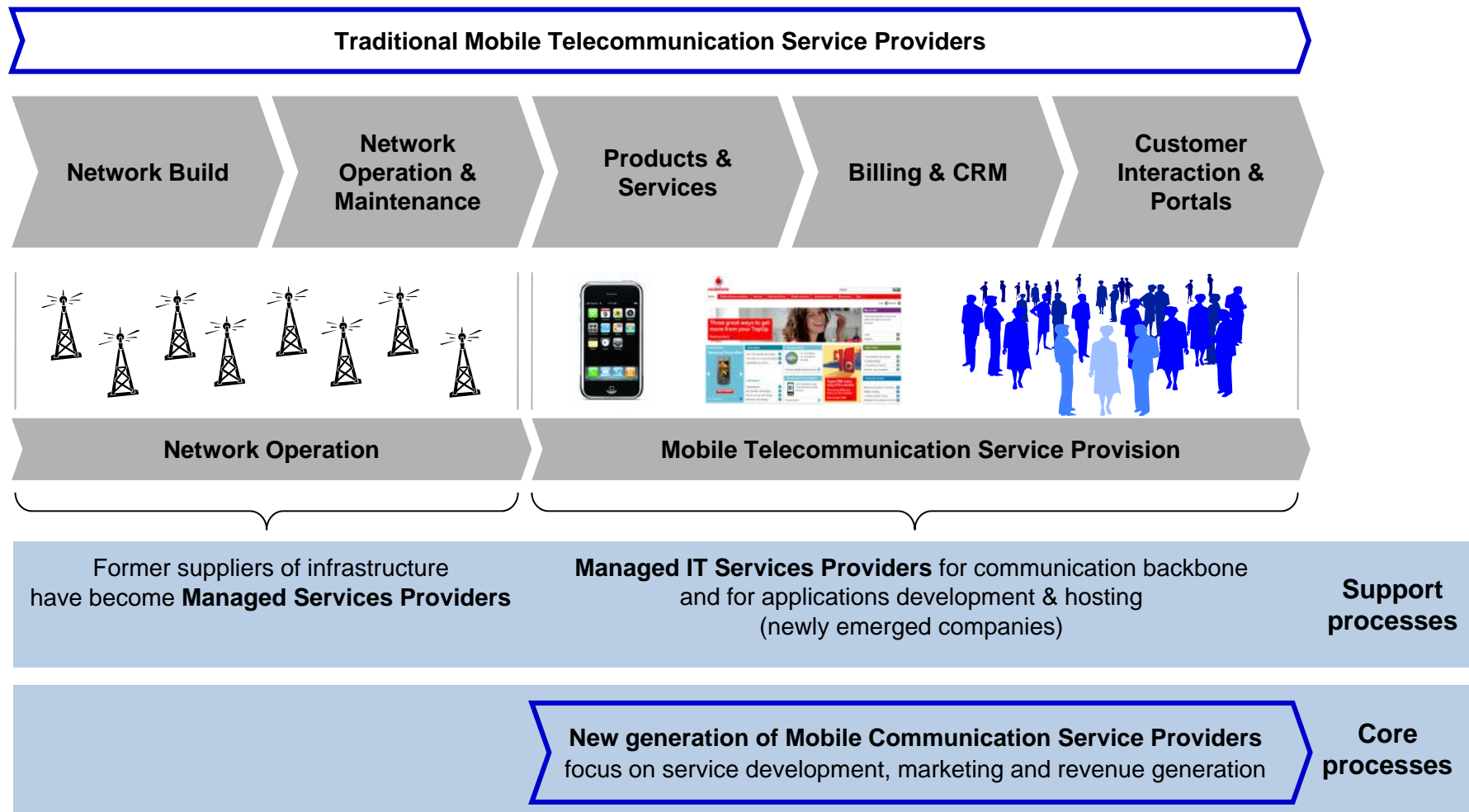
Every industry's value creation chain "does outsourcing"

Simplified shipping value chain section:



Shifts in telecommunications' value chain

Mobile telecommunications industry:



