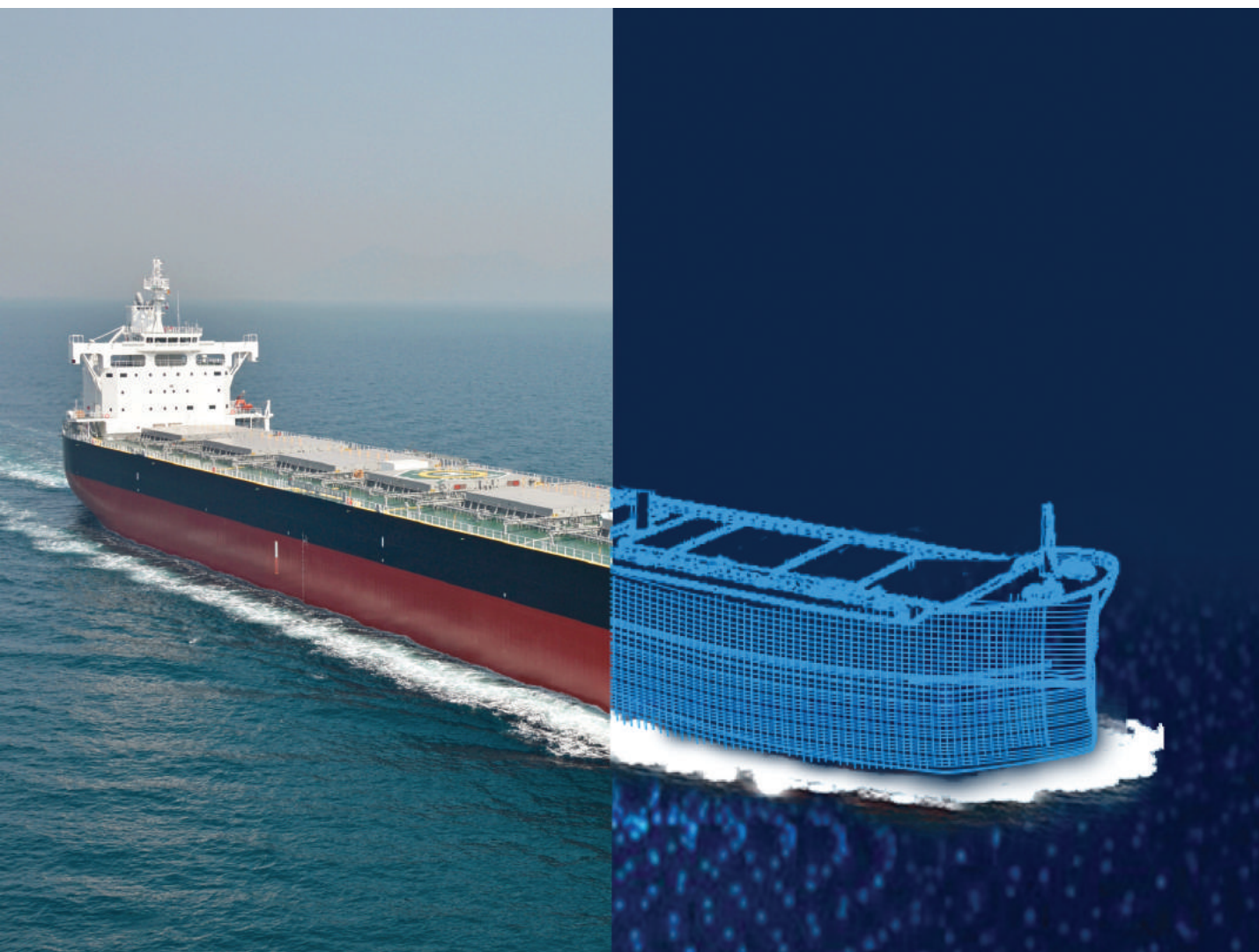


# Synergy Group enjoys strong position

Pandemic leadership and use of technology cements group's place at ship management's top table



**P**roviding ship owners with efficiency gains that bolster the bottom line while also focussing on core values in support of decarbonization, diversity and seafarer welfare is proving a winning combination for Captain Rajesh Unni, CEO and Founder of leading Singapore-headquartered ship manager Synergy Group.

Synergy Group was only established in 2006. Fast forward just 14 years and the ship manager has become one of the world's largest and fastest growing.

