



# Investment & Risk Management in Shipping

*Seizing the Initiative,  
Regaining Control*

Marsoft &  
Nanyang Business School

Singapore  
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It is difficult to fully assess the risks and opportunities in today's markets – the uncertainties are so great.

Decision makers may easily give up in frustration, stick with the status quo, and await irrefutable evidence of the market direction. But this approach may be what McKinsey describes as “recklessly cautious.”

Leaders must make educated decisions now, carefully weighing the uncertainties as well as the costs and benefits of taking action.

Leaders must address three key areas beyond their daily challenges if they are to seize the initiative and regain control:

- Recognize the forces shaping today's markets and those that will drive future markets. No one has a crystal ball; however, we must make educated assumptions about the future or we cannot take the initiative.
- Anticipate and learn to successfully negotiate complicated agreements with partners who may be experiencing intense pressure and a shift in the balance of power.
- Create a lean organization and aggressively reduce costs by streamlining operations, maintaining morale, and investing in the right resources for future challenges.

*“Today, more than ever, we need the intellectual stimulus and exchange of ideas that the annual IRMS delivers.”*

Greg Wight  
President & CEO  
Algoma Central Corporation

*“Opening months are never the same as closing months, viz 2008, ditto 2009. IRMS will be an excellent platform in 2009 from which to reassess the word “risk” in shipping.”*

Sanjay Gattani  
General Manager (Finance & Accounts)  
Tata NYK Shipping Pte. Ltd.

The Investment & Risk Management in Shipping Forum (IRMS) is the foremost conference for shipping and maritime finance industry leaders. Marsoft and Nanyang Business School, in partnership with BI – Norwegian School of Management, have assembled a team of seasoned instructors with exceptional academic and industry credentials.

Directors, principals and senior management will debate how to preserve equity, retain financial stability, and position their organization for growth. IRMS encourages cross-industry discussions, and provides opportunities for participants to learn and share experiences and perspectives. Attendees will learn how to create strategies to address important issues, such as shipping markets, economic drivers, financing, and managing and leading in challenging times.

## The 2009 Forum: *Seizing the Initiative, Regaining Control*

### Focus on Asia

**Singapore's Nanyang Business School (NBS), one of the top three universities in Asia, will host the 2009 IRMS Forum.** NBS is the first and only Singapore Business School to achieve a top-25 international ranking for its MBA program (2009 Financial Times), and many of the world's business leaders graduated from this school. NBS faculty members will discuss Asian management issues at IRMS 2009.

#### **Asian Manufacturing for Western Consumption – Will That Paradigm Change?**

How the United States and China resolve their trade and financial crisis will affect the global economy and dictate how—and when—the world recovers. The Forum will address this issue and identify which key factors leaders should track.

#### **Cultural Intelligence**

The shipping industry is culturally diverse and we all bring different perspectives to our common challenges and problems. Chinese and Korean owners view, and negotiate, in different ways from Western nations, for example. As the shipping industry navigates complex challenges, this cultural intelligence will help us create value and sustainable competitive advantage.

#### **Family Business**

Over 80% of all businesses worldwide are family-owned. NBS's Professor Fock will explore the special strengths and challenges of inter-generational businesses in the shipping industry, including succession planning, sibling rivalry and nepotism.



*Just a few months ago, a global recession of this magnitude would have been inconceivable.* Now a return to better times seems just as unlikely.

It's difficult to anticipate, and plan for, potential short-term scenarios, and some leaders may believe it's not worth the time and effort. The IRMS market assessment sessions are an effective setting for participants to explore these potential market developments.

This is not just another business cycle. Shipping is changing. Shipping banks are disappearing. Shipyards are growing, consolidating, and shrinking – all at the same time. Charterers are walking away from contracts, and some owners are vanishing.

The industry track at IRMS 2009 will address structural changes occurring in our business, what these changes will mean for the future, and how we can maintain and build equity in our businesses.

#### **Distressed Values**

When ship costs plummet by 75% and there are no pricing benchmarks, how do you value your fleet? IRMS will use historical data and develop potential scenarios for evaluating when the time is right to buy second-hand tonnage, how to value distressed assets, and what future developments we should expect in

ship prices. We'll discuss whether future rates and prices will be determined by low new-building prices, or if pricing will return to familiar levels.

#### **Shipyards in Trouble**

The heady days of the past no longer seem possible in the shipping industry. At IRMS 2009, we will explore what shipyards may face during a recovery, the real cost of building ships, what's next for China, and how Korea and Japan will protect and restore their businesses.

#### **Shrinking the Orderbook**

How can we count on cancellations to ease the prospect of a surge in deliveries? Is scrapping likely to help bulkers and containerships as well as tankers? Can cancellations and conversions bail us out? The IRMS faculty will help participants work from fundamentals to explore these questions.

