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"The Values are the load-bearing pillars of the Maersk Group," Chairman of the Foundation, Ane Mærsk Mc-Kinney Uggla says in an exclusive interview. The Group's five Core Values, which were set in stone by her father Mærsk Mc-Kinney Møller in 2003, originated in the family home, she explains.

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**MEET APM SHIPPING SERVICES** | The newest Maersk Group business unit unveiled a new name and set out its growth strategies at the Capital Markets Day in September. Its CEO, Morten Engelstoft, tells Maersk Post how a diverse business plans to meet its targets.

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With oil its main source of foreign currency, Nigeria is keen to diversify its export base. Cash crops such as cocoa are a key element of this drive, but they must make the vessel as planned, every time.

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### "Aim for the fifth floor"

**VALUES AT WORK** | Former professional football player, airline entrepreneur and current country manager for Damco in Cameroon, Alphonse Bea lacks neither drive nor ambition. After two promotions in a year, he wants to be CEO of Africa and the Middle East. "If you want to reach the third floor, aim for the fifth," he says.

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# The true cost of corruption



Nils S. Andersen, Group CEO

> One of the most serious risks we face as a global business is corruption. Many of Maersk's operations are in countries where corruption is a widespread risk, despite it being illegal.

The consequences can be devastating. Corruption erodes the trust necessary to create stable economic growth. It increases the cost of doing business, eliminates the level playing field and for us poses severe legal and reputational risks.

The Group has a zero-tolerance policy towards bribery. We have trained thousands of colleagues globally through our anti-corruption programme, and are leading the way on efforts such as the Maritime Anti-Corruption Network.

Our employees are showing determination in stamping out facilitation payments – an all-too-pervasive practice in the shipping industry. In this Maersk Post, Maersk Line captains explain how they were able to refuse demands for facilitation payments. I hope their success inspires others to take their lead and eventually we can eliminate this damaging practice altogether.

Globally, scrutiny from governments on how we conduct our business is increasing as countries introduce tough new anti-corruption laws – Brazil and China being two recent examples.

As regulators toughen up, so too do our customers. To win business we must be able to demonstrate our compliance with all relevant anti-corruption laws.

Breaking anti-corruption laws can trigger multi-million-dollar penalties. Yet while the financial costs would be staggering, they do not reflect the true cost of corruption to the Group.

**“The commitment to our Values means being upright in our actions so we can be proud of the work we do”**

This would be the irreparable damage done to Our Name – one of the Group's Core Values – which as Ane Mærsk Mc-Kinney Uggle, daughter of Mærsk Mc-Kinney Møller, reminds us in this magazine, have been embedded in our company since its foundation and must be carried forward by us today.

The commitment to our Values means that for us, business is not all about money. It's also about maintaining high ethical standards. It's about being upright in our actions so we can be proud of the work we do. And it means taking a stand against corruption, whatever the circumstances and wherever we are in world. 🇳🇴

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# Adding flavour to Nigerian exports

**SUPPORTING GROWTH |** With oil its main source of foreign currency, Nigeria is keen to diversify its export base. Cash crops such as cocoa are a key element of this drive, but they must make the vessel as planned, every time.



PHOTO: TOM LINDBOE

*Aided by booming demand, cocoa is a real success story, with 2013 exports reaching USD 1.2 billion out of total non-oil exports of USD 3 billion.*

BY ANDERS ROSENDAHL

> “We also grow other things, but we focus more on cocoa because of its profitability,” explains Chief Akanmu Akinsumbo of the Olora Community, a farming collective in rural Nigeria.

The local school is the first thing you pass when you pay the Olora Community a visit. Export revenue from cocoa farming has not only paid for the school, but

also for additional teaching capacity. Located about 150 km north of Lagos and another couple of kilometres down a dirt road after the paved section ends, the Olora Community’s entire population of 2,000 is involved in cocoa farming.

## ON TIME, EVERY TIME

During the peak season, Saro Agro-Allied, an agro-commodity exporter,

drives to the village every week to pick up cocoa by the tonne, before processing it and preparing it for export. Last year, all of the 1,200 containers of cocoa that Saro Agro-Allied exported out of Nigeria left on Safmarine vessels, an unusual exclusivity that is not lost on Maureen Ogadi, Safmarine’s export manager for West Nigeria.

“It is a real vote of confidence,



PHOTO: TOM LINDBOE

*According to Chief Akanmu Akinsumbo, the Olora Community in rural Nigeria education and good farming is linked: "We want our children to be better enlightened. We want them to be able to go abroad and we know that all this can start with the school. It is good for someone to be educated, and we also hope this will give us an edge in the market place."*



PHOTO: TOM LINDBOE

*The local school is the first thing you pass when you pay a visit to the Olora Community, a farming collective in rural Nigeria. Export revenue from cocoa farming has not only paid for the school but also for additional teaching capacity.*

and it translates into big demands on us. Being a cash crop, cocoa must make the vessel as planned, every time. So we have to have built-in layers, and there are a lot of extra processes to follow to make sure that happens," she says.

#### AGRICULTURE AS A BUSINESS

Seeking to diversify its export revenue, of which oil accounted for 90% in 2012 according to the The World Bank, Nigeria has looked to agro-commodities in recent years. Aided by booming demand, cocoa is a real success story, with 2013 exports reaching USD 1.2 billion out of total non-oil exports of USD 3 billion. This year's cocoa export is expected to reach a value of USD 1.5 billion.

"The key thing for these agro-commodities is to make sure that people find it profitable," says Professor Ndubisi I. Nwokoma of the University of Lagos.

"Therefore, the government has taken steps to convince people to see agriculture as a business, not just something for people who cannot find jobs elsewhere."

A partnership between Saro Agro-Allied and the Olora Community aims to increase the production further, as the exporter supplies fertiliser and other yield-enhancing techniques.

"Increased production comes

through the farmers, and we believe in synergies. So we work with farmers to increase their yield. That benefits us as well as the farmers, who get a substantial part of the revenue," says Monday Awulu, Managing Director at Saro Agro-Allied.

#### HUNGRY FOR MORE

The Olora Community is keen to increase its cocoa production. The income can make a real difference for them, as Chief Akanmu Akinsumbo explains.

"The school we constructed was built with mud, so we hope to build a cement school building with blocks. We also want an antenna because the network in the community is poor, and a good hospital. When this happens, that is when we'll know that the cocoa business has done well for us." ✪



*Watch this video to see what cocoa means to Chief Akanmu Akinsumbo and the rest of the Olora Community in Nigeria.*

#### Enabling West African trade

In 2014, Nigeria overtook South Africa as Africa's largest economy. A statistical revision saw its 2013 GDP jump to USD 509 billion – well ahead of South Africa's, until then the continent's largest at USD 350 billion.

Nigeria is committed to also becoming one of the world's top 20 economies by 2020, and expanding trade with other countries is an important part of its strategy for growth.

Maersk Line's deployment of 22 WAFMAX vessels in 2012 underlined its commitment to this market including Nigeria. With a capacity of 4,500 TEU (twenty-foot equivalent units), the vessels, specifically designed to service West African ports, are the largest in the region.

Most of the cargo carried on these ships originates in Asia, making WAFMAX an important element in the infrastructure needed to handle the expanding trade between Asia and West Africa.

#### Exports in a nutshell

- 90% of Nigeria's export revenue in 2012 came from oil.
- All of the 1,200 containers of cocoa that Saro Agro-Allied exported out of Nigeria left on Safmarine vessels.
- With 2013 exports reaching USD 1.2 billion out of total non-oil exports of USD 3 billion, cocoa is a real success story.
- In 2014, the cocoa export is expected to reach a value of USD 1.5 billion.

# THE VALUES

## are constant in a complex world

**GROUP CORE VALUES |** Although first presented on paper in 2003, the five Maersk Group Core Values have been a part of the business for more than 110 years. In an exclusive interview with Maersk Post, Chairman of the A.P. Møller Foundation, Ane Mærsk Mc-Kinney Uggla, expresses how the Values are the load-bearing pillars of the Group.

BY CHRISTINE DRUD VON HAFFNER

**W**e meet Ane Uggla in the sand-coloured villa opposite the Maersk Group headquarters in Copenhagen. The blue walls of her Foundation's office are decorated with family portraits, and there is an atmosphere in the room that reminds the visitor of history and shipping.

When Ane Uggla speaks, she speaks on her own behalf but also as a representative of 110 years of family ownership. It is therefore with great thoughtfulness that she addresses the Group Core Values.

"We all grew up with values, but how does one also communicate the aspects that have been passed on implicitly?" Ane Uggla asks, while welcoming the challenge of focusing on the family values that her father so very carefully refined into five passphrases: Constant Care, Humbleness, Uprightness, Our Employees, Our Name.

### LEAVING THE BRIDGE

These five guiding rules were handed over on a special day in December 2003, when her father invited the top 50

### The Group Core Values

- Constant Care
- Humbleness
- Uprightness
- Our Employees
- Our Name







*Chairman of the A.P. Møller Foundation, Ane Maersk Mc-Kinney Uggle: "We all grew up with values, but how does one also communicate the aspects that have been passed on implicitly?"*



> leaders of the company to his private home north of Copenhagen. Mærsk Mc-Kinney Møller had decided to leave the bridge but, as he put it, retain his cabin, as he stepped down as Chairman of the A.P. Møller – Mærsk A/S Board of Directors but remained Chairman of the Foundation.

"It was an emotionally strong moment for my father and for everyone present to witness how he passed on his lifelong calling, his lifeblood to future generations. It was sincere and reflected his passion for the company. The Values are governing principles that have carried the

business for more than a century, and I believe they have the strength to carry the business into the future," Ane Uggle says.

According to Ane Uggle, there is no doubt that the Values have existed in the Group since the very beginning in 1904, emanating from the family home.

"They were first formalised in 2003 but they have been lived out without being explicitly expressed from the very beginning. This is what makes them authentic, genuine, valid and integrated into the business."

Ane Uggle responds quickly when asked to give an example from her own upbringing as to how the Values were lived out in the family.

"Uprightness, 'our word is our bond' are the words that first come to mind when the family and I think of our father. He was trustworthy as a person and a personification of that value as a father. He demanded no more from others than he was willing to do himself."

Another episode illustrates a family value never to become complacent.

"I remember asking my father whether he was happy and content after his return from the United States, where he had been given major and difficult managerial re-

sponsibilities that he had embraced with flying colours. But no, he was hardly ever content – he was always looking ahead," Ane Uggle says.

Humbleness was also at the core of her father's interaction with competitors – and this is one of the lessons that Ane Uggle draws from in her own capacity as Vice

Chairman of the A.P. Møller - Mærsk A/S Board of Directors.

"Never underestimate our competitors. Even though times can be difficult in the businesses in which we operate, resulting momentarily in bad figures for some of our competitors, we can be certain that they are doing something about it. And the same problems may hit us later. We should refrain from thinking that we are the best in the world. We are skilled within certain areas – but we must never become complacent."

#### DON'T BE SMART IN THE NEGATIVE SENSE

When Ane Uggle talks about the Values, she refers to her great-grandparents and her sons in what appears to be almost the same sentence. It becomes clear that the Values have not only played an important part in Ane Uggle's own upbringing but have also been passed on to Mærsk Mc-Kinney Møller's broader family and grandchildren.

