HOSPITALITY GOES GLOCAL
{FARM-TO-TABLE COMES ABOARD}

CMI Leisure is introducing cruisers to local fare
‘Time flies when you are having fun’ — FIRST RECORDED CIRCA 1800

To our Clients, Officers, Staff and Crew across our Fleet, the CMI Office Staff and Partners wish you a Safe, Healthy, Prosperous and Peaceful 2019, wherever you may call home.

‘Time flies when you are having fun’: I think everyone can identify with this idiom. It is uttered by all of us, certainly during the last few days of each year, and while it is being used frivolously by so many each day, it is also, so true.

But..., does time really fly, and are we really having fun? It has been explained as follows:

“When you are cognitively busy, you are focused on each task you are performing, and so you don’t have the opportunity to notice the passage of time. As a result, the interval feels like it passes quickly.”

Whether you are having fun or not, that of course can be debated, and I leave that to everyone to decide individually. I think we can all agree though, on how super-focused we at CMI have been this year on achieving the goals we had set out. To witness the changes taking place, the improvements culminating in better results and the development of strategies to deal with the ongoing challenges is where the fun lies in my opinion. I sincerely hope you share my sentiment.

I know that I can follow this line with a ‘but’ and explain how much more we must still accomplish etc. etc...., BUT I think we all know that. So, I just want to thank all of our crew onboard for the tremendous efforts displayed in 2018 in making sure we reached our objectives. Your commitment inspires me personally to continue improving support to your vessel, providing you with the tools to become more efficient, the resources to ease processes and training to increase competencies.

In 2019 we will focus on delivering just that, i.e., continuing what we have set out in 2018 and to get ready for the next generation vessels being delivered starting in August. Everything we have set out has been to prepare ourselves for things to come within our organization and within the cruise industry in general. The ‘greater effort’ I talked about in the previous print must be paying off in 2019. This ‘greater effort’ must continue as we have an obligation to meet the specific requirements of Charterers and Owners.

To this point, we have developed a ‘Compliance Campaign’ with an increased emphasis on key areas; from our safety systems to our safety culture, on vessels’ condition, > > >
NEW HORIZONS
Winter 2019

We know now time will fly, so let’s have fun!

Sincerely

Jim Barreiro de Leon

OUR VALUES

Safety + Communication + Integrity + Accountability + Transparency

zodiac maintenance, budget preparations, internal controls, InfoShip and much more; all with the objective to improve our performances onboard and in the office.

From a shipboard and office perspective we are looking at enhancing our safety culture, i.e. we must think, breathe and live safety, every minute of the day. We must continue to progress in our communication strategy, look at accurate reporting and timely responding, update procedures where necessary, control budgets and review onboard manning levels to optimize efficiencies. We can achieve better results working together, discussing our challenges constructively and productively to find common solutions.

The 2019 vessel budgets will include a crew training fund, whereby all vessels contribute to an account that supports training initiatives for our deck and engine crew members. This fund will be utilized to set up training sessions, whether collectively or individually, ashore or onboard, to ensure our crew receive the ongoing training needed to improve their performance and to further their careers.

You will read more about our crew operations resources and plans in this edition. I am excited to report that the entire office team is working hard on developing strategies to improve our services in their respective areas. A team will be visiting the vessel in Ushuaia (January) and during this April/May transition period to introduce our plans, provide training and inspect the vessels.

We are guided by the feedback we receive from our crew and our clients alike; our annual survey participation increased over previous years and clearly delineates the areas we must focus on. We thank you for your participation and cannot stress enough how important this feedback is for our operation. We continued with our Charterer Workshops as well, as we are receiving valuable input on how we can continue to improve synergies between our teams onboard and office.

This will be another exhilarating year at CMI with many projects lined up within our fleet, totaling in the region of 12 Million dollars. We have the Ocean Adventurer, Sea Spirit, Deutschland, Ocean Endeavour and the Grand Celebration being dry docked, while the Ocean Atlantic will have some major system upgrades.

The Owners are committed to ensuring the vessels are well maintained. We must deliver each project on time and within budget. It is certainly an exciting time at CMI Ship Management.

