



## **MSc in International Shipping, Finance and Management MANAGEMENT OF MARITIME COMPANIES**

### EDUCATIONAL AIM

In this era of intense competition and low freight rates, only those companies that possess special skills and resources are able to sustain their financial and business viability. Managerial ability is special skills and a valuable resource for shipping companies that is derived from experience of individuals but can also be further honed through knowledge and understanding of new innovative concepts and best practices. This course provides a comprehensive understanding of management concepts and tools that are indispensable in the achievement of competitive advantages in product market domains and importantly applies them to the shipping industry by focusing on dry bulk, tanker and liner markets and providing cutting edge approaches for managing, improving and measuring performance of maritime companies.

### EDUCATIONAL OBJECTIVES

- Introduce students to the concept of management in contemporary business enterprises and particularly the management of maritime companies.
- Familiarize students with key general management concepts and theoretical frameworks including planning, organizing, staffing, leading and controlling to accomplish its goals.
- Identify the needs of different stakeholders in a business: owners/shareholders, customers, employees, management, suppliers, creditors and regulators.
- Understand corporate and business strategy for maritime companies and define performance measurement and management in maritime companies.
- Provide a clear understanding of vision and mission statements and their relevance for defining the strategy of maritime organisations.
- Show how strategic goals and performance measures can be developed and implemented in maritime organisations.

The course will make it possible for participants:

- To have a clear understanding of core management concepts and a strong affinity to the management and measurement of performance in maritime business enabling them to command a strong position in their future aspirations as leaders in the maritime companies and organisations.

## LEARNING OUTCOMES

On completing the course participants will:

- Have an understanding of management concepts, including planning, leading, staffing, managing, controlling.
- Differentiate between business and corporate strategy.
- Understand the key principles in strategy including vision, mission and strategic goals.
- Be familiar with business strategy development in maritime organisations.
- Know what strategy performance management is and be able to develop a system for measuring performance in maritime organisations.
- Be able to address and tackle issues such as:
  - \* The development of a vision and mission statements
  - \* The development of strategy goals
  - \* The understanding of the strategy process
  - \* The development of measurement systems of performance
  - \* The implementation of performance management systems
  - \* The measurement of strategic goals in maritime organisations.

## THEMATIC AREAS

Introduction to management

Business objectives and resources

Stakeholder needs and accountabilities

Managing maritime company performance

Maritime company business strategy goals

Measures for maritime performance management

Implementation

Case studies and exercises

## BRIEF DESCRIPTION OF THEMATIC AREAS

### **Thematic area 1: Introduction to management**

Introduction to management as a function that coordinates the efforts of a business to accomplish goals and objectives using available resources efficiently and effectively. Explanation of what management entails including planning, organizing, staffing, leading, controlling and organization to accomplish a goal in the context of a given set of human, financial, technological and natural resources that are available in a regulated and competitive environment.

### **Thematic area 2: Business objectives and resources**

Define the terms ‘business and corporate goals’, and ‘business and corporate strategy’. Explain how objectives and aims might change through the life of a business and analyze the objectives for survival, break-even, growth, profit maximization, market share and diversification. Describe the inputs required by a business: labour, suppliers, finance, land, management skills. Explain the relationship between organizational objectives and resources.

**Thematic area 3: Stakeholder needs and accountabilities**

Identify the needs of different stakeholders in a business: owners/shareholders, customers, employees, management, suppliers, creditors and regulators. Explain the accountability and responsibility of different groups and assess how the needs, objectives and accountabilities of the stakeholders might affect the behaviour and decisions of a business.

**Thematic area 4: Managing maritime company performance**

The session will define performance measurement and management in maritime companies and discuss the importance of performance measurement and management in shipping. The session will explain using examples how business strategy in maritime companies can help achieve competitive advantage in particular product-market domains. The session introduces an approach for measuring management performance in maritime companies.

**Thematic area 5: Maritime company business strategy goals**

The session introduces an approach to the development of goals for maritime companies and discusses the relevance of the vision and mission statements in this context. Relevant case studies will be analyzed.

