

Harly Penner, Director, Fleet Engineering & Vessel Development, Seaspan Ferries Corp. commented that, “When you’re considering building vessels for use in a local airshed that will operate for the next 40 years, you must take into consideration the major stakeholders in that region, as well as the technology and availability of emerging and alternative fuels.” He continues pointing out that one of the major considerations Seaspan put on its list was ‘what is available to us.’ “We need to have something that works for us now, so we can build vessels that can go into operation now, and security of supply is a big part of that. So that put us into a decision-making process where natural gas came out on top.”

In 2019, Seaspan announced it would be adding two new LNG battery hybrid ferries to its fleet in 2021. The vessels are being constructed in Romania by Netherlands based Damen Shipyards Gorinchem B.V., and are expected to go into operation in 2021, joining *Seaspan Swift* and the *Seaspan Reliant*, the company’s first hybrid ferries, operating since 2016. The new 148 meter vessels will feature 2 MegaWatt batteries, as well as 209 cubic meters of LNG storage. The propulsion system, energy storage system and controls are supplied by MAN Energy Solutions.

Beginning in 1898 as a small company serving BC’s coastal communities, Seaspan today is a prominent marine transportation company operating along the west coast of North America. The company operates a “drop trailer” service eliminating the costs of tractors and their drivers accompanying trailers during transit to or from Vancouver Island and the mainland. Seaspan Ferries operates four roll on/roll off, self propelled vessels, and three articulated tug and barge units, pro-



viding eleven round trips per day, each one way trip taking three hours, between two terminals on Vancouver Island and one on the mainland.

“Alongside availability and security, you must consider environmental effectiveness,” Harly Penner says as he explains that Seaspan procures its LNG from Fortis BC. “In our studies, we experienced a considerable reduction in emissions, based on the transition to clean natural gas from B.C.” Mr. Penner also explained that Seaspan works with the Natural Gas Futures Group as well as the University of British Columbia to complete on-board, real time measurements of the emissions from its vessels.” Penner says that from the company’s point of view, these new vessels are more expensive, but “because we built them to use LNG, but there is a positive payback since we are able to get secure supplies of that natural gas at low cost from Fortis.”

Maritime Strategies International, a UK-based market analysis company said in

a 2019 study and report that there had been a step up in interest in LNG as a fuel, but that LNG fuelled newbuilds will remain a minor component of the global fleet going forward. MSI looked at the current fleet and orderbook for LNG fuelled ships using data from IHSMarkit and other sources. One of the key distinctions in this area is between LNG ready and LNG fuelled vessels. LNG ready vessels have space allotted for LNG fuel tanks along with supporting materials used for low temperatures, engines that can be converted to dual fuel operation, and space for pipes and ventilation. This affords shipowners and yards the flexibility to limit the future incremental cost of conversion to dual fuel. One such example is Hapag Lloyd’s conversion of a 15,000 TEU container ship *Sajir* from LNG ready to LNG fuelled at a cost of \$30 million. Although an LNG ready vessel is more expensive to build than a standard vessel, the idea is to future-proof the investment, and provide optionality to the owner.

## Growing a shipping company

BY GUY M. TOMBS

Growing a shipping company is helped by seeing its potential in global terms, especially because shipping is an international business. How can we go from thinking locally and small to developing a global vision? This is not a presumptuous, or even comical, question. It is essential and can be life-changing.

I was in Tromsø in Arctic Norway, at the top of Europe, in mid-August last year. Not far from this island city the huge German battleship Tirpitz was sunk by the RAF in November 1944. After the war the wreck was cut up and removed. The Tirpitz together with its sister-ship the Bismarck were part of a failed strategy to achieve Nazi global pre-eminence on the high seas.

Seeing the world from so far up – I had been even further north on Svalbard the week before – this was a perspective I had not experienced. I knew that most of the world was south of me.

In November I attended a conference on Mactan Island near

Cebu in the Philippines. This was where in April 1521 the Portuguese explorer Ferdinand Magellan was killed in a battle with the local population led by the leader Lapulapu. Magellan did not circumnavigate the globe: he got only this far. Juan Sebastián Elcano took over command and completed the round-the-world expedition. This early, truly global event was the result of a vision, great ambition, and certainly had commercial motivations. This first circumnavigation is very much another shipping story, taking us far back in time. Seeing our position vividly in both time and space, in a big way, we may be able to see our business with the broadest possible terms of reference.

