

Welcoming the recently built MV Greg Mortimer to its vessel management fleet in recent months – a purpose built expedition cruise ship destined for Antarctica on its maiden voyage – these are exciting times for Miami-based Cruise Management International (CMI). Considering Greg Mortimer is the first expedition cruise ship to hit the water out of a batch of new builds ordered by SunStone Ships that will be managed by CMI when they enter the market over the next couple of years, Jim Barreiro de León, CEO and President of CMI is looking forward to the challenges and opportunities his team will face. Article by Daniel Barnes and James Wills.

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The growth of the international cruise sector has been astounding. Over the last 30 years, passenger numbers have grown from around 3.7 million in 1990 to a projected 27 million next year.

2019 is set to be the biggest year ever for new ships, with 24 set to take to the waves. Despite this, the biggest problem for the industry as a whole is they cannot build ships fast enough. Existing vessels are almost at 100% capacity, the shipyards are full and currently the industry has \$65 billion of ships on order over the next decade.

With such growth comes major challenges; finding new destinations and the infrastructure to support the ships, ensuring superb ship management in the face of difficulties in recruiting and retaining staff, a need for long term strategic planning, ensuring high levels of customers service and meeting growing safety and environmental legislation.

According to Jim Barreiro de León, CEO and President of Cruise Management International (CMI) – a specialist in providing technical management services to the expanding expedition cruise sector – his company has expertise in all these areas, and it is also growing fast.

Exciting times

In July 2019, the ice-strengthened Polar class expedition cruise ship Greg Mortimer left its Chinese shipyard for sea trials and became the latest vessel in the Sunstone Ship fleet. Greg Mortimer's sailing debut begins on October 31st, sailing to Antarctica. It will be managed, like other Sunstone vessels, by CMI. Mr. Barreiro de León said these are exciting times for the company.

“The entire industry has been watching the progress of the Greg Mortimer as it represents a new chapter in cruise shipbuilding in China, and it came through on time, on budget, and at sea trials it exceeded all expectations.”

While CMI is owned by the same investors as Sunstone Ships, it is run independently and manages its fleet, and other cruise ships with a wide range of services from technical management, to procurement, port management, and crewing.

“This is the first ship of seven which Sunstone is building over the next three years, with plans for three more soon after that, and CMI is already planning ahead to take over their management,” said Mr. Barreiro de León.

For companies to build cruise ships is one thing, running them is another. And when it comes to the smaller operators, Mr. Barreiro de León said the advantage of using CMI is that these companies instantly have access to an established infrastructure and at a fraction of the cost it would take for operators to build one on their own.

“For the larger fleet operators, besides the cost of building this infrastructure, it also takes time to put a team together with the right level of expertise, attributes and qualifications which complement each other in such a way that it instantly provides tangible benefits to the owners, charterers, crews and passengers,” he added. “That is what we provide – we handle the operations so the owners and charterers can focus on their sales and marketing efforts.”

Problem solving for expedition cruises

As a vessel manager, Mr. Barreiro de León admitted CMI is facing the same maritime challenges as anyone else within the industry, whether you are a cruise line, or a commercial operator with cargo ships.

“The challenges range in everything from finding enough qualified crew, to meeting new fuel regulations, from developing support services, to supply and waste management logistics in remote destinations, or in the drive to increase sustainability efforts. However, finding effective solutions for these issues is precisely what CMI specializes in.

“At CMI we also meet the challenges of providing these services to different clients operating independently of each other with different requirements. The massive cruise lines are like international theme park brands, all their ships have the same identity, brand and customer service levels.”

He added: “Many of our clients in the expedition sector need crews and staff attuned to specific clientele and on ships which can change itineraries and plans at a moment’s notice to maximize the customer experience.

“Finding such staff is always a challenge as the cruise companies are all fishing in the same pool for the best people, which is why, looking ahead, we are concentrating even more on staff retention, succession planning, training and attracting new people to the new build vessels.”

As well as working with SunStone Ships exclusively, related to its expedition fleet, CMI also offers its services to others, outside of the expedition sector.

Mr. Barreiro de León said: “We already are managing a number of vessels for various operators; however, we are very selective on whom we include in our fleet. We strive to ensure that all clients contribute to the overall fleet, that they allow us to increase our buying power and improve synergies for everyone. Due to this we have negotiated

some very solid fleet agreements for fuel, port services, parts and many other services and we only extend these to our managed vessels.

“We truly pass on the tangible benefits of our fleet agreements to our clients. Within this sector, our services most in demand are technical and crew management, port and fuel management and itinerary planning services.”

Cost-plus management fee basis

Key to CMI’s success are the management systems and technologies it has in place and the company continues to invest in new systems and software across its vessels.

“We have rolled out our new purchasing system InfoShip and we are finalizing the integration with our accounting system,” Mr. Barreiro de León revealed. “We deployed our new crew database software throughout the fleet, upgraded all our communication equipment and changed provider onboard our vessels. This has had a positive impact related to the onboard experience for passengers and crew. We are now focused on cyber security, new business tools and concepts to manage our systems and fleet more effectively.”

With the sector continuing to grow, CMI will inevitably face competition from other companies. So, what sets it apart?

“We pride ourselves on the fact we provide pure ship management services on a true cost-plus management fee basis. We do not own third party companies, like travel or crew agencies, technical teams, or purchasing platforms that charge a mark-up back to clients.

“We do not offer ‘subsidized’ management fees, by applying cross-selling methods or force our clients to use companies we are associated with, making up for these ‘competitive’ fees. We truly manage ships on behalf of the owners rather than in our own interests. Our benefits are tangible and not just catchphrases. This is what sets us apart.”

With principles like that, the future should be plain sailing for CMI.

Please Visit Aurora Expeditions for more details about the Greg Mortimer:

<https://www.aurora-expeditions.com/ship/greg-mortimer/>