"One value that my father deliberately imprinted on my own sons is: Don't be smart in the negative sense of the word. Don't go for the quick win if it isn't a sound option for the long run. Otherwise it may impact Our Name, the company."

(MP): Do you foresee a risk that the Values could be misinterpreted? For instance, could one read into the Value 'Constant Care' that one shouldn't move forward or take calculated risks?

"Obviously one should be accurate and examine carefully, but not to the extent that one misses out on business opportunities. One needs to carefully outweigh the risks and the opportunities. The Values should not be a hindrance or an obstacle for taking the necessary calculated risks," Ane Uggle says, and underlines, "I appreciate that mistakes can happen, but we need to learn from them. And hopefully not repeat them."

#### INTERPRETATIONS OVER TIME

Ane Uggle finds it natural that the Values are constant – but not static.

"During transition periods the Values may and should be challenged, and they are interpreted differently over time. Today we see transparency as part of the Value 'Uprightness', whereas this played less of a role ten years back," Ane Uggle says, and continues:

"An example of this is Corporate Social Responsibility. We have always been involved in community engagement and always strived to be good citizens wherever we were present, whereas today's times and partners require that we document it."

#### COMPLEXITY IS ON THE RISE

According to Ane Uggle, it is not only the growing need



PHOTO: RICKEY MOLLOY

**“ I have tremendous respect for Our Employees. Managers have a special responsibility in terms of cascading the Values, but it's the responsibility of employees on all levels to exercise the Values in their daily business. Our Employees remain a Value in their own right – we must always be striving to create the right environment for the right people ”**

ANE MÆRSK MC-KINNEY UGGLE



“Our Employees are the ones who will execute the first three Values (Constant Care, Humbleness and Uprightness), and Our Name is the whole that will summarise it all. When big decisions are under way and one does not pay enough attention to these Values, it will ultimately hit Our Name”

ANE MÆRSK MC-KINNEY UGGLA



PHOTO: RICKEY MOLLOY

for transparency that has changed during her nearly 30 years with the Foundation and 20 years with the company.

“We live in a world where complexity is on the rise, and as a company we are now globally bigger. From a communications perspective, the world moves at a greater pace than ever, and in my view, the growing number of information channels add to that complexity.”

This is why Ane Uggla sees the Values as a counterweight that employees can lean on in times of change:

“Whether in shipping or energy, today’s markets are less and less foreseeable, which adds to the complexity. Our employees need to be constantly ready for change, which is very demanding. We expect a lot from our workforce, and in many situations the Values represent a hand rail, something to hold onto. The Values are straightforward and easy to relate to, they are constant in a complex world.”

#### WELCOMING THE NEW AMBASSADORS

However, complexity also comes with many positive



## The Foundation as the majority owner

- ✓ A.P. Møller og Hustru Chastine Mc-Kinney Møllers Fond til almene Formaal, through fully owned subsidiary A. P. Møller Holding A/S, holds 41.51% of the share capital representing 51.23% of the voting rights
- ✓ A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond, holds 8.37% of the share capital representing 12.84% of the voting rights
- ✓ Den A.P. Møllerske Støttefond, holds 2.94% of the share capital representing 5.86% of the voting rights
- ✓ Mr. Mærsk Mc-Kinney Møllers family holds 3.16% of the share capital representing 5.88% of the voting rights



PHOTO: RICKEY MOLLOY

**“ If you hit Our Name, the entire house could fall. We are really respected globally – and I’m proud of that. This is what the family, together with our leaders and employees, have built. And it’s what we must not destroy: Our Name”**

ANE MÆRSK MC-KINNEY UGGLE

aspects, and Ane Uggle welcomes the growing diversification of the workforce.

“We can learn a lot from people from the outside world – as my father also taught us – and I am really pleased when new employees are referring to the Values. Also, it is very positive that the Group Core Values booklet will be translated into several languages to ensure that all employees are fully acquainted with them.”

“We have been global almost since the beginning – and when for instance an American colleague mentions that we are value-driven as a company, it works for me as a benchmark that our self-perception is truly in line with how the outside world perceives us. We are not just any other company. We are a company with certain values. This gives us a special hallmark and characteristic and is part of our attraction, I hope. If one doesn’t approve of our Values, one needs to find another place to work. It is not all about money.”

### THE LOAD-BEARING PILLARS

When speaking to Ane Uggle it becomes clear that the Values are matters that are also spoken about during family gatherings with those closest to her:

“One of my sons said that the Values are greater than any person, no matter what their seniority or heritage, and I find this a strong statement. They connect the past, present and future and can be seen as the scaffolding, the load-bearing pillars of the company simply built into the construction. As I see it, they are carved in stone and can last forever. Naturally none of us are perfect, but the Values are there to strive for.”

Looking to the future Ane Uggle speaks with great conviction, and she especially points to the ownership structure of the Maersk Group as a safeguard in connection also to the Values.

“Certainly I see the ownership structure as an advantage when it comes to the longevity of the Values. The deep involvement of the family and the decision to have the Foundation as the majority owner works to prevent any takeover of the Group. Among other things, it allows the Group to take long-term decisions that may, in the very short term, seem less rewarding. The Values will always play an integral part in those decisions.” 📌

*In the murky waters far below the surface of the Danish North Sea, divers methodically review Maersk Oil's production facilities.*

# A flurry of activity under the North Sea waves

PHOTO: MAERSK OIL

**MATURE ASSETS** | Below the choppy waters of the Danish North Sea, teams of divers are working hard to keep Maersk Oil's production facilities in top condition. It is a demanding job but one that is vital for ensuring the integrity of the assets to continue production for decades.

BY SAM CAGE

> In the murky waters far below the surface of the Danish North Sea, divers methodically review Maersk Oil's production facilities. They check for and repair potential fatigue cracks in the primary structures, risers and pipelines in work that is carried out twice a year.

It is demanding, requiring up to eight hours per shift for a maximum of 28 days for saturation divers, but vital for ensuring that Maersk Oil's assets remain in top working condition.

It is no less tough when the saturation divers are not at work – as they live in a small isolated chamber kept at the same pressure as their work depth. The living chamber is however equipped with communications equipment and internet to stay in touch with the world outside.

"You need to be mentally strong to live together with strangers in the confined living chambers," says Jan Bjarnø Lauridsen, who works in the Inspection, Repair and Maintenance (IRM) department at Maersk Oil's Danish business unit in Esbjerg.

Yet their sterling efforts are essential for the safe working conditions of those above the water manning the platforms, and they help to ensure production for years to come.

## WORKING SAFELY

For work at depths down to 30 metres, divers breathing air can make single trips down and remain underwater for a given time dictated by dive tables. At a greater



*Production at the Danish production sites was shut down in June for 12 days for checks on essential equipment and a major upgrade, during which two flare towers and a bridge were replaced on the Tyra Fields, the export hub from which most of Denmark's gas transportation stems.*



depth, the decompression process makes that process too inefficient and that's where the saturation divers take over:

They are lowered safely to their work points in a pressurised diving bell.

"There is quite a big team on the vessel to ensure the divers are working safely and effectively, and that everything is ok at all times," says Lauridsen, who handles the practical planning and operation of the diving work.

"You can replace someone if there is a problem, but it is not easy due to the depth that saturation divers are living at, as a decompression from their storage depth and back to the surface takes days. However a medic can be pressured down relatively quickly and enter the saturation chamber to assist in case of problems."

Jesper Smedemark, who works in the Structures Department, is responsible for the preparation and issue of Inspection Plans (I-Plans) and then handing the information over to Lauridsen in the IRM department. The I-Plans pinpoint the stress points in the installations' structures most likely to suffer from fatigue cracks, which divers then investigate manually and repair if necessary.

A fatigue crack tip is infinitely sharp, causing large stress concentrations at this spot. Hence the crack must be removed or it will grow larger. The divers use a grind-



PHOTO: MAERSK OIL

## Maximum value

Maximising efficiency in areas of strength such as the Danish sector of the North Sea are an important focus for Maersk Oil as it seeks to grow production to 400,000 barrels per day by 2020, provided investments give a return of at least 10%.

There are still substantial volumes of oil and gas in the subsurface of the Danish North Sea, but recovering them is technically complex and requires keeping production sites in top condition, both involving work above and below water.

"It is absolutely critical to get the most out of our existing assets," says Graham Talbot, Maersk Oil's new CFO, who joined the company this year.

"When it comes to generating value, getting the most out of what you've got is the easiest money to make. You know the assets, you know how to best run them and you know how to extract maximum value from them."

## Maersk Oil's maintenance programme

- ✓ The Danish North Sea diving work is part of the regular maintenance across Maersk Oil's operations, and it seeks to ensure the protection of the facilities and minimise unplanned production losses.
- ✓ It is sometimes necessary to close down production to carry out more extensive work to keep the installations in top condition. This is done every fourth or fifth year; the most recent in the Danish North Sea was a 12-day planned shutdown in June 2014.
- ✓ This year in particular, major work is being undertaken across many production areas including the shutdown of all platforms in the Al Shaheen field in Qatar and GPIII in the UK for 60 days.

“The underwater operations are just one example of the technically complex work that Maersk Oil is taking on to produce more barrels”

DANISH BUSINESS UNIT MANAGING DIRECTOR MARK WALLACE.



PHOTO: MAERSK OIL

ing tool to remove the surface cracks according to established procedures, and subsequently the area is kept under monitoring, Smedemark explains.

“We have biannual mobilisation and by targeting the most critical structural parts periodically, we maintain the safety level of our structures at not less than we originally designed them to be.”

What this adds up to is a vital cog in a wider operation to ensure Maersk Oil is playing to its strengths while maintaining its focus on safety.

#### SHUT DOWN FOR 12 DAYS

Production at the Danish production sites was shut down in June for 12 days for checks on essential equipment and a major upgrade, during which two flare towers and a bridge were replaced on the Tyra Fields, the export hub from which most of Denmark's gas transportation stems. Regular maintenance work is also being carried out this year in Qatar and the UK.

And it's not just Maersk Oil that focuses on keeping everything in top shape; the Group's drilling contractor, Maersk Drilling, has an extensive yard stay programme in 2014. Rigs undergo service and upgrades and some also have their lifetimes extended, ensuring compliance and more efficient performance.

“The underwater operations are just one example of the technically complex work that Maersk Oil is taking on to produce more barrels,” says Danish Business Unit Managing Director Mark Wallace.

“We have produced oil for the past 42 years and gas for the past 30 years. This has given us valuable knowledge of how to produce efficiently; the maintenance and repair of the facilities below sea are a key part of this.”

## News in brief

### Santos terminal ready for the big time

**APM Terminals' joint venture terminal, Brasil Terminal Portuário (BTP) in Santos, Brazil received an important visit in August. After a long dredging delay, the Terminal finally received a Maersk Line vessel of the size it has been optimised for.**

Perhaps more than anything, Thomas Bülow is relieved to see Maersk Lanco calling the terminal. The 8,600 TEU Maersk Lanco is one of 16 'SAMMAX' vessels designed to fit the dimensions of South American ports, but after a year of operations it is the first time that a Maersk Line vessel of its size has been able to operate satisfactorily at BTP due to dredging delays.

