

# Bringing in the experts

Columbia Cruise Services' director Olaf Groeger speaks to Jon Ingleton about the benefits third-party management services can bring to cruise companies

**W**hen it comes to the use of outsourced management services, some companies in the cruise industry have been quicker to identify and capitalise on the benefits than others. Whether for a specific function, an entire ship or a whole fleet, bringing in experts to improve operations and management practices can be a hugely positive move that can potentially save millions of pounds and relieve operational pressures.

Although the wider shipping industry has increasingly embraced outsourcing for many business-critical functions, it can be a challenge to get operators in the cruise sector to see the advantages of this model, says Groeger. "In the cruise industry, the default is to self-manage," he explains. "First you've got to convince the owner to outsource, then you've got to convince them to outsource to you." However, he believes that the cruise market is beginning to realise the role ship management can play in improving practices and efficiencies. This has led to the creation of a dedicated cruise division within Columbia Shipmanagement that caters to the unique needs of the industry. "One reason we've developed the new company is that if you're a ship owner, and you have a diverse portfolio of vessels, you have to cater for all eventualities," Groeger explains. "Many regulations that need to be met in the cruise industry are not

found in other sectors of the marine industry. The cruise industry continuously has to deal with significant changes, currently in regards to legislation, emissions and port relations.

With so many things to consider, employing an expert in the field can help companies find solutions more quickly and efficiently."

One significant area of expenditure for cruise companies is staff training – yet training schemes are often shaped to meet the needs of bigger organisations and are not customised to the specific needs of smaller operators. In-house training is also expensive and not worthwhile if companies only have a handful of staff. "Many smaller cruise companies run operations 'by the book', and deploying experts could improve efficiency in key areas," says Groeger. "By deploying a third-party management service, these companies can spend their available funds more wisely."

It would be wrong to think that ship management companies simply fulfil a glorified crewing role, according to Groeger. While crewing is a very important element of the service Columbia Cruise Services provides, it is only one part of the portfolio. In many cases, when a ship management company is deployed, the first areas to be taken control of are shipboard personnel or project-based consultancy. Once the third-party management company helps improve operations in these areas, this often leads to retainer work and then to full ship management. "With full management, we essentially cover everything, from technical services right through to crew services. We can also take ownership of specific individual management functions." The company currently has three full management and

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- Technical management
- Crew management
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- Hotel & catering management
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15 partial management or crew management service partnerships in place. Talks are also underway with a number of smaller cruise operators regarding the provision of advisory or consultancy services, with a view to eventually taking on a full-time management role.

Groeger expects ship management outsourcing to grow within the cruise industry and believes that Columbia Cruise Services is ideally set up to support owners as they explore the options. "The services we provide are tailored to the precise needs of the owner with absolutely no loss of control or quality," he says. "With this approach, we can help companies realise substantial savings across their entire operation." **C&F**



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