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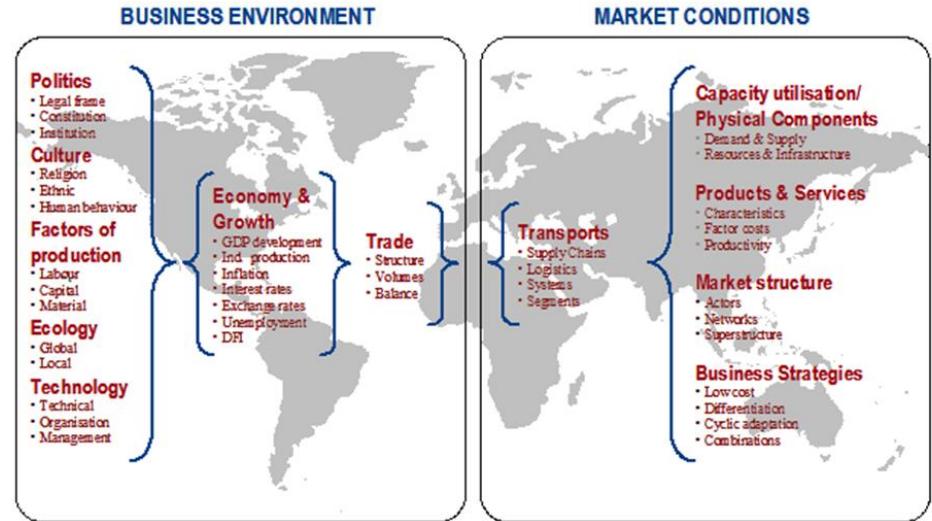
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► ULSTEIN ACCELERATED BUSINESS DEVELOPMENT (ABD) – AND THE PROBLEM AT HAND

ULSTEIN INTERNATIONAL AS
25.02.2020 REV 1.1

WHY AND WHEN DO WE MAKE NEW VESSELS? (DEVELOP, DESIGN, BUILD AND OPERATE THEM)

- A vessel business opportunity or replacement necessity is perceived as a need
- The demand criticality , where and when represents a given demand
- At least one offer must be made that can satisfy this need if a business or trade is to be realized and take place
- A market occurs when there is more than one need and different offers that can meet these needs through various business propositions
- The market provides opportunities to do sustained value-added business
- The business will take place within a given industrial arena and within a given set of framework conditions – solution space
- A business opportunity arises when special competitiveness is developed and realized in market transactions within these venues.
- Competitiveness shall and must be the driving force in successful design processes for ships and marine services in the short and longer term perspective



= methodology for improved competitive advantage, customer preference and wealth creation

SEVEN REASONS TO CHOOSE THE ULSTEIN ABD APPROACH

- ▶ Increasing demands towards innovation and effective fleet renewal
- ▶ There are limited resources with most maritime organizations (time, knowledge, procedures, methods and capacity) to realize effective fleet renewal
- ▶ These organization do not perform fleet renewal on a regular basis. Typically, it can take 5-7 years between each renewal project
- ▶ A company can not afford to retain personnel, expertise, equipment and support tools (ICT) when these are rarely used
- ▶ Customers need complementary resources for solving inter-disciplinary problems
- ▶ Time-to-market from business idea to implementation, testing and realization should always be reduced – “first mover” or “fast follower”
- ▶ Delayed development projects mean lost business opportunity costs and decreased competitiveness

A DIFFERENT APPROACH TO MARITIME INVESTMENT PROJECTS

- ▶ The present approach for a ship owner when requiring new tonnage or evaluating a fleet renewal program, is a time consuming process dependent on contact network, knowledge about business opportunities and technology, and leading market players within ship building and design
- ▶ Brokers can assist the ship owner in guiding them to potential yards and designers based on their available information, but the ship owner must by himself evaluate the goodness and quality of the projects offered through the different channels
- ▶ This traditional process poses the ship owner to an increased risk of not identifying the better vessel design solution and may spend a lot of time on developing tailor-made designs instead of standardized solutions where the yard has already building experience, and can offer an attractive and competitive cost with less technical and commercial risk
- ▶ A cargo owner has today few opportunities to investigate different potential marine business opportunities without involving either a ship owner, ship designer, or yard. It can be a time consuming process and either way the cargo owner will often get a solution flavoured by the commercial interest of the other parties involved in the development