“This is an important day for our terminal to receive this first of many Maersk Line calls. Maersk Line is an important customer of ours and a vessel like this is what this terminal was specifically designed for,” said Bülow, the Chief Financial Officer for the terminal, which is a joint venture between APM Terminals and Terminal Investment Limited.

Maersk Line vessels including Maersk Lanco have been calling other terminals in Santos for the past year, because of delays by authorities to complete the dredging of the channel leading to the terminal.

### Towards a premium conglomerate

**The Maersk Group is making solid progress on its targets as it moves towards becoming a premium conglomerate, and will consider further share buybacks if it does not identify investment opportunities that offer fast-enough growth, says CEO Nils S. Andersen at the 2014 Capital Markets Day last September.**

“We are focused on profitability, reducing volatility and ensuring we will win long term in our markets,” Andersen told analysts, investors and journalists gathered in Copenhagen.

The Capital Markets Day focused on three of the five core businesses that are key to the Group's long-term success – Maersk Line, Maersk Oil and APM Shipping Services, the new name for Services and Other Shipping.

The Group aims to grow invested capital to USD 65-70 billion by 2017, an increase of about 30% from a baseline in the second quarter of 2012. At least 75% of invested capital will be within Maersk Line, Maersk Oil, APM Terminals and Maersk Drilling – a number very close to today's 76%.

Maersk Line's share of invested capital will probably fall to a 25-30% range, while the combined share of Maersk Oil, APM Terminals and Maersk Drilling will rise to 45-50%.

“We will continue our portfolio optimisation with room for divestments, as we saw with the Venezuela barges and the Port of Virginia, and further investments as well,” Andersen said. “What we're focusing on is improving performance across the businesses in our Group so that when you invest in our company you feel comfortable and confident in that investment.”



# The new member family targets growth

## **THEME** | Heading for growth

The four business units in APM Shipping Services are highly interesting and each with exciting potential to improve results. However, each business unit is currently challenged by strong competition, changing market conditions and at times also internal structural challenges. The management of APM Shipping Services believes that by grouping the four business units into one business leg while retaining independent management teams, it is possible to set them up for faster and more profitable growth.

**MEET APM SHIPPING SERVICES** | The newest Maersk Group business unit unveiled a new name and set out its growth strategies at the Capital Markets Day in September. Its CEO, Morten Engelstoft, tells Maersk Post how a diverse business plans to meet its targets.

BY SAM CAGE

> Whether it's installing infrastructure at the remote depths of 1,350 metres offshore Western Australia, as Maersk Supply Services is doing for Exxon in the Jansz-lo gas field; Maersk Tankers overhauling its fleet to focus on moving oil products like gasoline, naphtha and kerosene instead of crude oil; or Svitzer's offshore terminal towage for one of Papua New Guinea's largest oil and gas company, CEO Morten Engelstoft has to be ready to switch focus at a moment's notice – from tankers to freight forwarding and supplying offshore oil installations, to safety and salvage at sea.

The businesses he is responsible for are diverse but share some similar challenges and characteristics, with competitive markets, growth potential and their role in shipping and supply. And that's what makes his job so fascinating.

### **LEARNING FROM EACH OTHER**

Engelstoft is CEO of APM Shipping Services, one of the Maersk Group's five core businesses and which was previously known as Services and Other Shipping. But he is also CEO of Maersk Tankers, one of the four parts that comprise APM Shipping Services, and holds an oversight role at the other



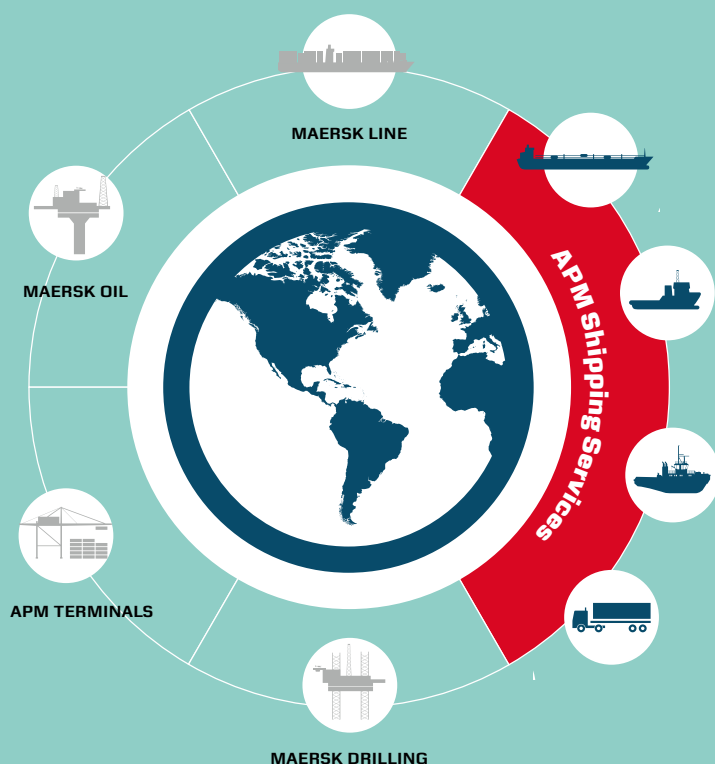


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## WHAT IS APM SHIPPING SERVICES?

APM Services was established nine months ago as one of the five core Maersk Group business units, originally called Services and Other Shipping, with the aim of driving value creation. It employs more than 20,000 people, has USD 6 billion in revenue and USD 5.5 billion in invested capital. It consists of four businesses:



### MAERSK TANKERS

- Maersk Tankers is a leading company in the oil product tanker industry
- It owns 80 vessels and operates 174, has 3,800 employees and revenue of USD 1.6 billion

### MAERSK SUPPLY SERVICE

- Maersk Supply Service is the leading provider of high-end global offshore marine services, such as rig moving and anchor handling
- With revenue of USD 800 million, it has a fleet of around 60 vessels manned by 1,900 crew members, supported by 250 onshore staff

### SVITZER

- Svitzer is an industry-leading tug supply company, providing safety and support at sea, and the global market leader in towage and emergency response
- It has 3,500 employees, a fleet of 418 vessels and operations all over the world, generating revenue of USD 800 million

### DAMCO

- Damco is a leading provider of freight forwarding and supply chain management services
- It has more than 11,000 employees and a presence in about 100 countries. Damco annual revenue is USD 3.2 billion

> three businesses – Maersk Supply Service, Svitzer and Damco.

That means he may be evaluating a USD 2 billion investment programme in high-tech vessels that carry out undersea work to build the huge network of infrastructure around oil platforms, and soon after the implementation of a new freight forwarding IT platform or the operating efficiency of a fleet of tankers. And all while maintaining the common focus on safety and the drive for zero incidents.

"I believe that we can benefit from sharing ideas and knowledge, and learn from each other," says Engelstoft, a Maersk veteran who took up his job at the start of this year and previously held senior positions at Maersk Line, including six years as COO.

"It is an immensely exciting role with different and very interest-

ing business units. They are in four different industries. All four have strong brands and they have good potential for growth. They have individual challenges. So these are great, different hats to wear."

The four businesses operate separately under different CEOs reporting to Engelstoft, who oversees their strategies and investment plans, assessing where changes are needed whenever markets dictate. Last month at the Capital Markets Day in Copenhagen, he set out how they together aim to reach a target of USD 500 million in underlying profit by 2016, compared with a range of USD 200-300 million in the last three years.

### AMBITIOUS BUT REASONABLE

It is a challenging job for Engelstoft given the varied businesses units of the "conglomerate within a con-

glomerate", external media report, and his most pressing issues are at Damco, which is trying to bring down costs to better compete, and Maersk Tankers, as it realigns its fleet and battles a difficult market. In the second quarter

Announcing the new name as he presented the business to investors, analysts, bankers and journalists for the first time at the Capital Markets Day, Engelstoft explained how each of the four legs has focused its own strategy on adding value, in line with the Group's target of returns of at least 10%.

The aim is for each to be a top quartile performer in its respective industry. Each business has its own plans to that end and Maersk Post outlines these in the following pages – Maersk Tankers is reshaping its fleet to focus on oil products, while Maersk Supply Service is investing

## APM SHIPPING SERVICES' 5 MAIN CHALLENGES

The four business units combined into APM Shipping Services represent 13% of the Maersk Group turnover and 12% of invested capital. According to CEO Morten Engelstoft, the key challenge is to also be a significant part when it comes to the net results. Today, APM Shipping Services delivers 7% of net operating profit after tax, which means that this is what the business unit needs to improve going forward.

The 2016 target is net operating profit after tax of USD 500 million and the management is confident that it can deliver this target whilst also laying foundations to ensure that the business unit includes healthy and sustainable companies in the long term. The business unit needs to be self-funded, which means that its investments will be limited to the cash flow that they generate themselves.

**2016 NOPAT of USD 500 million**

Current underlying NOPAT baseline is around USD 300 million. Needs to increase by ~70% in two years

**Damco restructuring**

Fundamental restructuring of Damco affecting processes, people and systems. Successful execution must take out costs and strengthen commercial competitiveness

**Successfully executing Maersk Supply Service growth**

Ambitious growth plans in Maersk Supply Service over the next five years

**Making Maersk Tankers a top performer**

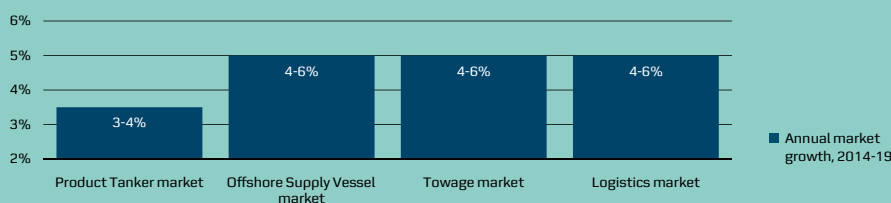
Returns to be significantly increased, making the company an industry top performer  
Establish active position-taking based on data and analytics

**Svitzer Australia profitability**

Significant part of total Svitzer investments  
Tough competition and pressure on costs

### Most of the business units present an attractive growth potential

#### Market value growth



in high-tech vessels. Svitzer is building up in higher-margin and less volatile terminal towage and Damco is expanding in China and other rapid growth areas of north Asia.

"In my opinion, USD 500 million is an ambitious but also reasonable target for the business in 2016," he says. "We have good market knowledge and experience, we have strong and respected brands and we have skilled employees, and so top quartile performance is a very reasonable target to set for ourselves."

#### WHAT'S IN A NAME?

It was important for the new name to identify more closely with the Maersk Group by using APM and to highlight the common activities – shipping and services – of the four component businesses, each of which will continue to trade under its current brand.



PHOTO: RENE STRANDBYGAARD

“

**APM Shipping Services' four component parts can benefit from sharing ideas and knowledge, and learn from each other"**

CEO MORTEN ENGELSTOFT

"I found evidence both of a good potential in the four businesses but also evidence that the markets and the competitive situation are putting pressure on. This called for a closer scrutiny of the strategy to ensure that they are clear, focused and that the necessary elements are in place to ensure a successful execution," he says.

As part of that, Engelstoft has to ensure his time is divided to give each business the attention it needs.