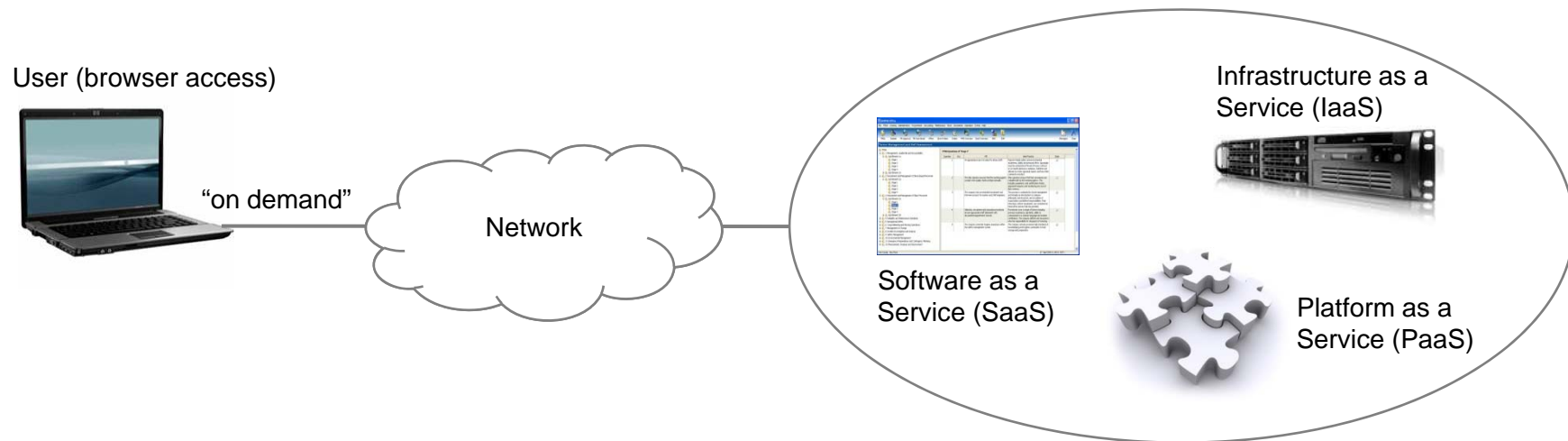
How does all that relate to the maritime industry?

- Boundaries of **core processes** are well established, e.g.
 - ship owner / manager / charterer
- Boundaries of **support processes** will shift for further optimization, e.g.
 - one-stop-shop for all machinery service and overhaul requirements
 - integration of multiple onboard automation systems into a single management system platform
 - managed IT services in response to growing complexity of technology and increasing user requirements
 - etc.



IT innovation trends in the maritime industry

As in other industries Cloud Computing is the new conquering IT trend



- The application/software is not installed locally. Instead it is accessed remotely.
- No software maintenance required
- No data and application server investment
- No server operation and maintenance
- Pay per usage

The main differences compared to the classic Application Service Provider are:


- shift from single-tenant-model to multi-tenant model
- new underlying **business model thinking**


