

The Interview: Rajesh Unni

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Founder and chief executive of Synergy Group expects another acceleration in fleet expansion next year. But he is equally keen to discuss seafarer welfare and the benefits of encouraging more women to choose a maritime career

NOT MANY maritime executives tick quite so many eclectic boxes as Rajesh Unni. The 45-year-old is a modernist believer in the transformative potential of technology, a champion of women in shipping, a wellness at sea innovator, a Master Mariner and an alumnus of Harvard Business School. He is also the founder and chief executive of one of the world's fastest growing shipmanagement companies. Capt Unni's ascent in the world of shipmanagement has been rapid. Starting out as a deck cadet, he took command of his first ship at the tender age of 26 before moving ashore in 2000 to work for Fleet Management in Hong Kong. Just six years later he founded Synergy Group. Its expansion since has been impressive and, more recently, accelerating. In 2016 the company managed close to 100 ships but as Lloyd's List goes to press the fleet has passed the 185-vessel mark. And, with Synergy managing multiple newbuilding projects for existing owners and further organic growth anticipated, Capt Unni expects the fleet of bulkers, oil tankers, chemical tankers, gas carriers and containerships to swell to well over 225 during 2019. With offices located around the world, Synergy now employs more than 7,000 shore and sea-going personnel and trains thousands of officers and ratings each year at state-of-the-art centres located in Manila and Chennai. It might not be an industry behemoth just yet, but it is well on its way. Capt Unni, however, believes that size is not everything even as Synergy's fleet swells. Indeed, he subverts the typical debate over the benefits of economies of scale in ship management. "I think in terms of where we want to be, we want to be seen as a brand that people aspire to be," he told Lloyd's List from his head office in Singapore. "I think whether it is 50 ships or 400 ships, the key driver, or the key motivation, is what is deliverable on service and quality. "Second comes size. Big is only beautiful if economies of scale are achieved without compromising on tailored services without loss of management efficiency. I don't think it would be long before the people start talking about diseconomies of scale, where there are too many layers of management, lack of control and too many locations. "If you continue to do well with

what you have, growth generally happens. We've been fortunate. We started 12 years ago and we have not seen a year where we have not grown." According to Capt Unni, even though the shipmanagement sector has seen rapid consolidation in recent years, the purchasing cost reduction benefits of a larger fleet — often a key touchstone for executives pursuing and justifying expansion via mergers or acquisitions — are also often overplayed. He believes operational and resource capacity and flexibility are far more important in terms of delivering for customers, especially for clients that are expanding. "In terms of economies of scale, a lot of people talk about purchasing benefits," he said. "But honestly, that's not such a game changer. If you have a very good negotiations team you can still manage to achieve a lot irrespective of your size. The benefits of scale are in liquidity. "Let's say a financial institution or another investor is looking to buy a fleet of 20 tankers today, who can manage these ships? Who has the manpower to man these ships and quickly comply with the requirements of, say, oil companies? "There are not many companies who can say they can do that, certainly not without screwing up what they already manage. "But today we can take on 20 tankers at short notice without compromising the quality management of the rest of our fleet." In future, however, size might become more important as technology transforms shipmanagement. "I think the technology is there but is it mature enough to run a 600-ship platform? I don't think it is there yet. "But in the future, definitely — technology will help people manage scale a lot better. But today I don't think the technology is there yet to manage 600 ships and still provide a customised service."

Gender equality champion

Capt Unni sees improving the efficiency of crew recruitment as critical to expansion and, for him, this goes hand in hand with promoting gender equality at sea and employing more women across the Synergy Group. In the last year the company has increased the number of female seafarers deployed across its fleet by 200%. Captain Radhika Menon (Ms), winner of the 2016 International Maritime Organization award for exceptional bravery at sea, has been appointed as sailing master and company ambassador and tasked with mentoring young women eager for a seafaring career. Capt Unni has also kick-started the recruitment drive in the Philippines with the placement of the first female cadet on a gas tanker. "In our offices right now, other than the Philippines where the women outnumber the men considerably, we would be very close to 50-50, or maybe 40-60, but I think we need a 50-50 balance," he said. "Now, on the ships, we are far away from that. We only have a handful of [female] sailing officers. But we want to double that this year if we can find the right talent. People say it's hard to find people willing to go to sea, but for the most part as an industry we are only recruiting among the male section of the population. "There are cultural challenges and sometimes there can be operational challenges also, but often that's an education issue. But as well as being the right thing to do, it also makes sense to try to open up the recruitment market. We aim for 50-50." Separating management speak from practice can often be difficult, especially where corporate social responsibility policies are concerned. But Synergy under Capt Unni is backing good intentions with hard cash and tangible action, particularly in the sphere of seafarer welfare. At the end of August this year the company signed a memorandum of understanding with the Tata Institute of Social Sciences in Mumbai to set up a dedicated, free 24/7 psychological helpline for seafarers in 10 different languages. This was inaugurated by Dr Malini V Shankar, India's Director General of Shipping, in Delhi on September 18. The reasoning behind setting up the line was relatively straightforward from Capt Unni's perspective. "Somebody recently told me about lots of suicides these days, and I was shocked to learn it was mostly Indian seafarers between a particular age group," he said. "We

immediately decided to create a 24/7 counselling centre for anybody who's sailing, not just Synergy."

Seafarer welfare award

In recognition of his efforts over the last two decades, earlier this year Capt Unni was awarded the Seafarers Welfare Award by The Mission to Seafarers for making welfare a core Synergy value. It was a timely recognition for one of shipping's more philanthropic executives who is known for spreading his time generously. He currently serves on the boards of North of England P&I Association, the Asia-Pacific Advisory Committee of major classification societies and the Indian National Ship Owners' Association. He also spearheads Synergy's social responsibility initiative, is a Trustee of Cochin Cancer Society and a "strategic thought partner" with Ashoka, a leading non-governmental organisation. "In a nutshell, I think for me the bigger purpose of life is to be able to add value to the society around you," he said. "That is more important than looking at the balance sheet and P&L every day. At the end of the day, if you are not able to look back and say you gave more than you took from this world, then for me I'd have a sense of dissatisfaction." His charitable ambitions are far-reaching, but Capt Unni is more circumspect when asked about how high he sees Synergy soaring in the world of shipmanagement in the years ahead. "I don't want to say that we want a 500-ship company in five years," he said. "I think rather we want to be the brand people desire to be when they talk about ship management. "It could range anything from being a great place to work or the value that we deliver to our customers and our stakeholders or about ensuring that our people come back home safely. Or delivering cargo in the most safe and efficient manner. Or even about leveraging technology for the benefit of everybody. "I just hope we're a 'good' company, as well as a successful one."