Critical to this success has been

Synergy's commitment to progressive core values and its embrace of technology to drive quality and profitability. This combination has proven a hit with those ship owners in search of a ship manager that doubles as a strategic thought partner, one able to drive their business forward and help them tackle shipping's key challenges such as decarbonisation, digitalisation, diversity and seafarer welfare.

CEO and Founder Captain Rajesh Unni has also emerged during the Covid-19 pandemic as one of shipping's new wave of

leaders. As shipping's traditional representatives and institutions have proven ineffective at helping the hundreds of thousands stranded at sea in 2020 due to coronavirus crew change restrictions, Captain Unni has fought for the rights of seafarers at every opportunity and at the highest levels, offering practical solutions to the crisis and becoming a rallying point for shipping companies that put the interests of crew first.

A number of prestigious owners have signed up with Synergy this year, adding

more than 80 ships to a fleet that now totals more than 340 vessels. The fleet includes the most complex LNG vessels, LNG-FSU conversions, LNG-to-power solutions, LPG carriers and vast 20,000+ TEU container ships.

Bulk carriers, managed on behalf of quality bulk carrier owners including GENCO, NORDEN, Cobelfret, BW Dry Cargo, Sinokor, Navios, Mitsui and Co., ArcelorMittal, Marubeni Corporation, Lauritzen Bulkera and Nissen Kaiun, are a core component of the fleet, with 130 bulkers currently under Synergy management including 51 Capesize and 21 Panamax ships. "Bulk carriers have been a big focus for us since we started managing ships," Captain Unni told DCI. "We started with four ships and that grew to 70 ships in the first seven years and we have gone from strength to strength from there."

Operations are managed from offices located at all global maritime hubs and are supported by a crewing and training network which enables Synergy to currently deploy more than 14,000 highly-trained seafarers.

#### THOUGHT LEADERSHIP DRIVES GROWTH

Asked what has made Synergy's services so appealing to owners, Captain Unni replied: "We, thankfully, have a reputation for reliable service and a commitment to safety and client centricity. Owners respond to this. But I think also shipping faces so many challenges and modern owners don't want to just farm out their ships to a third party. They want a partnership with a company who can help them tackle challenges such as decarbonization or digitalization while also delivering vessel and fleet efficiency gains and implementing progressive Corporate Social Responsibility and workforce gender balance policies.

"We see ourselves as thought partners so, yes, we operate the vessels and we can handle everything owners need in terms of crew and working with shipyards, but we go beyond that. We help owners harvest the benefits of digitalization, driving efficiency, operating ships in a way that adheres to the highest standards, and reducing emissions in meaningful and transparent ways."

#### TACKLING THE HUMANITARIAN CRISIS AT SEA

Synergy's thought leadership has been apparent as coronavirus lockdowns have created a humanitarian crisis at sea. The International Maritime Organization (IMO) warned in late September that some 400,000 seafarers were stranded on ships, unable to be relieved and with a second wave of lockdowns set to make matters



Captain Rajesh Unni.

worse this winter. Some seafarers have now been at sea for 17 months without a break, well beyond legal limits set out in the Maritime Labour Convention (MLC). Besides the 400,000 seafarers stuck at sea, another 400,000 are unable to join ships.

Captain Unni recognized the catastrophic threat lockdowns posed in March. Taking a leadership role on the issue, he predicted a crew change logistics "time bomb" and urged governments to classify seafarers as "key workers". By April, Captain Unni had assembled an alliance of shipping companies to tackle the crisis supported by the International Chamber of Shipping and a 'who's who' of shipping.

His alliance quickly developed port viability and detailed seafarer risk assessment plans to enable essential crew changeovers at hub ports. The plans received political support and were adopted in Singapore and then worldwide, enabling crew changes to start as restrictions were eased. Captain Unni has also been at the forefront in addressing seafarer mental health, adding more trained counsellors to the company's iCall for Seafarers mental support health line.

#### SHIPPING'S IMAGE CRISIS

"This crisis has shown that shipping, as an industry, has not been able to persuade lawmakers to help our seafarers," said Captain Unni. "That is something we need to address.

"I believe this is a failing that, in part at least, is due to our failure to interact and network with governments and regional rule makers in a transparent or positive way on a consistent basis. Our reluctance to countenance oversight and be a more open industry at ease showcasing how shipping benefits the world is holding us back. And this is coming back to haunt us

now. The result is that we don't have friends in high places when we need them. We lack a store of goodwill.