"There is not a one-size-fits-all to the four businesses," he says. "They are very different in nature – different industries, different competitive situations – and therefore also the steps that are necessary need to be assessed individually." ❏



Maersk Tankers:

# From crude to products

**CHANGING DIRECTION** | Maersk Tankers is overhauling its fleet to focus on transporting refined oil products, which it believes will offer better returns because of fundamental changes in the market. The crew of the product tanker Maersk Bristol explain the day-to-day realities of sailing according to the rules of oil markets.

BY SAM CAGE

> Looking out over the narrow strait between Denmark and Sweden, Captain Bharat Setpal of Maersk Bristol reflects on the unpredictability of life on an oil product tanker.

"This business is different," says Setpal, speaking on the bridge as he works with a pilot to navigate through the narrow and shallow waters by the monumental Øresund Bridge, from the Danish capital city Copenhagen to Malmö in Sweden.

The 175-metre vessel is sailing in ballast for the port of Primorsk in Russia, where it will take on cargo. After that, its route will be based on market demands. Sometimes,

Captain Setpal sets sail without knowing his next destination.

"Oil markets are like share markets – they jump up and down – and so the same cargo can be sold ten times within a week. And you don't even know that," says Setpal, a quietly confident man who will soon return to his family in Mumbai for a break.

## THE NEW STRATEGY

The Maersk Bristol is part of a new strategy for Maersk Tankers, which is overhauling its fleet to focus on moving oil products such as gasoline, naphtha and kerosene.

With new refineries opening in the Middle East, closer to the

sources of crude production, more refined products will have to be moved out from there to end markets. And in the US, a shale gas boom is reducing demand for deliveries of crude by providing cheaper input to refiners.

"You used to see crude oil coming from the Middle East, moving out as crude to the refineries in the West where the products would then be refined," Maersk Tankers CEO Morten Engelstoft tells Maersk Post.

"In the future, we will see more of the refining being done at the location in the Middle East, and then moved out from there as refined products. So that's a fundamental background that we see as more favourable for the product tankers."

The strategic decision to switch more into products is also based on the volatile nature of the crude oil tanker market, oversupplied in vessels and with generally unsatisfactory rates over several years, and an aim to focus on areas where Maersk Tankers can benefit from the large, market-leading position it has in this segment, Engelstoft explains. Maersk Tankers is one of the largest product tanker companies in the world, with 174 product tankers in its fleet – 80 owned. Rest chartered and under commercial management.

Focusing on the product segment is just one plank of the overhaul at Maersk Tankers – one of the four component parts of APM Ship-



PHOTO: PETER ELMHOLT

*On board the Maersk Bristol, the crew is used to adapting to the demands of the market while they sail the seas. Captain Setpal says it is just part of their jobs.*



*The product tanker industry presents the greatest long-term potential. Here Maersk Bristol navigates through the narrow and shallow waters between Denmark and Sweden.*

PHOTO: PETER ELMHOLT

ping Services – which also includes a significant reduction in the daily running costs of its vessels, a more proactive and analytically driven approach to commercial position-taking and asset trading, and a step-up in service offerings to third-party customers.

Markets have been tough, which hit results in the first half of 2014, but Engelstoft says that Maersk Tankers' strategy will put the company in a good position to benefit from a forecast of 3% growth in product markets in coming years. "With the new strategy, Maersk Tankers will be a top-quartile performer in the product tankers industry, delivering profits and acceptable returns to the Group."

#### DEMANDS OF THE MARKET

On board the Maersk Bristol, the crew is used to adapting to the demands of the market while they sail the seas. Captain Setpal – who returns to his family in Mumbai, India during the three months that tanker

## ■ TAKING THE LEAD

### Key planks of Maersk Tankers' new strategy

- Focus on the product tanker segment and away from crude and gas transportation
- Cost leadership in daily running costs and bunker and voyage expenses
- An analytically driven approach to position-taking in chartering, coverage and forward-freight agreements and a more active approach to buying and selling assets
- Profitable and scalable service offerings to third-party customers

officers have off between three months' service on board – says it is just part of their jobs.

Families can also visit on board (once a year for a period of two months), giving them the chance to enjoy the ship's leisure facilities as well as the unpredictability of its journey. Chief Engineer Oleg Molot's wife and daughter have been sailing with him.

"We have a gymnasium, we have computer games, so many videos, a swimming pool," says Molot from Vladivostok, who jokes that his name – meaning hammer in Russian – is appropriate for an engineer.

"We visited some ports and they go on shore. They've been to Portugal, Spain and France." ❄

**Maersk Supply Service:**

# Developing the deep sea

**GOOD OPPORTUNITIES IN THE SUBSEA SECTOR** | Following a successful subsea installation project in Australia, Maersk Supply Service aims to develop its expertise in sub-zero, pitch-black waters kilometres below the surface of the ocean.

BY MONIKA CANTY

> Captain Sylvi Hansen scans the horizon from his position on the bridge of Maersk Nomad, as a giant metal contraption weighing almost 90 tonnes hangs ready to be submerged above the surface of the ocean.

He is waiting for the perfect 'weather window' before giving the crew the go-ahead to begin slowly winching the device – known in the industry as a 'Christmas tree' due to its tree-like shape and decorative dials – down towards the seabed.

The tree is one of ten being installed by Maersk Nomad on a series of wells drilled by Exxon in the Jansz-lo gas field, 1,350 metres under the sea, offshore Western Australia.

It will form part of a complex network of subsea infrastructure used for production and transportation of gas from the field.

Installing this infrastructure at remote depths, in pitch-black waters kilometres below the ocean surface is highly specialised work, and an area that Maersk Supply Service has set its sights on for future expansion.

"As oil companies go to greater and greater depths in their search for oil and gas we see good opportunities in the subsea sector and are investing heavily in new vessels to grow our presence in this market," says Niels Elmbo, Head of Projects and Subsea, Maersk Supply Service.

While Maersk Nomad was specially modified to carry out the work for Exxon by widening the vessel to accommodate a huge

0 INCIDENTS, +10% RETURN

**Key planks of the Maersk Supply Service strategy**

- Outperform competitors on safety and profitability
- Be the industry-leader in Subsea Support and Anchor-Handling Tug Supply vessels

crane capable of lifting 200 tonnes, four new vessels are now on order specially designed for subsea work up to depths of 3,000 metres.

The vessels will join the fleet in 2016 and have been carefully specified to meet future industry requirements, with space for 120 people on board, each with their own cabin.

"We are setting a new trend

in the industry, as most vessels currently have double cabins. It's important that we offer our crew a good working environment," says Elmbo.

## REMOTE-CONTROLLED ROBOTS

Powerful sea swells, freak waves and storms are a frequent occurrence in this part of the Indian



PHOTO: DAVID BURN

*Captain Sylvi Hansen on the bridge of Maersk Nomad: "Sometimes we have waited weeks for a perfect wether window."*





- ✓ USD 8-10 million – cost of one Christmas tree.
- ✓ 86 tonnes – weight of one Christmas tree

*The Christmas tree on deck before being winched down to the sea bed. The Christmas tree will be attached to a well and used to control the flow of gas out of the well.*

Ocean so it's no surprise that Sylvi Hansen has his expert eye trained on the weather.

"The swell coming from the Southern Ocean can be pretty big sometimes. If the vessel is rolling too much as we lower the crane, the danger is that the tree starts swinging back and forth and could smash into the ship. We would never go ahead in a rough sea. Sometimes we have waited weeks for a perfect weather window," says Hansen.

Stormy weather isn't the only challenge. With the pressure on the sea floor far too great for a human diver, remote-controlled submarine robots – known as Remote-Operated Vehicles (ROVs) – have to perform the task of connecting the tree to the well.

The ROV crew monitors the robots on a screen and controls their movements like a video game, carefully manipulating the arms to clean dust and sand from the well, before guiding the tree into position and switching on the valves and dials.

## **"As oil companies go to greater and greater depths in their search for oil and gas we see good opportunities in the subsea sector"**

NIELS ELMBO, HEAD OF PROJECTS AND SUBSEA, MAERSK SUPPLY SERVICE.

ROVs also help the crew in steering clear of any marine life, including sharks which could be circling the murky depths. Hansen recalls one operation during which the crew spent four hours prising a giant squid from the top of the well head with a high-pressure hose.

### **LIFT-OFF TO LOCKDOWN**

Installation of the tree usually takes just a couple of hours, but the specialised nature of the job means a large crew of around 50 people is involved. Ensuring its smooth running and safety requires precision, planning and teamwork, says Hansen.

"We have a number of meetings to go through procedures and safety before beginning the opera-

tion. It is a very intense time when we lower the Christmas tree into the sea, but everyone has their own job to do. Once the tree is securely locked down and in position, then we can celebrate."

Developing these specialisms is key to Maersk Supply Service's strategy going forward, says Elmbo, who sees bright prospects for the future of the subsea sector.

"We see another big market opening up in this sector further down the line as oil companies start to decommission projects. When the oil wells dry out, companies will have to kill the wells and take out the entire subsea infrastructure. Our vessels will be ready to take on that job." 🌊



*Watch this video to see how remote-operated vehicles help install the Christmas tree under the sea.*

**Svitzer:**

# Svitzer shakes up the tug business

**TERMINAL TOWAGE** | New oil and gas terminal towage contracts for Svitzer underline the potential of the company's strategic ambitions to grow this more lucrative side of the business, as well as the impact of major improvements to the company's safety profile.



## ■ RAISE THE WIND

### Key planks of Svitzer's business strategy

- Elevate safety to industry-leading standards with the implementation of the Global Harmonised Safety Management system that meets OVMSA standards
- Grow the oil and gas terminal towage business to 50% from 30% of the towage portfolio
- Improve profitability of existing harbour towage operations



BY JOHN CHURCHILL

> One of Papua New Guinea's largest oil and gas exploration and production companies, Oil Search, recently signed a five-year USD 75 million contract with Svitzer to provide marine support services for its Kumul Marine Terminal in the Gulf of Papua.

Together with other oil and gas terminal deals in the Australian region, the new contract confirms both the growth potential for Svitzer in the oil and terminal marine support side of the business and the impact of implementing much higher safety standards.

"This is an exciting contract and is precisely what we're aiming for in our 'Raise the Wind' business strategy," says Kasper Nilas, Head of Business Development for Svitzer.

"We are improving the profitability of our harbour towage business and pursuing growth in the oil and gas terminal towage side where the contracts are long term, and our expertise and industry-leading safety standards can add real value to customer operations."

Two recent 20-year contracts with Chevron to provide marine services for its two large LNG projects in North Western Australia are good examples of what Nilas

means. These customers are major participants in the country's economy, with no tolerance for anything but the safest and most reliable operational partners.

"This isn't just about the tugs. We have a huge responsibility here as a small but essential part of the transport supply chain to ensure the safe and reliable movement of critical cargoes. That was an understanding we wanted to make clear to both Chevron and more recently Oil Search in the tender process," says Alan Bradley, Chief Commercial Officer for Svitzer Australia.

#### MORE THAN A CONTRACT

Svitzer will supply the marine assets and highly trained crews required to ensure the safe movements of vessels, in and out of the facilities. This will involve the provision of four tugs and a pilot boat at each of the Chevron facilities, and two large anchor-handling tugs at the KMT offshore facility in the Gulf of Papua.