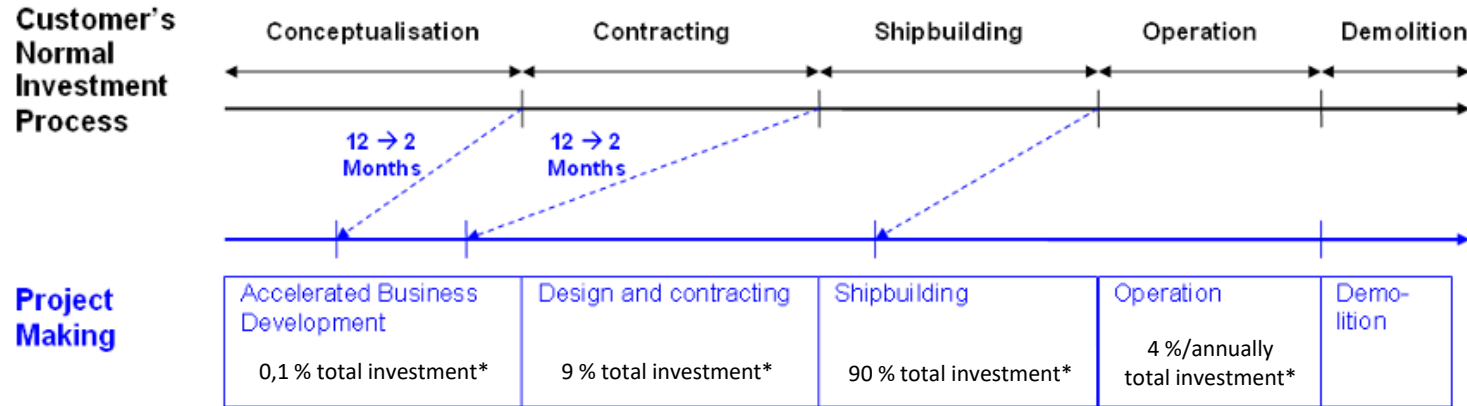
ACCELERATE THE NEWBUILDING PROCESS...

- ▶ The traditional customised design process poses a number of negative aspects such as:
 - Time consuming and costly processes
 - Many parties and interests involved without sufficient control
 - Diversified or lack of focus of the initiative
 - Expensive customization
 - Business development and integrated ship design processes are very often based on complete and cumbersome scenario techniques and detailed optimization of several fully developed solutions and sometime on pure “gut-feeling”
 - The current state-of-the-art approaches call for the thorough exploration of the design space and the production of a large number of solutions

- ▶ The ABD approach offers a neutral resource centre for ship- and cargo-owners, field-operators or contractors, to evaluate different logistical or operational solutions utilizing pre-qualified standardized and specialized tonnage with a certain and reasonable degree of customization. The main objective is economizing the business case and minimizing the commercial and technical risk, uncertainty and complexity
 - Applies modern probing and inquiry innovation techniques taking the decision making process quickly through to prototype conceptualization, which over time can be laboured out into a full blown solution
 - Applies what is perceived as the Post-millennium innovation process, namely the rapid filtering of the Pareto-front and “lock-on” to the most promising ones at the earliest possible stage of a vessel newbuilding process

ULSTEIN ABD

A systemic (holistic) approach to accelerated business development in maritime transport and marine operations: Improving decision making in developing effective systems and integrated vessel design solutions



*For a 50 mill EUR reference project



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turning
visions
into
reality

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