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The Systems Approach to Ship Management: A Smarter Strategy for Small & Medium-Sized Owners



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For small and mediumsized shipowners operating fleets of **4 to 12 vessels**, running a successful shipping business today requires more than just managing daily operations.

Freight market volatility, rising insurance costs, regulatory changes, and operational inefficiencies create financial and operational uncertainty, making it harder for smaller fleet operators to compete with larger, more

resourceful shipowners.

Unlike bigger players who have dedicated risk managers and financial teams, small and mediumsized owners often lack the structured tools to optimize their fleet's performance. Many operate reactively, dealing with one problem at a time rather than implementing a proactive, integrated strategy to ensure long-term stability.

This is where the

Systems Approach
to Ship Management
comes in—a structured,
strategic methodology
that integrates financial
planning, risk prevention,
operational efficiency,
and adaptability into a
cohesive framework.

For over 34 years, since its establishment in 1991, Marasco Marine Ltd has been focused on helping small and medium-sized shipowners survive and thrive—particularly in freight recessions and highly volatile markets.

By applying the **Systems Approach**, Marasco

has successfully helped shipowners regain control, optimize costs, and improve their financial and operational resilience.

Why Traditional Management Fails for Smaller Fleets

Most small and mediumsized shipping companies manage their business in **a fragmented way**, focusing on individual aspects rather than looking at the **big picture**. This leads to:

- Freight revenues being disconnected from insurance costs and operational expenses.
- Overpaying for insurance due to inefficient policy structures and unnecessary overlaps.
- Operational costs increasing without proper visibility, leading to cash flow shortages.
- Frequent marine claims that drive insurance premiums higher, impacting long-term profitability.

In contrast, successful fleet operators apply a **Systems Approach**, ensuring that every aspect of their business is interconnected and optimized.

The Systems Approach: A Smarter Way to Manage a Shipping Business

Instead of treating insurance, operations, and financial management as separate concerns, the Systems Approach integrates them into a single, adaptable strategy that enables shipowners to control costs, manage risks, and build resilience.

Step 1: Establish a Centralized Financial Monitoring System

- A structured financial dashboard consolidating freight income, insurance costs, and operational expenses.
- Regularly updated for realtime decision-making and risk assessment.
- Allows shipowners to detect hidden inefficiencies before they escalate into financial problems.

Example: A shipowner with **three bulk carriers** was struggling with unstable cash flow due to rising insurance costs and uncontrolled crew travel and medical expenses.

By applying a structured financial monitoring system, he optimized his expenses and reduced his insurance and crew travel costs by 30%.

Step 2: Align Insurance Costs with Operational Strategy

- Benchmark premiums against market standards to avoid unnecessary overpayment.
- Adjust war risk coverage and deductibles based on actual trade routes and risk exposure.
- Risk Prevention: Analyze claims history to detect and prevent recurring incidents that drive up premiums.

Example: A company managing six dry bulk carriers was unknowingly paying 15% more in premiums due to overlapping policies and inefficient claims management. Marasco

Marine Ltd restructured their coverage, reducing annual insurance costs by USD 120,000.

Step 3: Control Operational Costs Without Sacrificing Efficiency

- Monitor crew costs, including overtime and travel expenses, to reduce unnecessary expenditures.
- Optimize fuel consumption and bunkering strategies to avoid excessive costs.
- Risk Prevention: Implement predictive maintenance schedules to prevent unexpected machinery breakdowns.

Example: A shipowner with five tankers implemented a predictive maintenance strategy that reduced machinery damage claims by 40%, leading to lower insurance premiums and fewer disruptions in operations.

Step 4: Proactive Risk Prevention to Lower Claims & Insurance Premiums

- Reduce machinery damage claims through structured maintenance, risk prevention programs.
- Improve crew safety and onboard procedures to minimize liability claims.
- Ensure efficient claims handling to secure faster settlements and avoid financial strain.

Example: A fleet of seven bulk carriers implemented Marasco's proactive claims management strategy, reducing their claim frequency and securing a 7.5% reduction in their overall insurance premiums.

Step 5: Strengthen Cash Flow & Long-Term Financial Stability

- Align cash reserves with operational needs to maintain liquidity in volatile markets.
- Adjust freight pricing strategies based on actual cost structures, not assumptions.
- Develop structured payment plans for major expenses like dry-docking.

Example: A shipowner managing six vessels applied Marasco's structured financial system, resulting in: - Better visibility over cash

- flow, eliminating surprise shortfalls.
 More predictable insurance and maintenance
- expenses, improving financial planning.
 USD 200,000 in annual cost savings, enabling longterm growth and stability.

Why This Matters: A Long-Term Strategy for Success

Small and medium-sized shipowners who fail to implement a structured Systems Approach to ship management struggle to remain competitive. Operating in a volatile industry without financial and operational visibility means constantly reacting to cash shortages, rising premiums, and inefficiencies.

With Marasco Marine Ltd's expertise, shipowners can take control of their business through an integrated strategy—reducing unnecessary expenses, optimizing risk management, and ensuring financial resilience.

For over 33 years, Marasco Marine Ltd has helped small and medium-sized shipowners take control of their business, reduce financial uncertainty, and build long-term resilience. The Systems Approach is a proven strategy that allows shipowners to navigate market challenges, optimize their operations, and achieve sustainable success.

* Marasco Marine Ltd, was founded in 1991, by Mr Anastasios Maraslis.

Marasco is specialising in Managing Marine Risks and Risk Prevention Planning, serving the last 33 years, Ship Owners, Ship Managers and Ship Operators, with his experienced marine / claims insurance team and the company's Board of Advisors, Internationally Acknowledged.

More about Marasco Marine at: www.marasco-marine.com