The multi-year nature of these contracts together with the need for operational reliability meant that Svitzer was evaluated on much more than price and equipment.

Mark Malone, Head of Svitzer

Australia, says both Chevron and Oil Search made it clear that they wanted a business partner with similar values and commitments for the contract, not just a service provider. He says Svitzer's experience in Australia and Papua New Guinea and a clear emphasis on safety and operational excellence were important factors for the oil majors.

"They liked how we talked about safety, that we would have ongoing safety performance discussions. In particular, they liked that we raised our global safety standards beyond requirements on our own initiative. It's a long-term partnership, so there was definitely a cultural dimension to our negotiation that was quite important," says Malone. ✦

PHOTO: SVITZER



*Head of Svitzer Australia, Mark Malone: "Svitzer's experience in Australia and Papua New Guinea and a clear emphasis on safety and operational excellence were important factors for the oil majors."*

## The industry's highest safety standards

Svitzer is the first towage company to meet these safety standards.

It has been two and a half years since Svitzer began a complete overhaul of its safety management systems and standards as a part of its 'Raise the Wind' strategy.

The backbone of this is the new global harmonised safety management system rolled out this year. Fully electronic, it is one system accessible to all Svitzer employees via computer or mobile devices and includes all categories of procedures, all necessary checklists, forms, risk assessments, certifications and much more pertaining to every kind of job.

It is so comprehensive that the new Svitzer system meets Level 2 of the Offshore Vessel Management and Self-Assessment (OVMSA) standard that oil companies follow. Svitzer is the first towage company to meet these safety standards.

With the new system, no job begins without filling out forms and checklists. To newcomers or outsiders it can seem bureaucratic, but in the towage and offshore industries it reduces risk.

"A big part of safety is communication, making sure people understand what and why you want them to do something," says Bent Nielsen, global Head of Safety. "The checklists ensure our people do the right things every time, that the right people with the right training and equipment are always in place before an operation begins."

Having one system also means employees can communicate more effectively. Nielsen says safety updates are now received instantly across the globe. It also ensures people have the same knowledge, that they share the same thinking and if they move to another location they don't have to learn a new system.

LNG Tanker and LNG Terminal in Australia.



**Damco:**

# Damco banks on China

**ONE DAMCO** | With 13 new offices and seven more on the way in the next several months, Damco is rapidly growing its footprint in China. Simple, commercially focused offices in high-growth, 'smaller' cities are targeting forwarding business from both established and emerging Chinese companies.

**BY JOHN CHURCHILL**

> Most people outside China have probably never heard of Zhengzhou. Only a few years ago this 'small' city in north-central China was labelled one of China's 'ghost towns', with empty apartments and buildings waiting for occupants.

Today its population is more than nine million, roughly the same as New York, and people and businesses are moving in every month, attracted by lower rent and labour costs than the coastal regions as well as an emerging status as an inland logistics hub. Seeing the opportunity for new business, Damco is joining them.

"Of the 25 fastest-growing cities in Asia, 18 of them are in China and they're not ones that most people can name, because many of them are 'small', with less than ten million people," says Richard Morgan,



*With the help of Damco's China-based NTS air freight company, there is now an air freight option from Zhengzhou to Europe.*

Chief Commercial Officer for Damco in Asia. "We looked at the map and started building business cases in the locations where we weren't already represented and started moving in."

In the last 12 months, Morgan has overseen Damco's expansion into or near 13 of these cities, including Zhengzhou. Seven more will open in North Asia in the coming half-year. It is all part of the company's One Damco strategy to grow the footprint globally in locations where customers are growing their business.

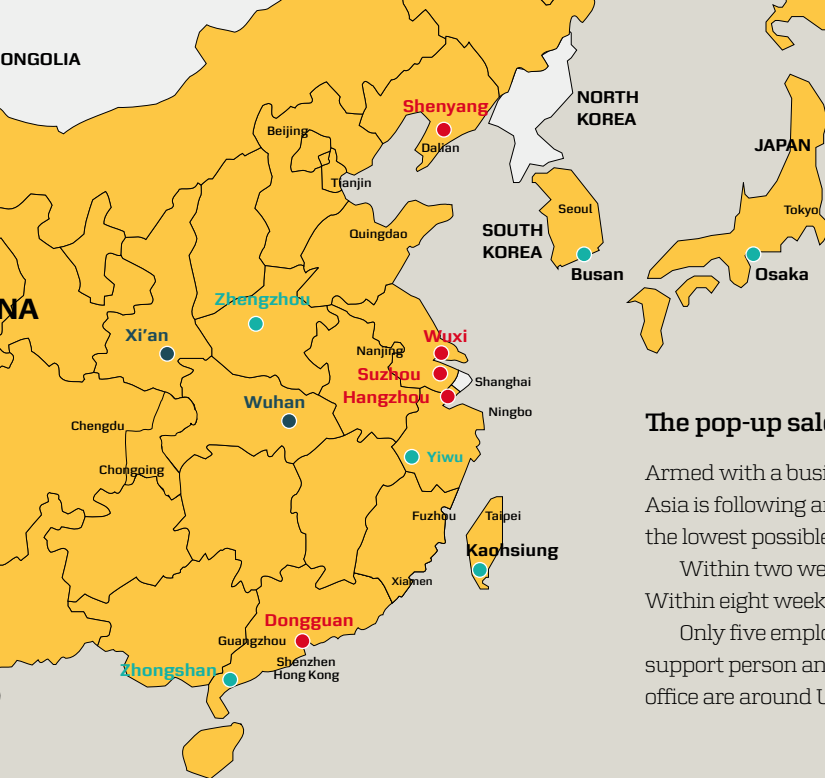
The first new office to open was in Dongguan, in China's Pearl River Delta. One of the country's most famous manufacturing and transportation hubs, the PRD consists of nine cities and is home to thousands of manufacturers and suppliers to global companies like Walmart and Nike, both of whom are Damco customers.

"We opened in Dongguan because we wanted greater penetration in an area where we were already fairly well known," says Jerry Chen, project manager of the North

## ■ ONE DAMCO

### Key planks of the Damco business strategy

- Expansion of geographic footprint in high-growth areas, customer segmentation
- Consolidation of 315 customer service and operations offices into 50 with the implementation of lean management techniques
- Implementation of single freight-forwarding IT platform



- Central Office upgraded/opened in Q4, 2013
- Central Office upgraded in Q2, 2014
- Central Office upgraded/opened in Q4, 2013

## The pop-up sales office

Armed with a business plan, every one of the 20 new offices established in North Asia is following an 'office-in-a-box' concept where the goal is to open quickly with the lowest possible costs and highest potential for long-term success.

Within two weeks, an office is furnished, IT equipped, decorated and branded. Within eight weeks the doors are open and products are being sold.

Only five employees occupy each office, including a manager, administrative support person and three sales people. Start-up costs for the entire fully functional office are around USD 30,000-40,000.

Asia expansion. "Many of the potential customers we were looking at were suppliers and vendors to some of our biggest customers in retail, lifestyle and technology."

Damco already had one office in Shenzhen and another in nearby Hong Kong. With the Dongguan office followed later by an office in Zhōngshān, Damco suddenly had all-points coverage in a region that has grown at a 15% annual clip for the past 20 years.

"Customers like access and proximity. We had an element of trust already in place as far as our reputation and capabilities and now we have a physical presence to support our ambitions," says Chen.

### THE TRANS-ASIAN RAILWAY

In Zhengzhou, the plan was quite different. Damco knew many com-

panies were not taking advantage of the Trans-Asian Railway and its 117,000 km of rail links between Asia and Europe. Focusing on the time and cost benefit of rail, they targeted companies relying on "sea-air" transportation.

Rail is much faster than sea and marginally faster than sea-air, but considerably cheaper than air freight. Therefore rail makes sense for cost-conscious companies flocking to China's interior.

"We picked up business pretty quickly with that strategy and today we're putting, among other products, retail garments on a rail service from central China to Europe more than 10,000 km away. That is a first, and because it's new business it's even more rewarding," says Frank Shao, Damco product manager for the Zhengzhou-Europe rail solution.

With the help of Damco's China-based NTS air freight company, there is now even an air freight option from Zhengzhou to Europe. For those customers that simply need to get to market fast, there is a weekly air service out of Zhengzhou into Leipzig, Germany. Cheaper than flying from Beijing or Shanghai, Damco expects it will be attractive to customers within a 1,000-mile radius of Zhengzhou.

"What we were able to do in Zhengzhou is exactly what we're going to do in the other 19 locations – present a strong value proposition to customers," says Richard Morgan. "The growth in these cities is simply incredible and we are positioning ourselves in these locations to find solutions for our customers and grow our business." ✦

LOOKING BACK...

## A First in so many ways...



Today's Maersk Tankers started operations in 1928, when the company took delivery of no fewer than five crude tankers. The entry in the product tanker business came in 1965 when Dangulf Mærsk and Svengulf Mærsk became part of the Maersk Fleet. These were the first product tankers to be built at the Odense Steel Shipyard, and as seen in the image the ships were delivered in the usual Maersk Blue but with a well-known albeit unusual funnel logo – the ships were bought in partnership with Gulf Oil Corporation.

# "You can do it. I'm no exception"

**VALUES AT WORK** | Former professional football player, airline entrepreneur and current country manager for Damco in Cameroon, Alphonse Bea lacks neither drive nor ambition. After two promotions in a year, he wants to be CEO of Africa and the Middle East. "If you want to reach the third floor, aim for the fifth," he says.

BY ANDERS ROSENDAHL

> Joining Damco in Cameroon in 2013, Alphonse Bea went straight into the fast lane. After six months, he crossed out 'sales manager' on his business card and replaced it with 'country manager'. Soon after, he also took charge of commercial strategy and performance of the Central Africa cluster.

"I think this shows the values of the company. If you work hard then you can make it, no matter how long you've been here," Bea says.

"I like to share the story with people that are new to the company, telling them: 'You can do it. I'm no exception. You will have your chance if you believe in what you do and you do it the right way.'"

## SAVE A LIFE

Logistics in Central Africa is challenging, and Bea does not soften this fact. People will ask for bribes, trucks will not show up and you cannot send e-mails because the network is down. And then there's the infrastructure: roads are bad and it can take two weeks to cover what should take only three days.

"These things can happen anywhere once in a while. Here, they happen almost every day. In that sense, you cannot compare logistics in Central Africa to anywhere else in the world," Bea explains.

When asked what drives him, he tells a story about transporting 300 containers of relief aid to the Central African Republic during the civil war. He could not find a trucking company that would drive into the war zone, but in the end he found a solution involving UNICEF flags and a military escort.

"This is what motivates me, and this is why we deal

with the challenges. We are not only working for money; we also work to help people, and sometimes even to help save lives."

## STAY IN SCHOOL

Born in Cameroon, going to Europe to study was a childhood dream. Luckily for Bea he had a talent for football, and in 1996 he was invited to France to play.

"Before I left Cameroon, I promised my father that I would continue going to school. That was his condition for letting me go," he says.

Bea started in a training camp, keen to adapt quickly. He trained in the morning, went to school in the afternoon and read books at night, recalling the time as "very, very challenging". Eventually he was given a contract to play professionally. This enabled him to enrol in business school.

"Being a young man, I did well. I was able to pay for my school, to help my family in Cameroon and also to have a good life for myself."