Growth is natural. Constraints to growth in a business are often internal to the business, not caused by market forces. People are key: their alignment and team spirit come about from good management or leadership at the top level, and quickly dis-

appear with indifferent management. Leadership in a shipping company results in people who have a strong vision of where the business is today and where it needs to go – and also people who have the operational ability to be effective at all the work that this vision entails. Vision leadership and Operational excellence could be in one person – often this is not the case. Discord between the Vision and Operational leadership in a shipping business leads to an uneasy working environment for the staff – and mixed messages to clients and partners alike. So while growth should be natural, growth needs constant care, as it is ever-fragile.

International shipping is based on long-distance trust. We are continually working with people we may know well, but often not so well, many time-zones away from us on other continents. Setting up shipments, negotiating contracts, getting accurate and timely information — is often very delicate work. What would Magellan or Elcano have thought of our present ability to track a ship on the MarineTraffic app or to reach for an update by mobile phone from a partner walking back from lunch along a sidewalk in Singapore?

We have to build multiple, strong international connections, a woven cross-thatch of talented, informed people across the globe, whom we can rely on to do the sensitive work that comes our way – and expect them to reciprocate. These men and women are certainly outside of our company – but they are what makes us international. When they are strong and helpful, we must respect them and let them know it.

In my experience, large corporations and governments generally like working with smaller firms that have a mastery of detail and can do complex jobs well. Multi-national competitors have different strategic objectives. They are not alike. A smaller shipping firm can grow through personal selling and by providing its clients with an excellent and reassuring experience – ‘getting back’ to the client, as one says, promptly and in an informed way on a continual basis.

In shipping, we are so often working with people of other cultures – and we can mis-read each other as a result. Trying hard to see oneself as the other person would see us is an important skill to try to develop. Listening to, or reading, international news helps us see what they, far away, may be living in their country. Knowing their stories can help bridge any divide. Empathy can help with understanding – multiple relationships can build and as a result, the shipping company can grow in diverse ways and in new markets. In shipping, what we are is international – our performance overseas undertaking complex shipments is based on the performance of our trusted, distant partner or agent, to our client’s benefit. What wins business is not over-promising, but consistently out-performing our competition in select fields.

There is a seeming randomness to each day at work – many



numbers and places and names of companies jump at us from all directions. We work hard to make sense of, and a profitable file from as many of these opportunities as we can. In the morning we receive enquiries often from far away that we never dreamt of, and which are interesting – and thought-provoking. In shipping, there is always something new. When I had just started out, a Vice President of our company, who had been with us for 54 years, Davie Davidson, said to me that he loved his job because each day was different! He chartered a lot of ships in his unflappable manner – but each one was unique to him, with its own special considerations.

Shipping often entails enormous risks. The variety of tools that are available, for example, in insurance, that work to mitigate these risks, and generally do, is quite astonishing.

Shipping is about rules and cargoes and money and means of conveyance and people and time – and the multidimensional ‘linear algebra’ we learn to calculate and recalibrate what works and what to avoid every day.

There are players who have long experience in their trades and can foresee events or outcomes that those new to the industry often cannot – and so these experienced people are valuable: they are the seers, and customers may gravitate to them, for solutions, because of their specialized wisdom. Shipping businesses need some of these people, but not too many! Energetic younger people are more interested in growth – and can power the company forward more aggressively.

It is a given that some people will not see the company except in terms of their own limitations – and they will feel threatened by a broader vision, because they fear the vision, or dream, is beyond them — and because they fear that they do not have the skills to be competitive on a global stage, which is what a global vision asks of us. Vision requires reflection and intuition from company leadership – and strong implementation at an operational level. Forging a new path through a thick forest is the way of the visionary – it is not following someone else.

Looking far down over Tromsø in glistening waters, from the hill-top – surrounded by wildflowers and red snow and younger, stronger hikers walking by me – I felt, yes, there is excellence in this world and it is worth pursuing.

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