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**SAFE SURVEYING INTERNATIONAL CONFERENCE**  
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*Lessons learned*

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### *Synopsis*

*This keynote speech highlights trends in the marine surveying industry and identifies lessons already learnt, and some still to be learnt, in the European marine surveyors' market. It goes on to make the case for specialisation, for co-operation between companies, for moving into hi-technology and for speaking out as means of enhancing the surveying profession and resisting the threat which globalisation poses.*

Good marine surveyors need to look and listen much more than they need to speak. So it is fortunate that most of us have two eyes, two ears, and only one mouth. We teach companies that when it comes to marketing, it is also best to look and listen twice as much as you speak. You need to hear what your client is saying, and look at what is behind those words. But there is also a time to speak out. Today, I'm going to tell you that the time has come to talk more and listen less.

I want to take you through some changes which have already happened to our profession, and then identify some things that will change in the future, and see if there is any way you can help yourselves to be prepared for those changes. The changes are not necessarily bad news, but they do require you to change too.

First of all, what has already changed? I see four big things which have already had an impact on marine surveying.

1. A lack of expertise at sea.
2. An increasing intrusion by class societies into work traditionally done by private marine surveyors and consultants.
3. Globalisation and a trend towards fewer and bigger firms.
4. The internet and IT in general.

I'll look at those individually in a moment. But before I do that, what changes are coming up?

Well, more of the same, plus some extra problems. There will be no upturn in expertise at sea, but there will be a shortage of good experienced marine professionals to staff survey firms in the future. Class will expand more and more into consultancy. Globalisation will force class to consolidate, get bigger and more powerful, and will force insurance companies to work with fewer but bigger groups of surveyors. Your competition will no longer be simply Massimo who you have known for years. It will be someone you have never heard of flown in from somewhere you never want to hear of again. The internet will force down prices, IT will automate more simple tasks such as container inspections and will ensure that only the swiftest service is acceptable. And if that wasn't enough, there will be more regulation, more political interference, more liability, both criminal and civil.

Sounds bad? Maybe, but there is a sliver lining to every black cloud. Every threat to someone is an opportunity to someone else. In the same way that the internet and IT are a threat to those who don't embrace them, they will be an opportunity to those who do. Regulation will create barriers to entry to unskilled people, And as big companies become more and more impersonal and one-size-fits-all minded, there will be more room for the truly skilled and well positioned expert to charge more for special services. So be happy, you just have to learn the lessons and you can make your business boom.

Let's take another look at the four things that have already happened. First, de-skilling at sea. That in itself has not been a bad thing. We might like to tell each other tall stories about the strange things ships' masters do today, but we should remember that statistically, more cargo, of more kinds, is carried more miles, more safely, than ever before. Shipping is much more efficient, much safer, and much cleaner than when any of us were still at sea. So de-skilling of crews has not been all bad from the point of view of shippers, and it has not been bad from the point of view of surveyors, either. Because de-skilling at sea means more skills are needed ashore. Better design, better loss control, better inspections, better consultants for all sorts of operations make up for the lack of skills on the vessels. Which means

jobs for us. Nice, isn't it.

It will not change. The hunt for cheap labour at sea is still on, and no-one will take ships back to the days of highly-trained crews staring at the horizon for eight hours of the day, most of the time doing nothing else. The only probable downside is that there will be less skilled people to come ashore into our profession. But is that wholly bad? No, it is actually good. Doctors, lawyers, opticians, they all limit the entry to their profession and so drive up the prices they can charge. Less surveyors will mean better rates for the good ones who are left. So look carefully for your successors, so your company can survive, but don't worry about overstaffing. Less people charging more for more specialised work is one way to go forward.

What about the second item, class societies? They are not going to go away. I work for BV and RINA. BV has a huge consultancy division, for which means, division for eating up your work. It as plans to increase than even more. The others would do the same if they had the resources. They all have good naval architecture skills, and good steel and machinery surveyors. They also have the trust of shipowners, and big budgets to chase work, and global networks to hang the work on. So you have to be aware that they will not retreat. How can you combat that? Easy, ask for a job with BV/RINA. If that doesn't appeal, then look at the type of work you do, and the type of work they can do, and move your work into an area where they are not going to eat you up.

