

Need for third-party managers rising with continuous outsourcing

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Need for third-party managers has been on the rise with vessel management continuing to be outsourced

The shipping industry has been grappling with its deepest crisis in history forcing shipowners to fiercely safeguard their cash. But at the same time, the dismal market environment has given third-party ship managers an opportunity to promote the advantages of their services. “Ship managers have a unique opportunity in this market where the asset owners are being constantly challenged with the rapidly changing environment,” said Synergy Marine Group chief executive Rajesh Unni. Asset owners have been traditionally very conservative in their approach, he said, and have not been able to keep pace with the changes in technology and the mindset of the current generation of manpower.

“We need to focus on talent ruthlessly and embrace the changing landscape in shipping be it technology, process or talent, as if our lives depend on it,” Mr Unni told Lloyd’s List in the sidelines of Synergy’s tenth anniversary event and conference in Chennai. “The current generation have different skill sets than that required for traditional operations and we need to change the way we operate rather than expect the youth to adapt to older methods”. Ship management which has long remained a fragmented industry is likely to see more consolidations, Mr Unni said. However, the need for third-party managers has been on the rise with vessel management continuing to be outsourced, he added.

The 43-year-old, who founded Synergy in 2006, is quick to point out that every ship manager has to find innovative ways to keep abreast of the times. “The key is however to build relationships with the right partners,” he said. “Cost effectiveness and good quality management is the mantra of ship managers.” “Ship managers need to look beyond traditional methods and see how a platform-based approach can be leveraged to reduce the

cost at the same time increase reliability and safety in operations,” he added. Synergy Group, a third-party ship management company, has a fleet of more than 130 vessels that range from product tankers to liquefied gas carriers and dry bulk vessels under its technical and commercial management. In many cases, the company also supplies the crews. The company first opened an office in southern part of India, Chennai and eventually moved its headquarters to Singapore. Over the years, Synergy has established itself as one of top players in the list of specialist ship managers in Singapore and have also bolstered its business by entering shipowning under a subsidiary called Global United. The company owns a mixed fleet of 12 vessels which includes gas tankers as well as bulkers. Although there is a realisation that the shipping industry is not an easy space to be in, Mr Unni hopes that with transformation of business models along with innovations in the service sector would help Synergy to bite the bullet.