Some well known early adopters of Cloud Computing solutions

Deutsche Bank  Customer relationship management

AVIS Customer relationship management

The New York Times Articles archive

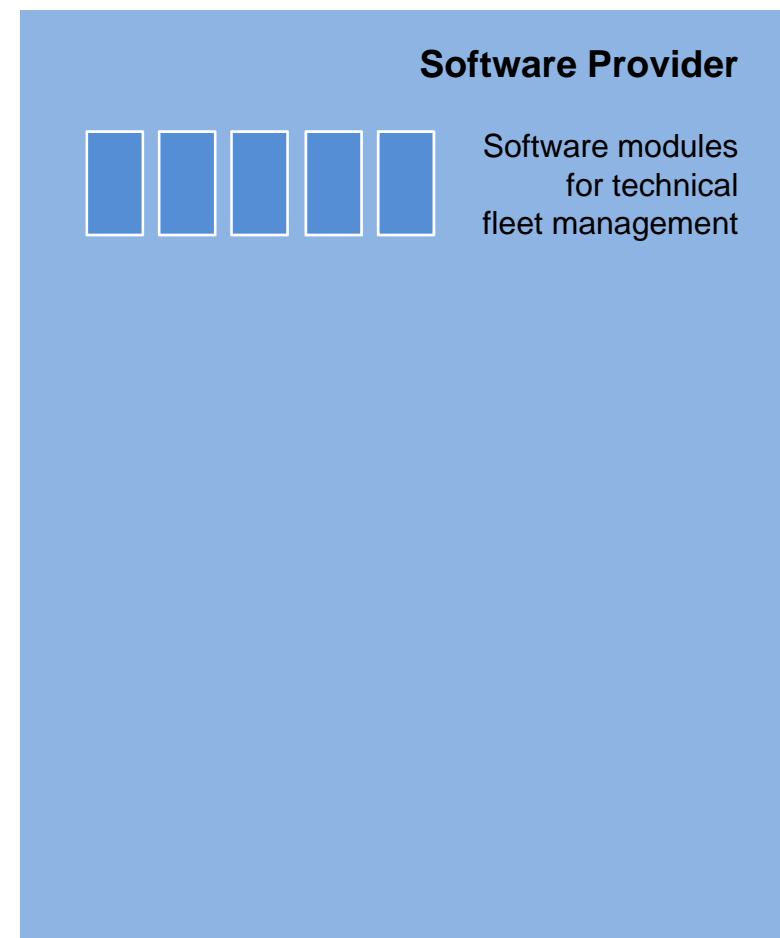
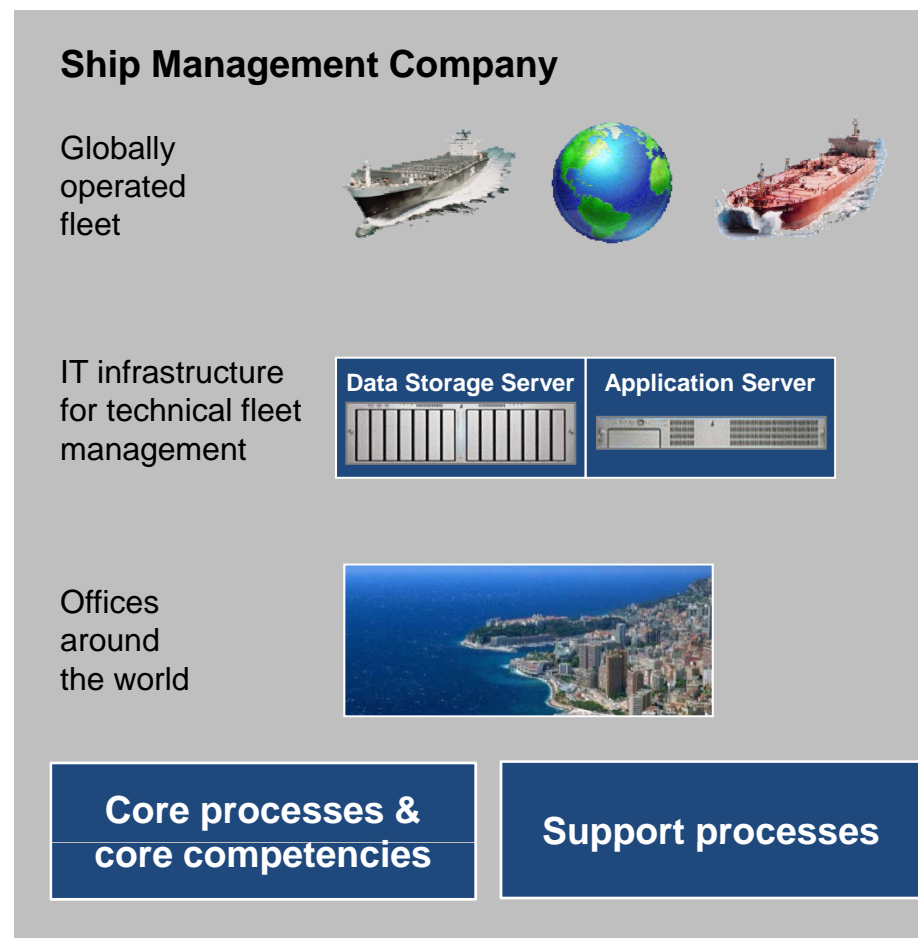
 Project management of new property developments