In closing, we are focused on an all-inclusive management approach, we seek the full participation of the management teams onboard our vessels and we are driven by the feedback we receive from all stakeholders. We take all of this into consideration when we set forth our objectives, as we intend to deliver on our vision.

Your continued support and feedback in 2019 will be highly appreciated and I conclude by saying, ‘We know now time will fly, so let’s have fun!’

Sincerely

Jim Barreiro de Leon

PERSONNEL CHANGES

WILLIAM COLOMNE
VP FINANCE

Mr. William Cologne (Bill) joined CMI as the new Vice President Finance on October 17, 2018

Bill came to CMI with a wealth of leadership, finance and accounting experience acquired in both large and small, public and private companies. He has now taken full charge of the Accounting Department and will be working with you to build upon what has been established by Christian Lund.

Bill will continue to work on the day-to-day accounting processes and will coordinate efforts with Christian for the implementation of the InfoShip and the Accounting Interface.

CHRISTIAN LUND
VP STRATEGIC PLANNING

Christian really does not need any introduction, however his new role might!

As we are shifting to a fully digital environment (where possible), we needed someone who understands the CMI operation inside out and with a complete understanding of the accounting, purchasing, budgeting and logistics aspects of our operation. This person also needed to be free of other responsibilities to support upper Management with this transition.

There is no better person suited for this role than Christian! Under his leadership we are preparing ourselves to be fully automated within this year, as this has become a critical requirement for our ship management division and our anticipated fleet expansion. The InfoShip integration with accounting, future budgeting process and planning will be the main focus throughout 2019.

Christian, as the VP Strategic Planning will work closely with all of you to see to it that all modules, functions and improvements are executed efficiently and in a timely fashion.

TK SINGH
VP PURCHASING

I am pleased to introduce Mr. Tarkeshwar Singh (TK Singh) as the new Vice President Purchasing for CMI Ship Management as of January 07, 2019.

TK joins us from Ravenscroft Ship Management where he worked since 2001 in various Technical Purchasing roles and finally as the International Purchasing Manager for the fleet from 2011 until 2018. He worked onboard ships as Radio Officer and Junior Deck Officer from 1995 to 1999 and he holds a Bachelor’s Degree in Economics and a Diploma In Computer Application.

TK will be focusing on our current purchasing processes, fleet agreements, logistics requirements and with InfoShip coming online in January. The timing is opportune for him to have first-hand involvement in ensuring a guaranteed successful implementation.

ANDREA SANTONI
FLEET TECHNICAL DIRECTOR

On September 10, 2018, Mr. Andrea Santoni joined CMI as a new Fleet Technical Director. Andrea joins us from Holland America Line (HAL), where he worked as their Senior Superintendent, responsible for all major engine overhauls of their entire fleet. Besides HAL, he worked for eight years at Wärtsilä North America Inc. as Senior Service Engineer and did a short stint for ABB Inc. Turbocharging USA and Alfa Laval Aalborg Inc.

Andrea’s background is a welcomed addition to the CMI Technical Team. He has taken on the responsibilities of the Bahamas Paradise Cruise Lines Fleet and will be supporting the team with dry-docks and other projects.
On January 20th, the M/V OCEAN NOVA received a distress call from the commercial yacht ICEBIRD at approximately 08:45.

ICEBIRD's reduction gear malfunctioned and had immobilized the vessel near Southern Petermann Island. To make matters worse, the ship was in additional danger due to worsening ice conditions, resulting in her own tender not being deployable. M/V OCEAN NOVA was nearby conducting a landing when the ICEBIRD's distress call was received.

Captain Alcibiades Barrios quickly brought the passengers back aboard the ship and set a course to ICEBIRD's position. Along the way, OCEAN NOVA's bridge team, in coordination with personnel at Vernadsky Station, were assessing the ice conditions, and the original plan was to use Zodiaks to tow the yacht to safety; however, the ice conditions were determined to be too poor. OCEAN NOVA would need to approach and tow the ICEBIRD out herself.

To tow ICEBIRD out, OCEAN NOVA cleared the ice and created a channel and maneuvered to the ICEBIRD. After the initial tow line parted, a larger line was secured, and OCEAN NOVA was able to proceed back through the channel she had created without incident.