#### **Investment in Shipping and the Availability of Capital**

Since 15th September and the demise of Lehmann Brothers, the rules have changed. Bank debt options have all but shut down. At the same time, the credit crunch and re-pricing of real and financial assets have created attractive investment opportunities, drawing new hedge fund investors to shipping (and other) industries. This session will explore prospects for shipping investments and shipping bank capacity in sessions on tanker, dry bulk, containership and shipbuilding markets.

*As a leader, how do you adapt to the changing market?* How do you work with your board and organization to stay nimble and effective? What lessons can you learn from others facing the same crisis?

We'll answer these questions in the management track of IRMS 2009.

#### **Leadership: Asian Perspectives**

Unlike management practices from Western cultures, which focus on leaders' roles and functions, Asian businesses emphasize the values and qualities of the leader. In other words, there is less emphasis on how-to models of leadership. Instead, Asians believe the most effective model of leadership lies within the leader. This session will present leadership perspectives from three of the greatest Chinese ancient philosophers: Sun Zi, Confucius (Kong Zi) and Lao Zi. In particular, we will discuss the concept of an enlightened leader.

#### **Crisis Management**

Managing effectively in a crisis requires a shift in strategy and management approach. Professor Peter Lorange will discuss five

key issues for crisis management: clients, shift in stakeholder focus, cost discipline, shipping cycles, and ethics.

We'll use case studies from the shipping industry to shape our thinking about strategy in crisis; to examine what worked—or didn't—in the last shipping cycle; and to plan for how we can re-emerge leaner and fitter for the next cycle.

#### **Role of the Board and Global Financial Markets**

Dramatic change is also under way in global financial markets. Players are disappearing and business structures are changing. Corporate boards are under increasing pressure to improve governance.

We'll analyse these trends and provide a framework to evaluate performance, anticipate restructuring requirements, and assess how firms are positioned for the post-crisis environment.



## Fee 2009

\$6,000 for first participant and \$4,500 for each additional participant from the same company and for previous participants.

## NB

The fee does not include accommodation and is subject to adjustment. Please note that applications registered before 30th August 2009 receive a 5% reduction.

## Who should attend?

- Shipowners and their boards of directors
- Charterers and shippers
- Shipping investment and risk management professionals
- Senior financial and marketing managers
- Business development teams
- CEOs of shipping finance institutions

Marsoft and Nanyang Business School have designed IRMS 2009 to be a platform for decision makers in the shipping industry to share knowledge and experiences with their peers.

Marsoft is the world's leading maritime consultancy. It helps clients develop and execute effective strategies. Nanyang Business School is ranked by the Financial Times as one of Asia's top three business schools. Together, we will challenge and extend your

understanding of the current financial crisis and its impact on our industry. We'll evaluate potential future scenarios, and identify how to position your company for the inevitable rebound.

Through active discussion, participants will identify potential strategic and tactical initiatives they can apply to their own companies. In past forums, companies found it beneficial to send participants from general management, finance, and marketing or the board, so attendees can consider ideas through the lens of their own organization and role.

The word "crisis" comes from a Greek word meaning "turning point." By attending IRMS, you will evaluate strategies for turning crisis into opportunity.

## Faculty

### Program Directors:



**Dr. Arlie Sterling**, President of Marsoft, advises shipowners, investors and financial institutions on how to develop and execute effective investment, chartering and risk management strategies. Dr. Sterling has a Ph.D. from MIT, Sloan School of Management.



**Dr. Nilanjan Sen**, Associate Dean of Nanyang Executive Education, conducts executive training programs for Cornell-NTU Institute, Center for Research in Financial Services, and CFA review programs for the Financial Training Company. Dr. Sen received his Ph.D. from Virginia Tech and was a faculty member at Arizona State University prior to joining NTU.

### Distinguished Faculty:



**Professor Peter Lorange**, B.I. Dr. Lorange was until 2008 President of IMD and is currently Kristian Gerhard Jebsen Professor of International Shipping at IMD. Dr Lorange's special interests lie in strategy and global strategic management. He holds a DBA from Harvard University.



**Professor Fock Siew Tong**, Nanyang Business School. Dr. Fock Siew Tong is the Associate Dean of External Relations. Prior to joining NBS, Dr. Fock was Managing Director and CEO of the Singapore offices of top New York and North American banks. He's won many awards as an outstanding professor, and for his research on entrepreneurship and family business. Dr Fock obtained his Ph.D. from the University of Bath.

For full faculty information and forum schedule see [www.marsoft.com](http://www.marsoft.com)

### Information and Registration:

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