 IT infrastructure environment

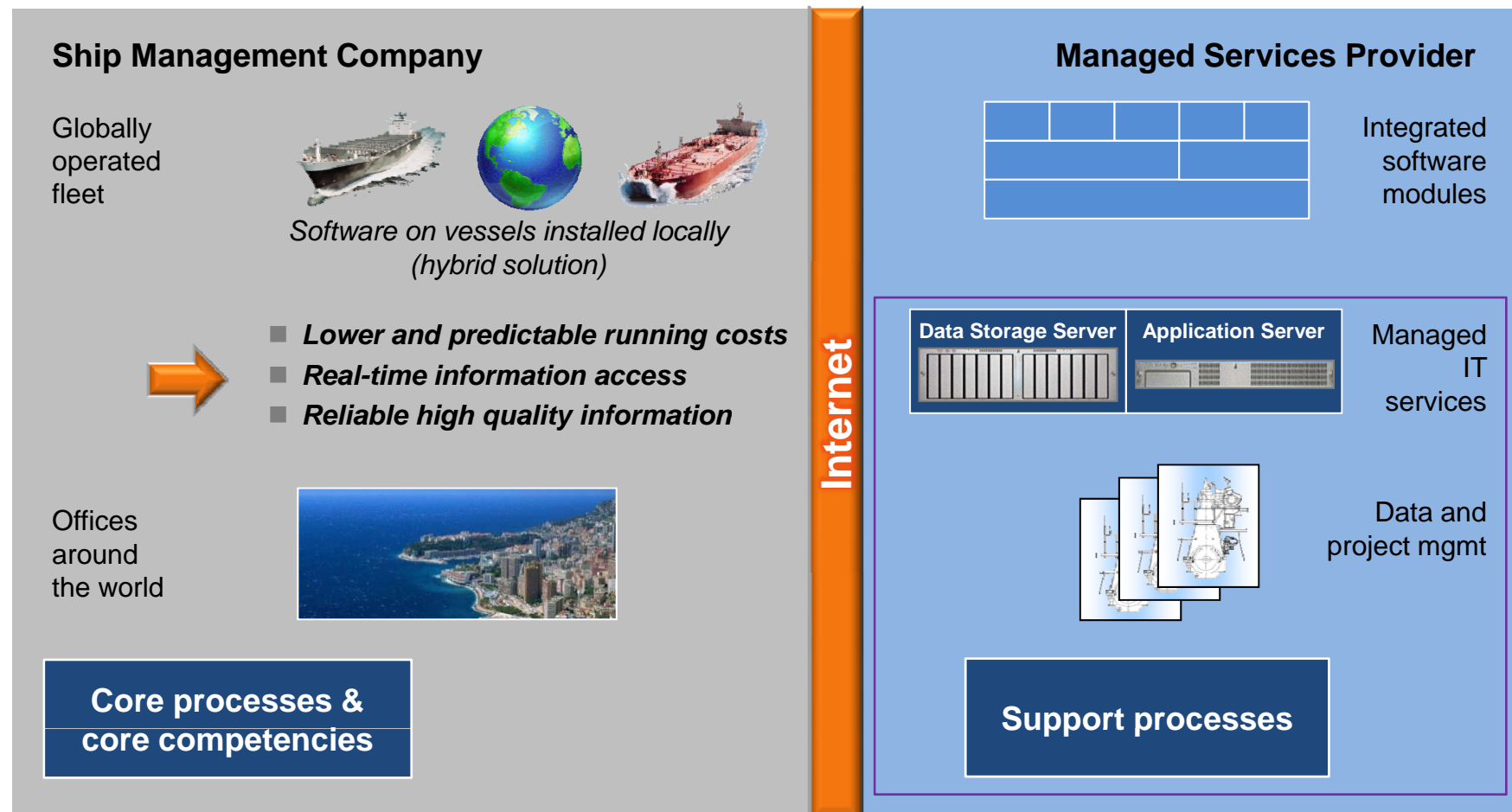
Source: customer reference cases published by cloud computing providers on various websites