Globalisation? It's already happening. It has two faces. One is the trend to bigger firms, both from your clients merging and also from your competitors merging. The other is for competition to come from places you never expected, driving prices down. First, consider how consolidation has already taken hold. Although here in Italy there are still thriving firms of small surveyors and a thriving insurance market, across Europe big insurers are getting bigger, and smaller ones are disappearing. The same goes for survey firms. In Holland, there will soon be only two big firms of surveyors, covering all surveying disciplines, and both of them are trying hard to get a foothold in London, to ease their dependence on the Dutch insurance market. In the UK we have seen the venerable old Salvage Association savaged, bought out, and become part of a bigger group. We now have four or five big survey groups, at least one big enough to contemplate a stock market listing.

There are still smaller firms, but the middle layer is going. The number of companies and syndicates offering marine insurance shrinks every day, which means your customer base is shrinking.

These big firms do the same volume of business, but big speaks to big. Big insurers want big claims handlers and big global survey firms. They also want big deductibles, meaning less work for the surveyors and adjusters. This is a lesson many have already learnt. There are only two ways to protect yourself. One is to get big yourself, and join a wide network or growing company. The other is to become so specialised and successful, while small, that you can command a premium and survive alone. There is no longer anywhere for the mid-size firm to hide.

The other side of globalisation is the cost cutting that comes from the ability of employers to compare costs across continents. If they know they can buy a draft survey for fifty dollars in the Ukraine, they won't like paying six hundred dollars in Umbria. For many jobs it will be cheaper, and perhaps even preferable, to fly in someone they use regularly, on a contract, to do a job, than to use the local man. That only used to happen when it was big money involved. Now it may have happened when small money is involved. Don't thank me, thank Easy Jet.

The silver lining there is that you can become the man who flies in to take the bread from others. You have a chance to get global, and be able to price yourself in a way which will enable you to compete.

Which brings us to the internet and IT in general. This is a great blessing, if you use it properly, and a creeping death, if you don't. It makes it easy for small firms to advertise themselves widely, and to appear bigger than they are. It makes it easy to prepare and submit reports, to seek and distribute information and to store information for future needs. It does require investment from you, in terms of time, brain cells, and money. But if you get up to speed with technology, you can stay ahead of the customer, and offer them service that they have never had before.

Those of you still using typists, who don't have PC, who don't have a web site, or a digital camera, or an e-mail newsletter, leave now. The shops are still open. You are almost too late.

So, it is more de-skilling at sea, more encroachment from class, fewer and bigger survey companies with fewer and bigger customers, all working in an increasingly hi-tech environment. There will be little room for the small firm, or the backward firm, although a few, very skilled and very hi-tech small companies will survive.

That is the panorama for the future, all of which will be framed about with more restrictions. There will be more litigation, more criminal liability, and more regulation. No-one ever gets elected to repeal laws. The EU has already begun to become more and more intrusive into shipping. It has firmly regulated class, and is now setting up the European Marine Safety Agency. Those highly paid eurocrats will have to do something, which means that sooner or later, they will decide it is time to regulate surveying.

Which brings me to the point of speaking out. This is a FEMAS forum, and although I have sometimes been critical of FEMAS, this is not because I don't believe in it. It is because I want it to do more. When the EC set about regulating class, do you know that IACS had no representation in Brussels, not even an observer? The consequences were horrible, and they have been fighting a rearguard action ever since.

European surveyors need to be heard in Brussels, and need to link with their colleagues in the USA and Asia to ensure this profession builds up its image of expertise. If people think of us as a collection of one man bands with dirty notebooks, then the forces of globalisation and regulation will combine to teach us one final lesson. We shall be out of business.

But if you listen to what is going on, observe what is happening, and speak out before it is too late, you can ensure surveyors have their rightful place as the true independent skills base of shipping. Look, Listen, then Speak. That is what surveyors do. Do it now.