Things could have continued like this, but after ten years Bea found himself at a crossroads. His knee was injured and the doctor outlined the options: "Stop playing football or risk your mobility."

"I did not want to be in a position where I would have to ask myself: 'What am I going to do tomorrow without football?' Therefore I decided to finish business school so that I would have a chance to get a proper job that would allow me to plan for the rest of my life. That day, I stopped playing football," Bea says.

After graduation, Bea worked for more than a decade in France, initially scouting footballers in Africa and then





## Alphonse Bea in brief

✓ **Age:**  
39

✓ **Employment:**  
Business Development Manager  
Mobil'Affiche France (2005-2008)  
Marketing & Commercial Director  
INTERFACE SA (2008-2010)  
Commercial Director Cameroon  
Airlines Corporation (2010-2013)  
Sales Manager Damco Cameroon  
(February 2013-November 2013)  
Country Manager Damco Cameroon  
(December 2013-present day)  
CCO CAF Area (February 2014-present day)

✓ **Education:**  
BSc in Business Management,  
International Business Institute,  
Brussels (1999)

PHOTO: ANDERS ROSENDAHL

### Damco in Central Africa

Damco's Central Africa Cluster serves customers in Chad, Niger, Nigeria, Cameroon, Benin, Togo and the Central African Republic.

The physical infrastructure includes a network of own offices, inland depots and reliable local suppliers providing dedicated trucks and train wagons, storage and warehousing availability. Employees on the ground personally manage border checkpoints and inland destinations to guarantee security and reliability of shipments.

The cluster has more than 70 full-time employees and its regional office is located in Douala, Cameroon.

moving into advertisement and computers. In 2009, his homeland came calling. A new airline was on the drawing board and Bea accepted the position of director of sales, building a team from scratch.

"In life, you do things for different reasons. Most of the time, the most important thing is not how you do things or what you do, but why you do it," he says.

"Going back to Africa was a matter of belief. I believe that I can bring something to my people and that I can help make things better."

The Cameroon Airlines Company successfully commenced operations in 2011, and the sales team was set

up with a network in Paris, Abidjan and across Africa. It was performing well, but Bea was becoming restless.

"I wanted to be part of helping Cameroon have an airline. Whatever happens, you cannot ignore that fact. However, once operations began I had to look for a different challenge to keep moving forward."


### WORK HARD

When asked about his ambition for the coming years, considering his swift progression at Damco, Alphonse Bea replies with the same confidence and calm tone with which he has told the rest of his story.

"In two years I see myself as the CEO of Africa and the Middle East for Damco. I have always said to myself that if you want to reach the third floor, try to reach the fifth, so even if that does not happen, you can fall at the third floor."

Bea explains he is confident that he – and anyone else for that matter – can do what he puts his mind to. For him, the only guarantee of failure is to believe that success is not possible.

"I know that Damco will not look at where you are from, but what you can deliver. So in order to reach my goal, I have to deliver at the level that I am now, and then deliver above that. Also, I know it is very challenging to have the kind of position that I am striving for."

"I want to show future generations that if I have made it, then they can make it too. No matter where you are from, no matter what the colour of your skin, you can make it. I believe only in one thing: hard work." 



*Watch this video to see Alphonse Bea explain how he moved 300 containers of relief aid into the Central African Republic during the civil war.*





# When zero means ZERO

**COMBATTING CORRUPTION** | Maersk Line Limited has achieved zero facilitation payments on the Suez Canal route as a result of teamwork from all parties, and this is one resounding victory that it is hoped can be rolled out across other ports and fleets.

BY YIHUI TAN

> When Master Frank Warnekros of the Maersk Denver docked at a port in the Indian subcontinent on Christmas Eve last year, he was presented with a chocolate cake by Immigrations and Customs officials.

"I was told it was a gift to me," Master Warnekros recounts. "One guy went on about how Christmas is about the spirit of giving, and that all ships give 20 cartons (of cigarettes) in return. But in my case he would accept 10 cartons. I told him I was not giving any and explained the Maersk policy, adding that I'm worried that I would be charged with bribery."

When told that as the Captain he could "break the policy", Master Warnekros repeated: "I intend to follow Maersk Policies." Three more Customs officials who boarded the ship faced the same stoic stance by the Master.

"One of them said he will not make any charges against me but made the empty threat that every ship

that follows will be charged three extra cartons to make up the difference. I replied that he can do what he likes in that regard. They then left."

This incident is one out of many that Masters face when traversing ports in various countries. Defined as small payments such as cash, cigarettes or soft drinks demanded by low-level public officials to perform their routine tasks, facilitation payment demands remain a great challenge for Maersk's anti-corruption policy, and will be high on the agenda to tackle in the coming years.

## **ZERO PAYMENTS ON THE SUEZ**

Starting from December last year, all Maersk Line Limited vessels took the lead in reducing facilitation payments, where feasible stopping them all together. The project started in ports across the Indian subcontinent, as well as the Suez Canal where the ships ply.

Master Scott E. Pendleton of the Maersk Chicago



*The Suez canal is also called the Marlboro canal because of facilitation payments.*



*Master Scott E. Pendleton: "Only acting as a fleet are we able to make a change."*

says, "as one ship, it was not possible to eliminate the payments. Only acting as a fleet were we able to make this change."

And the change has indeed been resounding. Zero facilitation payments have been achieved by Maersk Line Limited on the Suez Canal, according to General Manager Fernando Querol from Marine Execution, Operations, who confirms this through extensive fleet-wide communication. Master Pendleton recalls: "some of the Suez pilots were initially irate and complained to other pilots in their convoy, resulting in some slight delays in transit to other Maersk Line Limited vessels."

#### **SAME POLICY IN MAERSK LINE**

The project has triggered some unusual responses. For example, there have been pilots stating that this is

### **Best Practices on vessels for combatting facilitation payment demands**

The Group's anti-corruption policy is explained in a Best Practices document. Here is a summary of the preventive actions:

- Post the anti-corruption placard and materials on the gangway and in all visible places on the vessel, including on meeting tables when sitting with officials.
- Individual crew members should be well prepared when embarking, with all the necessary paperwork in place.
- Ensure all medicine lists are correct and reflect actual supply.
- Never let public officials inspect the vessel without being accompanied by a Maersk officer. Show officials respect and be hospitable to help pacify the situation.
- Be consistent – if one vessel succeeds in reducing or rejecting demands, talk to other vessels on the same route so they know and can follow suit.

**Download the document and read more:**

<http://group.apmoller.net/bu/mli/func/legal/pages/Anti-Corruption.aspx>

'President Obama's fault!' In this case, Master Pendleton tried to explain to the officials that all US-flagged Maersk ships are following the same company policy.

According to Henrik Petersen, Marine Manager of West Central Asia, the same stance applies to all Maersk Line ships calling across the Indian subcontinent since last December.

"The positive results so far have only been possible with the close liaison of all involved parties from port agents to Ship Command, Cluster Operations and the Liner Operations Cluster," he says, "this is something which takes time to implement. Involving all parties and applying pressure from all angles towards the local authorities, such as having our local agents push to avoid delays to vessels, has resulted in success."

Petersen adds: "overall we have seen a drastic reduction in facilitation payments. While we have achieved zero payments on the Suez, some ports are a bit harder to break."







PHOTO: ISTOCKPHOTO

*Small payments such as cash, cigarettes or soft drinks demanded by low-level public officials to perform their routine tasks, facilitation payment demands remain a great challenge for Maersk's anti-corruption policy, and will be high on the agenda to tackle in the coming years.*



According to Ed Hanley, Vice President of Labour Relations and Fleet Management, Maersk Line Limited, the achievement of being able to transit the Suez (also known as the "Marlboro canal") with zero facilitation payments is a testament to Maersk's thorough Anti-Corruption campaign that includes training for all colleagues globally – and to the American Masters on board who persistently enforced the policy without disrupting operations.

"Stamping out corruption is in the best interest of all societies. Facilitation payments were always on the edge of the slippery slope to bribery, and we are glad this practice is ending," says Hanley.

#### STANDING FIRM

In some ports, facilitation payments are so ingrained that officials consider them customary or part of their salary. For example, some officials refuse to grant shore leave unless they receive their cigarettes.

In other situations, officials will deliberately find fault with paperwork on the ship, or request for irrelevant paperwork just to cause delays. In more extreme cases, gangs associated with customs officials will board a vessel and use intimidation to gather gratuities.



*Ed Hanley, Vice president of Labour Relation and Fleet Management, Maersk Line: "Stamping out corruption is in the best interest of all societies. Facilitation payments were always on the edge of the slippery slope to bribery, and we are glad this practice is ending."*

In these situations Masters have been forced to use local security teams during discussion with local authorities.

#### 24 CARTONS OF CIGARETTES

Maersk Chicago's Master Pendleton experienced a situation in which customs officials from a port in the Indian subcontinent also refused to let cargo operations start unless they were given their 24 cartons of cigarettes.

However, the Master remained calm and mentioned that the US Consulate might have to be contacted. Cargo operations were finally allowed to start, but demands and threats continued for another hour.

"We are now at a point where we are still asked for cigarettes at other ports, but when we refuse that is the end of the discussion," Pendleton says. Vessels are actually cleared faster now, with fewer officials coming on board. The inclusion of more of the Maersk fleet is the only way to shore up resistance and make officials realise that zero means zero.

Master Warnekros of the Maersk Denver, whose ship was the first to pass ports in the Indian subcontinent without making any facilitation payments, shares his comments:

"I attribute this success to the gathering and sharing of information with other MLL ships, and just my plain stubbornness," he says. \*

## What's the difference between facilitation payments and bribes?

A bribe is something given to obtain something that the giver is not clearly entitled to receive.

Maersk has a zero-tolerance policy for bribes.

Facilitation payments are small payments such as cash, cigarettes or soft drinks demanded by low-level public officials for them to perform routine duties which they otherwise refuse to perform. They may only be given to obtain something that the giver is clearly entitled to receive.

Facilitation payments are not paid to jump queues or obtain an unfair advantage.

Time is spent refusing demands, some of which if refused can lead to commercial delay or even threat of crew imprisonment. Yet if facilitation payments are allowed to be 'embedded' as a way of business, it will foster a system of corruption and inefficiency that is much costlier in the long run.

Maersk's policy is that facilitation payments must be opposed and avoided whenever possible, and if this cannot be done without significant consequences for the company or employees, they must be documented and reported.

If the payment is greater than USD 150 made to one person, it would generally be considered to be a potential bribe.

Even a small payment can be a bribe, e.g. if paid to avoid a fine or to obtain an improper benefit.

The Group's ultimate goal is the elimination of facilitation payments.

## News in brief

### A toast to one of the world's greatest shortcuts

**The Panama Canal is in the global spotlight this year as it celebrates 100 years as an expanding icon of engineering and infrastructure. As a customer for 97 of those years and with offices in Panama since 1992, Maersk is also celebrating.**

When it opened in 1914 after three decades of construction, the Panama Canal was a 77-km long engineering marvel and a master stroke for global trade.

By connecting the Pacific and Atlantic Oceans, it slashed 15,000 km off the maritime distance between the American East and West, and connected North and South America to each other and the world like never before. Together with the Suez Canal (1869) and the invention of the steamship in this period, the Panama Canal helped to dramatically lower the time and monetary costs of shipping to once far away markets.