With assistance from Gonzales Videla Station personnel, the yacht was safely positioned at Waterboard Point by 23:45. Captain Barrios and the crew of the OCEAN NOVA were able to resume her normal operations. This is a great example of the capabilities of the OCEAN NOVA, her excellent seamen and the spirit of cooperation that is so critical operating in the most remote regions of the world.

— RICHARD DEL VALLE
President-CEO Nova Logistics

Coming out of the 2018 Holiday Season, CMI’s Compliance Department had little time to reflect on the (typically) busy year, choosing instead, to look optimistically forward into the New Year. With the Senior Management Team committed to supporting our goals of making our managed Vessels safer and part of an overall fleet improvement initiative, CMI’s Compliance Department will be kicking-off a new Safety Culture Campaign in 2019.

The 2019 Safety Culture Campaign is aimed at improving safety, quality, environmental and health qualities onboard, as well as to improve the general onboard condition of the Vessels and the well-being of all passengers, crew and other staff onboard. Under the direction of Captain Jens Hoybye, CMI’s Performance Director, 12 initiatives have been identified, each of which will be the focus of an (auditable) monthly improvement campaign during 2019. The following are the main vessel improvement areas/initiatives that will be the initial focus:

1. Occupational Health & Safety Improvement Initiative
2. Garbage/Deck Clean-up Initiative
3. Zodiac Technical & Operational Improvements
4. Communication Procedures & Guidelines
5. Fire Lockers (inventory, assessment and disposal as required)
6. Client Facing Service Improvements
7. Crew Areas Clean-up Initiative
8. Technical Spaces Clean-up Initiative
9. Hotel Focus Initiative
10. Risk Assessments
11. SMS Shared Cloud Folders Clean-up & Maintenance
12. Compressed Gas Bottles (inventory, assessment and disposal as required)

By engaging the Senior Officers and Crew onboard with these seemingly “routine” issues and by providing office follow-up and support with these improvement areas onboard, we hope to not only improve the everyday safety and quality aspects of life onboard, but to embed and enhance the culture of safety awareness throughout the fleet.
We are fortunate to have many of them already working within CMI Ship Management, but we are in need of more, many more. For us to continue growing our current team of professional and dedicated seafarers, we must also attract new talent, equip them and offer career development training to perform and deliver at a high standard.

For this reason, we continue to strengthen our cooperation with crewing agents and partners who are visionaries within the industry. We must have partners who understand the growing demand for qualified and high-performing crew. Partners who have a demonstrable track record and an established infrastructure to support our growth and who can meet the needs of our crew, onboard and at home.

Our immediate strategy is focused in two regions to develop this, the Philippines and Ukraine. We recently visited both locations to meet with our new “partners” and below are summaries of our visits and plans, some of which are already in place, and others are under development.

THE PHILIPPINES

Exciting news for our Filipino crew ...

We are happy to announce that OSM Maritime Group has been appointed our manning agency for Filipino deck and engine crew.

OSM was established in 1989 and has since grown to become one of the world’s leading maritime management service providers, offering strategic locations for Filipino crew in Manila and Cebu.

In October 2018, Crew Coordinator Paola Steim and I, had the opportunity to visit the OSM office in Manila. We were able to witness first-hand the quality of service OSM offer to crew members and validate OSM’s commitment to contribute to CMI’s success.

OSM is committed to providing CMI with qualified new candidates and we are committed to providing employment continuity to our existing crew, through best recruiting practices and procedures, training and education, strong welfare program, support groups and social responsibility.

Continued on next page ...

UKRAINE

We formed an alliance with Vival Marine Manning Department formed in 1998 in Odessa, whose owners are also shipowners, ship managers and crewing agents.

We have also partnered with Alpha Navigation Agency, Odessa, established since 1997 and who have provided thousands of competent Ukrainian Deck and Engine crew members since its inception.

After our initial meeting with Alpha Navigation they immediately understood our needs and started to develop a Zodiac Drivers Certification Program, accessible to all our European ratings. They purchased a Zodiac, obtained the necessary permits and developed the curriculum, and training will be available in summer 2019. We have also selected Odessa as the main location for our Officers’ Ice Navigation Training.