"We are the industry that delivers the food and the commodities on which people depend. We enable world trade. But we have not communicated that to consumers or political leaders. And now our seafarers need help it is not forthcoming. So changing the perception of shipping is a major challenge for us all in the years ahead."

#### CREW CHANGE CRISIS TO FURTHER DETERIORATE?

Captain Unni fears the crew change crisis will get worse before it gets better. "There is still no real recognition that seafarers are key workers and as more lockdowns are introduced crew changes will get harder," he said. "We need more government and inter-governmental support. Moving crew is a painful process subject to constant change which drives up costs for all involved and builds in stress for seafarers in a way that is absolutely unfair. We need governments to fast-track airline permitting and crew visas, open up ports and create pathways so crew can return home or join ships.

"It's worrying and disconcerting that we seem to be heading in the opposite direction now and quarantine periods are increasing while visas and flights are harder to come by. It comes back to the original problem which is that until seafarers are classified as key workers then global supply chains are under threat.

"One solution to the endless travel and visa restrictions would be finally using ILO Convention 185 on Seafarers' Identity Documents. Incredibly, this entered force 15 years ago but so many countries have failed to ratify that we can't use it. So many strong maritime nations haven't ratified it which is a crying shame. The whole purpose of this Convention was to create a secure international standard to facilitate crew movements across the world. So, if we all believe and we say that seafarers are key workers, then why have we not ratified this, especially in such a situation? IMO should work with ILO to get this ratified by more countries, especially those countries where crew movements happen. If we had done this already, I think we would have been better prepared as an industry for this pandemic."

#### COVID-19 ACCELERATES DIGITALIZATION

One positive from the coronavirus pandemic, according to Captain Unni, is the acceleration in adoption and acceptance of

digitalization in shipping. “Necessity is the mother of invention and one outcome of Covid is that it has taught us many ways to do things differently, whether it’s through digitalization or whether we revisit our processes or people,” he said.

“It’s similar to previous crises, for example after *Exxon Valdez* we saw new regulations. Something better for the world tomorrow will come from Covid and perhaps one of those things will be smart ships that are more efficient and enable us to push towards decarbonization.

“At Synergy, for example, we supply SMARTShip which is an Internet of Things platform that revolutionizes ship operations. It pays for itself in the first few months and drastically reduces GHG emissions in accordance with IMO targets. We have installed SMARTShip on 75 ships already with another 150 in the pipeline and a lot of this interest has come during lockdowns when people have been inspired to look at the world in new ways.

### COLLABORATION THE NEW NORMAL

“I think we’re also seeing more collaboration in shipping post-Covid. We, of course, collaborate closely all the time with owners, but I think we’ll see this in

future with competitors and up and down the supply chain. I think charterers and cargo interests will see that what is currently happening to seafarers and help us communicate the importance of shipping to politicians and other rule makers. It’s in their interests to do so, as well as being the right course of action.

“So eventually I think Covid will drive innovation and throw up new leaders in shipping and perhaps new frameworks that allow us to promote the industry better.”

### NEW LEADERSHIP MODELS WILL DRIVE INNOVATION

Captain Unni believes the emergence of new leadership models in shipping and the adoption of new technologies will eventually help achieve all sorts of wins including data standardization, more efficient ships and more standard messages on safety.

He also believes shipping as an industry should push for a regulatory framework that encourages decarbonization innovation and provides incentives that create a range of sustainable options for vessel owners and operators.

“The IMO has set broad guidelines for reducing emissions,” he said. “But what we

all want is a more thermodynamic framework that can map the entire carbon cycle and allow us collaboratively to find solutions. I think a collective impact model is the way forward. For us to collaborate, we may also need to agree on a shared vision of 2050, for example. How could the industry develop? For this to happen the only way is to collaborate and create new business and operating models that embrace a collaborative DNA and offer a new way forward.

“This should certainly go beyond ports and include sections of the supply chain that simply weren’t engaged before. We need to move away from this huge cognitive dissonance whereby we think this will not happen to us. Covid has fast-tracked the need to collaborate and find new ways of avoiding split incentives.

“I think in shipping we can compete on price and technology by collaborating on safety. We can compete on making our ships as efficient as possible while cooperating to build a more sustainable, decarbonized future. And we can even compete to recruit the best seafarers, but I feel we must cooperate so that their collective welfare is always our first concern.”