"The Panama Canal has played a key role in connecting the world with sea transportation for the past century," said Maersk Line CEO, Søren Skou, who attended the anniversary festivities in Panama as part of a visit to the region.

"During this time the Canal has been essential to Maersk Line for providing efficient and cost-effective transportation to our customers. Maersk Line is celebrating the history of the Panama Canal as a customer since 1917 and we are also celebrating the future, as the Canal is expanded to create new opportunities and facilitate further efficiency for global trade."

### MCI prepares for pick up in reefer market

**The Group strengthens Maersk Container Industry's position following a pickup in the global reefer container market after an 18-month slowdown. The predicted growth poses new opportunities for MCI's innovative solutions.**

"For many years, MCI has created innovative reefer products which have helped build Maersk Line's strong reefer position in the market. We want to ensure MCI continues to do so, while we simultaneously develop the business with customers outside of the Group," said Trond Westlie, Chief Financial Officer, Maersk Group.

As a consequence of the strengthened focus, MCI Chairman Stig Hoffmeyer will change his role to become MCI CEO, and Lars B. Heineke from Group Finance will join as Chief Financial Officer.

Stig Hoffmeyer will take over from Peter K. Nymand, who worked on the technical side and was in charge of the development of some of MCI's most successful technologies, before being appointed CEO in 2006. He led MCI through further modernisation and its transformation into a global company.

During its 25-year history, MCI has evolved from playing a supporting role for the Maersk Group's container businesses to being an independent company. It also services third-party customers with innovative solutions in the reefer market for storage and transportation, such as the Star Cool technology – a technology that enables perishable goods to stay fresh for longer.



# Drilling for new talent

**NEW RECRUITS** | Maersk Drilling is right on target with its ambitious recruitment plan, which aims to bring in qualified staff for its expanding fleet. New recruits say they welcome the company's values and attitudes towards both employees and customers.

BY SAM CAGE

➤ Dave Horton didn't know much about Maersk when he came for an interview in Copenhagen. But the experience soon persuaded him that it was a place he wanted to be.

Horton, an experienced English offshore worker who joined Maersk Drilling as part of an ambitious recruitment programme for its expanded fleet, is now working on the Maersk Venturer, a new ultra-deepwater drillship.

"I was impressed by Maersk's philosophy and the company's attitude towards the welfare of their employees. I had not experienced this in the past with other companies to the degree that Maersk promotes," Horton says.

His experience helps to explain why Maersk Drilling is right on track with recruitment plans as it expands its fleet. The Maersk Venturer is one of eight new jack-up rigs and drillships ordered,

representing a total investment of USD 5.2 billion,

The challenge is a growing industry creating lots of new jobs which, combined with retirements and a lack of natural influx from educational establishments, means a potential staff shortage. But Maersk Drilling has already recruited about 1,000 staff and needs another 450 for the rigs it already has on order.

## A LONG FUTURE HERE

This is almost exactly where Maersk had aimed to be at this point, and it is further helped by a retention rate of 95% compared with an industry norm of 90%, says Jesper B. Madsen, Maersk Drilling Vice President for human resources.

"Customers want not just the rig, but the Maersk competencies and values," Madsen says. "This is more than just a recruitment drive. It really starts from what kind of company we want to be and we can

communicate that to potential new recruits."

"We've managed to do this because of good planning and a tremendous amount of work. It's been a combined effort from the management, the day-to-day operational leaders and our HR team."

Matt Vermeer, another new recruit and Horton's colleague on Maersk Venturer, agrees that history and principles were a major attraction. He has welcomed the training and professionalism, though says any means to speed up the recruitment process would be welcomed by potential employees.

"No company is perfect, but I feel like Maersk Drilling genuinely care about their employees, their customers and their reputation. They want to do things the right way and this is the type of environment I want to work in," says Vermeer. "I hope I have a long future here." \*





PHOTO: MAERSK DRILLING

*Dave Horton is impressed by Maersk's philosophy and attitude towards employees: "I had not experienced this in the past with other companies to the degree that Maersk promotes."*

### Maersk Drilling's investment plans

- Maersk Drilling has one of the most modern offshore rig fleets in the world, with 20 drilling rigs plus two drillships and two jack-up rigs under construction
- It is investing to expand its fleet, particularly in the ultra-deepwater market and ultra-harsh environments, and aims to make a profit of USD 1 billion in 2018
- It has an extensive programme of maintenance this year, which affected results for the second quarter when profit was USD 117 million

### The recruitment plan

- Maersk Drilling has a target to recruit 1,450 new people for its current fleet expansion programme, with eight new rigs by 2016. It currently has about 4,000 employees
- It has already hired about 1,000 people and aims for another 450 to staff the rigs it already has on order
- The eventual number of new hires will depend on employee retention and how far the fleet is expanded, but the programme is scaled to hire up to 3,000 new employees

## News in brief

### Local talents challenged the Maersk leaders

**Top managers from 22 countries gathered for the annual Global Leadership Conference in Copenhagen for an insight into what the future could hold for Maersk Group.**

Each of the four Maersk talents standing on the scene at the conference in Copenhagen have climbed the career ladder in their own region. They are ambitious, talented and "exactly what Maersk needs" according to Ricardo Sookdeo, Head of Group Talent, Performance Management and Headquarter HR.

The four talents were invited to share their thoughts on how not only to attract, but also retain local talent in developing markets. And this can also challenge the way Maersk leaders think about talent.

One of the four, Mohammed Ahmed, Cluster Top of the Democratic Republic of Congo, suggested that leaders from growth markets should be moved to jobs in more mature markets for a period of time in order to gain business exposure, and then afterwards return to more senior positions in their local markets.

"If we can do that, I am sure we can retain more people and allow our business to be more effective," Ahmed said after his presentation at the conference.

Back in his office at the Group Headquarters in Copenhagen, Ricardo Sookdeo welcomes the input from the local talent. He saw the four young talents at the Global Leadership Conference, and he appreciates Mohammed Ahmed's suggestion.

"I think he is absolutely right. And it is well in line with our career thinking. After having identified people in growth markets who have the potential to take on larger roles in Maersk, we should ask them to take an assignment in either Copenhagen or The Hague. That would give them the business exposure they need in order to take on even bigger challenges," Sookdeo said.

### Maersk Group raises outlook for 2014

**Strong performance across the Group sees underlying profit up 42% in the first half of the year.**

The Maersk Group has raised its annual underlying profit forecast to USD 4.5 billion in 2014, following a strong financial performance across the Group in the first six months of the year.

Despite challenging market environments in the Group's core shipping and oil industries, underlying profit rose by 42% on the previous year to USD 2.4 billion. The Group achieved a return on invested capital of 14.3% (up from 7.7% in 2013).

Group CEO Nils S Andersen described the result as "very satisfactory".

"The Group is making good progress on its strategic ambitions. We are on track to deliver above 10% return on invested capital over the cycle, and are profitably growing world-class businesses," said Andersen.

The Group's strong financial position means the Board has decided to buy back shares of USD 1 billion in the coming 12 months. "We have a strong balance sheet and see this as a good use of capital at this time," said Andersen.

# Maersk Line takes steps to 'be good'

**CUSTOMER SATISFACTION** | By shining a light on its monthly performance across eight fundamental shipping services for its customers, a new product from Maersk Line aims to help simplify shipping and flip a trend of low customer satisfaction ratings.

BY JOHN CHURCHILL

> "In an environment where we will share more of our vessels with our competitors, the need to differentiate on commercial services is stronger than ever before," says Stephen Schueler, Chief Commercial Officer for Maersk Line.

"Our new customer service Care and Care Premium programme and our Customer Charter will help us differentiate. These programmes allow us to move from a rate discussion to a conversation, where can we add incremental value to our customer's business and help identify mutual business solutions and opportunities."

From booking a container to the documentation and invoicing that follows, the basic steps in the shipping process are costly, frustrating hurdles for customers of all shipping lines. Maersk Line has launched a number of initiatives in the past two years to improve in these areas and good progress has been made, although average customer satisfaction remains low.

In the latest customer satisfaction survey conducted in the second quarter of this year, roughly one third of Maersk Line customers answered that they were "unlikely" to recommend its services to a colleague or a friend. This level is typical of the entire industry.

"Maersk Line has posted nine quarters of profitable results so we've certainly improved our business performance," says Schueler. "Yet our customers are still frustrated with their interaction with Maersk Line. With the Charter and the new Care programme we now have the tools in place to ensure we become better at serving our customer's needs. This is a journey to building a world-class commercial organisation and differentiating with our services."

## 'DON'T BE DIFFERENT, BE GOOD'

Maersk Line has been focusing on the fundamentals for the past year in order to reverse this trend of low customer satisfaction. The launch of its Customer Charter last summer was followed in September with a new product, a customer-specific version of the Charter called Your Charter.

The Charter is a promise to all customers concerning Maersk Line's service in eight areas. It is the result of more than three years of research with more than 1,000 customers and defines eight fundamental services that customers have said are the most critical for Maersk Line to get right.

When he announced the Charter in March 2013, Maersk Line CEO Søren Skou summarised the customer feedback that led to its creation as 'don't be different, be good.'

To that end, the Charter has annual performance targets for each of the eight fundamentals and anyone can see and track how Maersk Line is doing globally against the targets throughout the year. For customers in Maersk Line's top two customer service bands, Care Premium and Care, the Your Charter product offers the same but is customised for the customer's business.

"Our strategy with Your Charter is to set service expectations for customers when shipping with Maersk Line and to put pressure on ourselves to stick with it by tracking our performance and sharing the data," says Tom Sproat, Vice President of Customer Service in Maersk Line.

## TRANSPARENCY AND ACCOUNTABILITY

One of the eight areas that Maersk Line has improved the most since the launch of the Customer Charter is invoicing accuracy. Accurate invoices facilitate cash flow; when they're wrong, customers can't close their books or see a clear picture of their transportation costs.

As of 1 September 2014, Maersk Line's global invoicing accuracy is at 94.4%, a tick above the 94% target for the year and a leap up from 88% at the start of 2013.

One area where there is much work to do – and a major reason for the low customer satisfaction scores – is accessibility. While the vast majority of shipping transactions happen online, on occasion customers still need to talk to someone and they find Maersk Line frustratingly difficult to reach on the phone.



PHOTO: CURT GOODWIN

*"Our strategy with Your Charter is to set service expectations for customers when shipping with Maersk Line and to put pressure on ourselves to stick with it by tracking our performance and sharing the data," says Tom Sproat.*



*Don't be different, be good. An animated video from Maersk Line explains why the Customer Charter was created and what the Charter will accomplish.*



*Stephen Schueler, Chief Commercial Officer for Maersk Line: "With the Charter and the new Care programme we now have the tools in place to ensure we become better at serving our customer's needs."*

More than 33% of Maersk Line customers "have difficulty" reaching their sales contact and 20% "have problems" reaching customer service at all, according to the survey. The 2014 performance target for accessibility is that all telephone calls to customer service will be answered in 30 seconds or less.

To reach this, Maersk Line says it is doing more than asking its customer service people to be better about picking up the phone. Maersk Line is rolling out MyPhone, a unified global telephone system that enables the company to see its global accessibility in real time and measure and track performance so that phone calls from customers are picked up quickly.