In Odessa, I proudly accepted a tour of the National University of the “Odessa Maritime Academy”, guided by Rector, Doctor of Engineering Sciences, Professor Mykhaylo Miyusov.

This University has much to offer including access to quality bridge and engine simulators.

As our industry grows, so is the demand for qualified officers and crew, therefore we are committed to place our energy, time and resources into a Deck Cadet Program, which will provide a foundation to grow our own qualified deck officers.

Throughout 2019 the Crew Department will focus on ensuring the implementation our strategy and developing initiatives to meet the growing demand.

— BELISSA RODRIGUEZ | Sr. Crew Manager

— TATJANA ESPINEL | VP Crew Operations

“The Seafarer is the heart of a successful shipping business”
In previous issues of New Horizons, I have described our ongoing objective to implement true, “zero-based” budgeting for our fleet. This meant building our Annual Operational Budgets from the bottom up, beginning with detailed plans provided by each of the shipboard management teams.

In my most recent article on this topic, I mentioned that last year we had a very bumpy budgeting process with quite some delays. This was our first year applying this approach, so we made several important adjustments for the 2019 budgeting rounds.

The 2019 budgeting commenced much earlier; we continued with the presentations on board each vessel and to plan resources more efficiently, added a new form specified as a “Project List”, identifying any and all major, out-of-service R&M and upgrade projects to take place on each vessel over the course of 2019.

When comparing this year’s budget approach to that of 2018, we conclude that we have taken yet another major step in the right direction in terms of quality and consistency. The process was much faster this time and most importantly, the budgets truly reflects the plans developed by our shipboard management teams on each of the vessels.

We are now starting 2019 with more thought-through, well-documented vessel budgets with project lists providing a detailed overview of projects, resource requirements and timing across the fleet. The budgets detail our cash flow requirements so that we can provide Owners with an improved cash flow management report.

Thanks to everyone onboard and in the office, who has been involved in completing this process. I truly appreciate the time and effort put into this, and I am proud of the progress that we have made together with our operational and financial planning needs.

Now it is time to execute!
Make it a great 2019!

Thanks to everyone onboard and in the office, who has been involved in completing this process.

— CHRISTIAN LUND | VP Strategic Planning

INFOSHIP PROJECT UPDATE – INTERFACING WITH ACCOUNTING

Over the past year, Kelly Gordon and his project team have been working diligently on the INFOSHIP project; defining workflows, building hierarchies and databases and going live with the Event Reporting System (ERS) module as the first live module.

As we are now rapidly approaching the date on which the Purchasing module will be ready for testing and implementation, we are commencing the building of the interface between INFOSHIP’s purchasing module and CMI’s accounting system. The purpose of this interface is to secure direct, immediate and most importantly, automated communication between Purchasing and Accounting. By way of the interface, all purchase order (PO) data relevant to Accounting will feed into the accounting system immediately upon creation of a new PO. Similarly, as soon as goods are received by a vessel, consolidators, or forwarders, receipts for these goods will be attached to the PO data in INFOSHIP, as well as in our accounting system. This will enable an immediate, system generated 3-way match between items ordered, received, and invoiced the moment a supplier invoice is processed by the Accounting team. Such integration will provide critical improvements to our efficiency and accuracy by:
• decreasing time spent approving supplier invoices;
• speeding up invoice processing in Accounting;
• improving reporting accuracy;
• shortening closing cycles and hence improving timeliness.

In short, this integration will eliminate a vast amount of manual processes, which are prone to human error and free up our personnel to spend more time on what is most important: delivering quality service and support to our clients, suppliers and our vessels.

It is currently expected that the purchasing module will be live in February, while the integration with Accounting will take until April.

I look forward to providing my next update on this project in the next issue of New Horizons when we will be live on our new system!

— CHRISTIAN LUND | VP Strategic Planning

We continue to roll out the modules of our InfoShip Software. This chart provide you with an overview as to the status.
Keeping up with today’s technology changes

As technology is constantly changing and evolving, CMI is keeping up with the times. In 2018 CMI began implementing new technologies and improving on communications and support for all vessels under management. As we roll into 2019, CMI continues to improve on technology onboard all vessels with new hardware and software for voice and data needs.

