

SURVITEC GROUP

Driving down operational costs



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A slowdown in global commodity markets alongside the Greek financial crisis means the country's shipping industry is facing another tough year. Greece's merchant fleet includes about 4,000 vessels, which represents about 16% of global cargo tonnage. Malcolm Barratt, Survitec's Global Hire Sales Manager, explains how he is working with the industry to help drive down operational costs for Survitec's customers without compromising on safety.

In what ways can Survitec help customers manage the cost of compliance with the international safety regulations on liferaft servicing?

At Survitec we are continually working with ship owners and ship managers to improve their operational efficiency and drive down costs. This may involve providing flexible longer-term contracts, introducing a liferaft hire programme, leveraging our network of suppliers and service stations or simply making the most of our wide product offering by purchasing more items from a single supplier. In recent years there has been a growing interest in our Global Hire programme as vessel owners and operators explore new ways to reduce annual servicing costs, control budgets and increase operational efficiency.

More specifically, how can Survitec's Global Hire programme help?

Shipping companies can benefit enormously from a switch to hiring, rather than purchasing liferafts, for their fleet. Our programme combines the concept of exchange hire with extended liferaft servicing. With exchange hire, customers no longer have to consider the complexity and frequency of liferaft servicing. Survitec simply exchanges a vessel's liferafts when they need to be serviced.

The system is quick and efficient. As soon as the vessel docks, the switch is made. A newly certified raft replaces the existing unit. There is minimum disruption. This makes it much easier to work around more remote or difficult ports and vessels spend less time in port. The customer also spends less time managing the servicing logistics. Combine this approach with our latest RFD Extended Service Liferaft (ESR) and you are on to a winner in terms of the overall cost of servicing. Our 'intelligent liferaft' only requires servicing once every 30 months. The product features intelligent sensors that can feed information to an external monitoring device. This allows the raft's condition to be checked while in service by a ship's crew. It means our liferafts can comply with the International Maritime Organisation (IMO) guidelines (IMO MSC.1/Circ.1328) on extended service intervals.

What sort of savings could a typical ship operator expect?

The financial benefits of an exchange hire package using Survitec's RFD Extended Service Liferaft (ESR) are typically around 20-25% compared with a traditional procure-and-service approach. With exchange hire, costs are not only predictable but the overall cost of ownership is lower. There is no capital investment, depreciation or transport costs to consider. On a typical five year contract the liferaft is exchanged just once. Compare this to the servicing or exchange of a traditional liferaft, which would be four times in five years.

Survitec's Global Hire package has been popular with cruise operators for a number of years. What about other vessels?

All types of vessels, from container ships and tankers through to bulk carriers, are now benefiting from the reduced costs, increased flexibility and operational efficiencies that come from our Global Hire programme. It is proving increasingly popular with the large ship management companies, whether operating in local or global waters. We offer a range of flexible exchange hire contracts from 5 to 10 years. At the end of the term the agreement can be extended at a discounted rate. Contracts can also be terminated early without onerous penalties. Our list of satisfied customers now includes a growing number of European shipping companies.

Can you point to any specific examples?

One company that has benefitted from this approach has been Chemikalien Seetransport (CST) GmbH, which operates a fleet of 29 vessels from its main office in Hamburg and a satellite office in Cyprus. In late 2013 CST decided to unify its approach to installing and servicing liferafts. It wanted to have one type of raft installed on all of its tankers and bulk carriers. It was a logical decision that made sound business sense. By opting for our Global Hire package they have managed to make significant savings, particularly on the cost of using transportation barges in remote ports. The company has also cut the time and cost it spends on administration.

How big is Survitec's Global Hire programme worldwide?

Survitec Group is a global leader in the manufacture and service of safety and survival equipment and our Global Hire programme has a proven track record in the industry. Now in its tenth year of operation, we currently have 9000 hire liferafts in operation of which over 5000 are extended service liferafts on exchange hire contracts. Through our representatives on the ground, our local service station network and our partnerships with reputable local agents, we offer our customers in Greece support 24/7 on all global hire contracts. Survitec is a well-established player in this market and we believe the concept of exchange hire, underpinned by the extended service liferaft, has truly come of age.