Case example – Conventional approach

Costly in-house IT infrastructure and resources to manage data



Case example – innovative approach towards *Cloud Computing Managed Services allow to concentrate on core business*



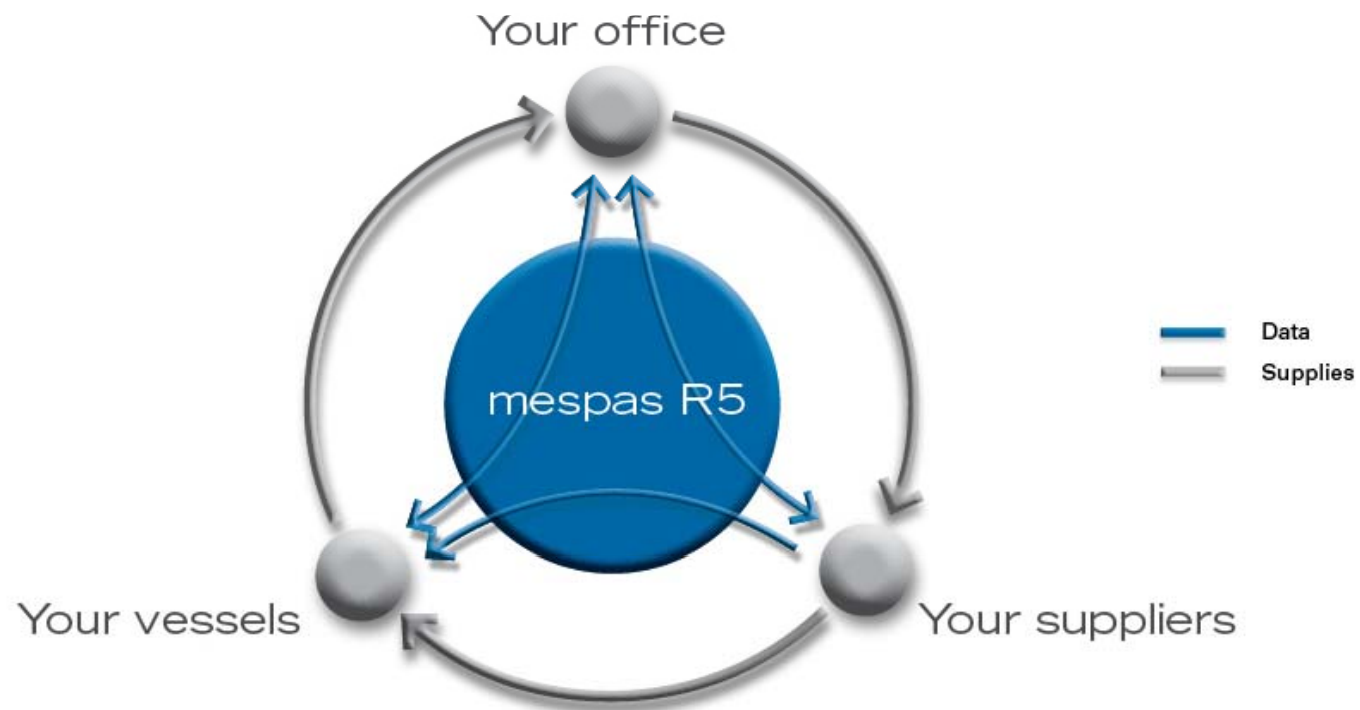
Final thoughts on the impact of managed services

- Shift away from simple software sourcing towards a “solution and services oriented approach”
- Like most technology evolutions: it’s a gradual transformation
- True opportunity for differentiation and cost improvement
- Historically, mariners have always explored new boundaries in navigation: let’s continue doing so in the modern times of shipping management



Solution and services oriented approach for technical fleet management software?

Yes, it already exists.



Thank you very much for your attention

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