Two of the new software services being implemented in 2019 are Datto RMM and Autotask PSA.

Some of the features included with Datto RMM and Autotask PSA

• Complete Real Time Network Asset Data — Detailed asset information synched in real-time with up to the minute accuracy. This allows techs to improve response times and gain deeper insight into the IT estate they manage.

• Intelligent Monitoring — Smart, optimized, automated routing, creation and de-duplication of network alerts which reduce downtimes of the network and services.

• Service Desk — A ticketing module with built-in best practices to ensure follow-up with issues on board. The ticket user interface allows for effortless workflow prioritization and is fully configurable to fit unique business needs. A single system of record for all notes, incidents and emails. Simple and efficient scheduling with a drag and drop dispatcher workshop.

• Automation of Service Delivery — Sets up event triggers which will automate an action, update data, or send a notification with Autotask’s Workflow Rule Engine; automate the backend business process using workflow rules and notifications; and automatically update an entry, take action and notify customers.

These new, more robust services will also allow CMI to keep up with all software and hardware licensing to ensure that all vessels remain compliant and are not using any types of pirated software.

CMI is always ever vigilant when it comes to Cyber Security onboard all vessels and we are continuously upgrading security features including wireless networks, networking equipment, firewalls, enhanced SPAM email filtering services, and Anti-Virus services. — JC SEGUI | IT Specialist & ROLAND HUBATI | IT & Communications Officer

Cruise Management International’s Port Operation and Vessel Logistics Department offers turnkey service to vessel owners and charterers to take care of all their voyage planning, port operations, and bunker loading needs. Our Charterers have expertise in developing, marketing, selling and executing experiences. Whether this is expedition cruising or traditional cruising, they know their clientele and how to make a once in a lifetime experience.

Our goal is to support these Charterers and their vessels with our area of expertise. We can assist in itinerary development, confirm itinerary feasibility, make port/berth reservations, coordinate pilot and clearance formalities and all services required to support the operations onboard the ship. With CMI taking care of these responsibilities, the Charterers can continue to focus their efforts into the part of their business that makes the most impact (and profit) i.e., the onboard experience, while we take care of the “behind the scenes” operations of vessel logistics.

CMI’s Port Management service will vet port agents and appoint agencies who offer the best services at the best price. We also use the quantity of scale where possible to achieve the best rates for each client.

One of the most expensive costs of vessel operations is fuel. In 2018 CMI entered agreements with multiple parties to provide Fuel Management Services for their vessels. This involves evaluating the vessel itineraries, creating an efficient bunker plan and budget for each vessel. We also created cash flow plans for the season and adjusted this as needed throughout the period as fuel pricing changed. This greatly simplifies the bunkering operation for the Charterer and again allows them to continue to focus on their client while we focus on ours, the Charterer.

For the 2018-2019 Antarctic season CMI is providing Fuel Management Services to four vessels. Over the course of the season it is estimated that we will order over 8,200 metric tons of fuel. We have managed to leverage the quantities across our managed fleet (and different Charterers) to realize volume savings for our clients. The first order we placed for one of the clients resulted in an estimated savings of over $10,000 (on just one loading) based on our price versus the price they paid on the previous loading.

Our Port/Fuel Management Services have proven so valuable this Antarctic season that we almost instantly entered into additional contracts to offer these services during the Arctic Season for multiple vessels and multiple Charterers.

— SCOTT WILL | VP Port Operations/Vessel Logistics
In 2017, CMI introduced a new/revised crew questionnaire/survey to gather feedback from ship’s senior officers on their satisfaction with onboard arrangements, as well as interactions with shore side staff. This year again, CMI’s Crewing Department solicited feedback from crew onboard to benchmark improvements over 2017 results and to shine a light on particular areas in need of improvement and/or highlight particular areas of good performance. Below are the results of the 2018 Crew Feedback Survey by department, with a comparison to the 2017 results.

— CHRIS DLUGOKECKI | VP Safety & Quality