**Thematic area 6: Measures for maritime performance management**

The session will focus on the development of quantifiable measures for managing the performance of maritime companies. The discussion will include the types of measures and their relevance to the corporate, business and department objectives of the companies. Relevant case studies will be analyzed.

**Thematic area 7: Implementation and revision**

The final session will deal with implementation issues of the performance management approach outlined including the integration of the performance management model in developing best practices for the maritime company. Revision of the key concepts will also be undertaken.

**Thematic area 8: Case studies and exercises**

The session will be devoted to a group exercise that will require candidates to choose a maritime company and using the methodology described to develop a relevant model for the management and measurement of the company's performance.

**SCHEDULE OF LECTURES**

Lecture 1: Introduction to Management: Managing and Making Excellent Decisions  
Case study for Lecture 1: Peter Georgiopoulos - Assignment

Lecture 2: Stakeholders and Value Creation

Lecture 3: Strategy, Goals and the Value Proposition  
Case study exercises – Develop Value Propositions

Lecture 4: Managing Maritime Company Performance: The Balanced Scorecard

Lecture 5: Maritime Company Strategy Map  
Case Study Exercises – Develop Strategy Maps

Lecture 6: Measures for Maritime Performance Management: KPIs  
Case Study Exercises – Develop KPIs

Lecture 7: Implementation and Revision

### READING MATERIAL

Porter, M.E. and Kim, W.C. (2011) *Harvard Business Review* “On Strategy”, Harvard Business Review Press.  
Lorange, Peter (2005) *Shipping Company Strategies: Global Management Under Turbulent Conditions*, Amsterdam: Elsevier.  
Lorange, P. (2009) *Shipping Strategy: Innovating for Success*, UK: Cambridge University Press.  
Parmenter, D. (2015) *Key Performance Indicators (KPI): Developing, Implementing, and Using Winning KPIs*, 3<sup>rd</sup> edition, London: Wiley.

#### **Other relevant books**

Buckley, J. (2008) *The Business of Shipping*, 8<sup>th</sup> Edition, Schiffer Publishing.  
Grammenos, C. Th. (ed.) (2010) *The Handbook of Maritime Economics and Business* (The Grammenos Library), London: LLP.  
Talley, W.K. (ed) (2012), *The Blackwell Companion to Maritime Economics*, London: Wiley-Blackwell.  
Cullinane, K. (ed.) (2010) *International Handbook of Maritime Business*, London: Edward Elgar.

In addition to the above, it is recommended to read:

- The maritime related journals, such as: Maritime Policy and Management, Maritime Economics and Logistics, Transportation Research E, Transportation Research A, Research in Maritime Business Management
- Maritime periodicals: Fairplay, Lloyd's List, Trade Winds, Nautemporiki

Useful Databases for data collection:

Reuters, Bloomberg, Clarksons Shipping Intelligence Network, Shipbrokers' and Shipping Companies' Web pages.

#### **Other references - publications in the area**

- Andreou, P., Louca, C. and Ph. M. Panayides, ‘Corporate governance, financial management decisions and firm performance: Evidence from the maritime industry’, *Transportation Research E*, 2014, 63(3), 59-78.
- Brewer, P.C. and T.W. Speh, ‘Using the balanced scorecard to measure supply chain performance’, *Journal of Business Logistics*, 2000, 21(1), 75-93.
- Kaplan, R.S. and D.P. Norton, ‘The balanced scorecard: measures that drive performance’, *Harvard Business Review*, 1992, Jan-Feb, 71-79.

- Lun, V., Pang, K.W. and Ph. M. Panayides, Ph. M., 'Organisational growth and firm performance in the international container shipping industry', International Journal of Shipping and Transport Logistics, 2010, 2(2), 206-223.
- Panayides, Ph. M., Lambertides, N. and C. Savva, 'The relative efficiency of shipping companies', Transportation Research E, 2011, 47, 681-694.
- Parola, F., Satta, G. and Ph. M. Panayides, 'Corporate strategies and profitability of maritime logistics firms', Maritime Economics & Logistics, 2015, 17, 52-78.

## ASSESSMENT

Assessment will take the form of an individual assignment that carries 40% of the overall mark and a final examination that carries 60% of the overall mark.