#### **BUILDING TRUST WITH DATA AND CONVERSATION**

"What we're doing by putting the data on the table is helping build trust and also putting the pressure on ourselves to improve in these areas where our customers say we aren't getting it right. But the performance report is just the starting point," says Tom Sproat.

"The purpose is to create a dialogue with customers around how Maersk Line is performing for them, and more importantly where we can improve together. It is a tool, albeit one we believe is a good one, for the people in the room who must have the conversation."

To that end, the three-tiered Customer Care customer service programme that was launched in 2012 has been training sales and customer service agents to be better at having that conversation, the "soft skills." It also

gives them a structured programme with a set of global standards and processes to follow so customers have a predictable and pleasant experience every time they call.

"Customer service as a differentiator is growing in importance for us. We are improving, but more progress needs to be made," says Stephen Schueler. "The Charter and Customer Care programmes are important steps. We have started the journey of helping to simplify our customers' shipping experience so they can better focus on their business." ❄

#### **The Customer Charter**

See how Maersk Line is performing at [www.maersklinecharter.com](http://www.maersklinecharter.com)

##### **The eight service fundamentals**

- Invoicing
- Booking confirmation
- Accessibility
- Documentation amendments
- Issue resolution
- Pre-arrival notification
- Dispute resolution
- Documentation accuracy

##### **2014 target**

- 94% invoice accuracy
- Confirm bookings within two hours
- Answer phone calls in < 30 seconds
- Turn documents around within the hour
- Resolve issues within 12 hours
- Notification within 24 hours
- 100% within five days
- 95% accuracy within eight hours



# "In case of any emergency..."

**KEEPING MAERSK EMPLOYEES SAFE |** Whatever the situation, Maersk's security staff are always working to keep employees safe, particularly when they travel to potentially dangerous areas. A new system being rolled out across the Group will help to locate employees quickly and advise them through an iPhone app on what to do in an emergency.

BY SAM CAGE

➤ When Nick Caws hears of a potential emergency, the first thing he does is check his phone.

Caws, Maersk Oil's Head of Security, uses a new software program that allows him to check where staff are immediately and target messages directly to those in poten-

tially dangerous locations with advice, information and instructions – whether from a computer or his smart phone. It is being rolled out across the Group in 2015.

This year, TravelTracker – an assistance program that travellers can access through an app on their

iPhones – has proved its worth in several situations. When violence flared in Iraqi Kurdistan this summer, Caws was immediately able to advise affected Maersk Oil staff what to do. Before the summer's World Cup in Brazil, he could add a note advising of travel restrictions in specific areas.

"It's critical to know where our people are," Caws says. "The main function of the system is that when something happens, I can straight away find out who's in the country and who's travelling there. The advantage is I can do it straight from my mobile phone."

TravelTracker, which is already being used by Maersk Oil and will soon be used throughout the Group, is just one of the tools used by the company to keep staff updated on potential risks and make sure they are safe when something happens. These include a 24-hour hotline, a new security website and a travel e-learning programme.



## How to use TravelTracker

- ✓ Always book your travel and hotels using an authorised Maersk Group travel agency. For most employees, this is and remains American Express Travel.
- ✓ Once TravelTracker is rolled out across the Group, it will alert and advise any employee who might be involved in an emergency situation.
- ✓ The iPhone app includes a button which instigates a telephone call to the nearest International SOS assistance centre. Once connected, an International SOS coordinator can assist with general information or can connect the caller with an expert for medical, security or legal advice.
- ✓ The assistance centre also provide a concierge service to help with logistics, emergency money or whatever is needed. Through the international network of assistance centres, calls can be handled by coordinators in over 90 different languages.

## AWARE AND FOCUSED

TravelTracker amalgamates all travel bookings – most importantly, flights and hotels – made through Maersk agents, primarily American Express Travel.

When travellers book trips to a potentially risky location, they receive an e-mail brief covering medical and security advice and location information, and requiring

PHOTO: THORBJØRN HANSEN



Maersk Oil's Head of Security Nick Caws : "It's critical to know where our people are."

PHOTO: THORBJØRN HANSEN



"We want to take care of all our people, and TravelTracker is the best tool to help us do that," says Joanna Stromberg, Security Manager for the Group.

PHOTO: THORBJØRN HANSEN



"As someone who travels regularly, for me it's nice to get an overview of the destination from what I would consider a trustworthy source," says Karen Grønfeldt Henriksen, an HSE management system advisor in Maersk Oil.

confirmation that it has been read. The iPhone app provides access to the assistance service and can also answer questions, such as locating nearby clinics in case of illness.

"We want to take care of all our people, and TravelTracker is the best tool to help us do that," says Joanna Stromberg, Security Manager for the Group. "In case of any

alert, it can tell us almost immediately who is in the area and we can advise them straight away on what they should do to stay safe and what we're doing to help them."

It is part of a service from International SOS, which has its own medical clinics, 24-hour service centres and a wider network of some 76,000 medical, security and logis-

tics providers that can offer help on the ground to its members.

"As someone who travels regularly, for me it's nice to get an overview of the destination from what I would consider a trustworthy source," says Karen Grønfeldt Henriksen, an HSE management system advisor in Maersk Oil.

"Just as an example, there was a



> rape attempt at a hotel while I was in India, and though it did not make my day better, I really appreciated getting the information. It keeps you aware and focused."

#### A LITTLE HELP

With TravelTracker, Crews can send a message directly to everyone who is in any chosen area. This could range from advising them to wait where they are until more information is available, or in more serious situations, to help organise an evacuation.

TravelTracker would have helped during and after Typhoon Haiyan in the Philippines last year, when the extreme nature of the event and size of the affected areas made it difficult to pinpoint exactly where everyone was, says Lars Lorenzen, Maersk Line's Head of

PHOTO: THORBJÖRN HANSEN



*"TravelTracker would have helped during and after Typhoon Haiyan in the Philippines last year, when the extreme nature of the event and size of the affected areas made it difficult to pinpoint exactly where everyone was," says Lars Lorenzen, Maersk Line's Head of Security.*

Security who has worked on the roll-out of the app since January.

"It's in situations like this – abrupt natural catastrophes – that it will really prove its worth,"

Lorenzen says. "It's a benefit to each business traveller. Even the most experienced traveller can need a little help sometimes." ■

## How to book the travel

The Maersk Group has switched its corporate credit card provider to MasterCard as of September, but it continues to use American Express Travel as its main travel agent.

The process for staff booking travel, primarily flights and hotels, remains the same, and everything must be booked through an authorised travel agent which for most employees is Amex Travel. Some seafarers use ATPi and can continue to do so.

This not only provides better rates for Maersk but also means that the company can see the bookings of all its employees and respond quickly and efficiently to ensure their safety while travelling.

All employees who travel should have applied for, received and activated their new corporate MasterCards. If they have, the details will automatically be included in their Amex Travel profiles, and if they have not their agent will advise them next time they try to make a booking.

"The only way in which TravelTracker is going to work is if people book with Amex Travel. TravelTracker can only get information from our travel agencies. They cannot get the info any other way," says Mette Christensen, Senior General Manager in Group Procurement.

While some employees may be tempted to search for their own flights online, they should not book these because they will not accrue the benefits that Amex provides to the company. In fact, Amex provides a price guarantee so that if the same journey is found at a cheaper price, it will refund the difference.

"We are still using Amex Travel as the travel booking agency. We are going to continue with them and it is very important that people book through these agencies," Christensen says.



PHOTO: GROUP PROCUREMENT



## MY MAERSK

### Viswajit Dilip Vishwanathan

#### AN UNLIKELY CHALLENGE |

Volunteering for the first time, Maersk Line Second Officer Viswajit Dilip Vishwanathan was surprised when children from the organisation he was visiting confronted him and said: "we are sure we will not see you again." His reaction influenced the next several years of his life.



PHOTO: MAERSK LINE

*Maersk Line Second Officer Viswajit Dilip Vishwanathan with the children of Down to Earth. "Every time I come back, I look forward to seeing them. I look forward to pointing out on the map where I have been and showing them pictures of what I do. And when I'm offshore, I know I need to work harder because I have to set an example so that they can also aspire to work hard and aim higher."*

# A reason to come home

BY ANDREA IMSON AND MICHELE SCHIFINO

➤ Vishwanathan met the children of Down to Earth in 2009. The organisation aims to help kids stay out of trouble, and he was invited by college friends to come over and meet the children from the programme while waiting for his sailing papers to come through.

"As an observer on that first day, I was not so keen on it and was bored. As the day wore on, I decided not to come again, but the kids surprised me by saying, 'we are sure we will not see you again.'"

When he asked why, they replied: "volunteers come for a few days until they feel nice about themselves and then they leave."

At that moment, Vishwanathan made a decision to keep coming back simply to prove a point. Over time, his involvement grew, from teaching the children to eventually mentoring them and giving them advice about their lives and careers. Today, the affinity between Vishwanathan and

#### Viswajit Dilip Vishwanathan

**Age:** 27  
**Nationality:** Indian  
**Education:** Diploma in Maritime Studies (Second Officer and Third Engineer)  
**First job:** Cadetship with Maersk Line  
**Interests:** Travelling, basketball, chess, badminton, table tennis and various other sports.

the children has grown to a point where he now comments:

"My kids have grown with me as I have grown with Maersk. They know my ships' names, the routes, the schedules and even what this company does."

In addition to keeping him busy while

onshore, volunteering has unexpectedly helped Vishwanathan to deal with one of the downsides of a seafaring lifestyle: the lack of continuity. Like many seafarers, his work schedule is based on rotations: three months on board a vessel followed by three months of time off.

"We keep going away and coming back, so we miss out on a lot of things with our friends and family. Spending time with these kids, I was amazed that I could continue where I had left off, whether it be teaching them a book, life skills or sports, etc. I am not married and I would rather help the kids that are already in India."

#### QUALITY TIME CAN SOLVE SOCIETAL ISSUES

Vishwanathan believes that spending time with the children of Down to Earth is the most meaningful gift one can give. Early marriages, problems with the law and dropping out of school are just some of the issues that quality time with India's youth can prevent, he says. ✱

## Who should we feature in the next MyMaersk?

If you have an inspiring colleague who leads an extraordinary life inside or outside of work, nominate them for MyMaersk by sending an email to [andrea.p.imson@maersk.com](mailto:andrea.p.imson@maersk.com).

# Cranes arriving for duty

**THE BIG PICTURE** | The USD 800 million terminal expansion project in APM Terminals Callao, Peru received some important hardware recently: Four Super Post Panamax ship-to-shore cranes and 12 electric rubber-tyre gantry cranes.

The port of Callao, 10 km from the capital city of Lima, is Peru's most important port and handles 80% of the country's trade. APM Terminals Callao is a 'multi-port' terminal, handling everything from grain, cars and machinery to fuel, minerals and containers. The five-phase expansion project began in 2011 and will be

complete by 2021, and aims to grow both the container and bulk businesses.

The new cranes, nine more of which will arrive by 2020, will help grow the container side of the business. Containers currently make up only 30% of the business in APM Terminals Callao. Large enough to serve the world's largest ships, they will help turn Callao into a strategic distribution centre for container cargo moving north and south in the region.



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