

Group benefits

The five years since World-Wide Shipping and Bergesen d.y. ASA joined forces in 2003 have seen the development of numerous positive synergies, ranging from commercial to cultural.



OPEN EXCHANGE The CEOs of BW Shipping, BW Gas and BW Offshore set the tone for group interactions, which take place at all levels.

The joining together of companies with long histories and strong cultures is never easy but the BW Group has successfully managed the transition and after five years, is already reaping tangible benefits of being a global group.

Today, BW Gas and BW Offshore are publicly traded on the Oslo Stock Exchange, with BW Group holding about 60 per cent of the shares in each

company. BW Shipping remains privately-owned and manages the tanker assets from Singapore. BW Gas is the gas transportation business, with a controlled fleet of approximately 90 vessels (including newbuildings). BW Offshore is in the offshore oil and gas production business, operating eleven FPSOs & FSOs. APL, which produces offshore mooring systems, was acquired by BW Offshore in 2007 and operates as a subsidiary in

Arendal, Norway. BW Bulk is engaged in the transportation of coal and iron ore, and these vessels are managed but not owned by companies in the BW Group.

Though they function as independent companies, each benefits from the influence that comes from being part of a larger group with an operated fleet numbering more than 150 owned, part-owned or controlled vessels.

JOYS OF SHARING

One of the most tangible benefits from being a group is cost-efficiency. While the companies operate in different segments, the purchasing process can be positively influenced by being part of a larger group. Some benefits, such as the joint purchasing of insurance or lubricating oils, allow the Group to enjoy advantageous pricing.

Tor-Egil Gjulem, purchasing manager at BW Gas, adds: "Through the purchasing alliance with Teekay, BW Gas and BW Shipping, we are able to utilise the whole BW Group volume for all commodity products and get good agreements. As for regular spare parts agreements of common interest in the BW Group, we have signed a few agreements in the name of BW Group already. To be able to cooperate so well is a positive development for all parties, and many suppliers already look upon us as one united group."

Svein Moxnes-Harfjeld, BW Offshore CEO, highlights that it is not just purchasing power that comes with being a group.

"We also share training centres in the Baltic States, Russia, India and the Philippines," he says. "That would be

expensive for us to do alone, but sharing across the Group makes a lot of sense.”

Tapping capital markets as a group has also brought about better financial terms and strengthened the Group’s financing base.

OPPORTUNITIES FOR EMPLOYEES

Career opportunities have opened up across the Group. Some employees have taken advantage of temporary transfers between companies to get a better understanding of the Group business, while the wider pool of talent and resources has improved the sharing of ideas and best practice. This has already had an impact on HR policies and safety management systems across the Group.

Some departments work more closely than others, and naturally the joining of the two companies brought with it some additional focus points. Jan Waage, BW Gas’ assistant director for IS and IT, expressed appreciation for the injection of interest in the IT functions.

“They challenged us on our choice of technology and associated cost. It opened up opportunities for closer cooperation between the companies – synergy effects, competency building between us and increased mobility for employees,” he says.

BW Shipping, for example, migrated from Outlook to Lotus Notes in 2006 to be on the same platform as BW Gas and BW Offshore. Remarks Shui Jiang Tian, senior analyst in BW Shipping’s IT department: “Being on the same platform is a necessary first step in streamlining communications processes

between the companies. It also makes it much easier for future collaborative projects. The fleet operations department, for example, uses the same SoftMAR VesselOps software as BW Gas.”

BENEFITS FOR CUSTOMERS

Says Andreas Sohmen-Pao, managing director, BW Shipping: “On account of BW’s growth into new sectors, the energy companies we serve have one-stop access to a broader spectrum of production and transportation services, from FPSOs to gas vessels and tankers. We are thereby able to have a meaningful dialogue with senior management in the oil companies on a range of opportunities, and this is good for both parties.”

A number of customers work with several parts of the Group, and some like Petrobras and Vitol work with BW across the full spectrum of its activities.

SOMETHING OLD, SOMETHING NEW

Employees across the Group echoed similar sentiments regarding some of the traditions and standards that have

continued after the Group’s formation. Øyvind Solem, naval architect in BW Gas’ newbuilding department, highlights that, “we are still very much high quality ship owners and operators, with no compromise on safety”.

Adds Ole Solvåg, operations manager for FPSO Berge Okoloba Toru, who has been with BW since 1994: “Part of the excitement of working in BW Offshore is how quickly we are developing as a company. Even though we are becoming more specialised in offshore, the values of dependability and high quality are still very much present.”

Geir Spanli, chartering manager in Oslo for tankers agrees, “Our customers and strategies remain largely the same. We are still careful and solid. Our vessels are still of first class quality, and the standards have remained high.”

START AT THE TOP

While one of the challenges that comes with size and scale is greater complexity in terms of people management and efficiency, close interaction at senior levels has enabled management to





make big decisions quickly.

Says Sohmen-Pao: "Jan Håkon, Svein and I have regular and open exchanges, and have a good relationship at both a personal and business level." The positive working relationship between the CEOs encourages the employees in the various companies to actively perceive each other as members of one united group.

The advantages of being a group extend beyond the more obvious commercial benefits, and employees give credit to management efforts in this area. Says Mari Leiro, controller in the finance and accounting division of BW Offshore: "Even though each subsidiary within the Group is highly independent, I still feel that I belong to a group through activities such as our contributions to the SOS Children's Village in Nigeria."

ONE VISION, ONE BRAND

Stronger group branding is a result of gradual but concerted effort to work on the re-branding process, which took into account the traditions and heritage of the original companies, while developing attributes which reflect the dynamism and vision of the Group.

One of the ways in which the companies stay updated on developments across the Group is via the monthly in-house newsletter, *BW in brief*. Now in its third year and featuring a brand new design, the stories – from news updates to in-depth features – aim to reflect the shared goals and group

identity, while showcasing the companies' different business segments.

The quarterly magazine, *World Horizon*, is targeted at BW's external audiences, and is a useful channel for communicating with customers. Both publications are produced by the communications and brand management teams in Oslo and Singapore.

"On the one hand, we have a size and scale target, namely to double equity every five years. However, the soft targets are equally important, and BW continually emphasises the need to have a positive impact on the communities where it operates," Sohmen-Pao says. "Ultimately, we want to play a valuable role in delivering energy, and will use our experience and knowledge across the Group to do that."

Adds BW Group Chairman, Dr Helmut Sohmen: "My vision is that we can maintain our Group reputation as a reliable operator and trusted partner in the world energy markets through the safe carriage of cargoes, prudent financial management and a strong team spirit throughout the Group. This ambition is easy to formulate but takes dedication and hard work to implement. I am convinced our colleagues in the Group, ashore and at sea, understand the challenges and are able and willing to rise to them." ●

