



The Eurasian Dream Incident – liability and implementing an effective SMS

a Ulysses Systems whitepaper

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How easily can an incident be blamed on managerial oversight?

The fire that spread on the 'Eurasia Dream' at the port of Fujairah (see Lloyd's List article "Eurasia Dream ISM Code Warning," May 22nd, 2002) led to a total loss of the vessel and its cargo. The investigations that followed led to the conclusions that the vessel's crew was inadequately updated on issues of safety and emergency response. Important safety rules and instructions were overlooked while the procedures of the safety system in place were either deficient or improperly implemented and carried out. Therefore the efforts made to supply the vessel with a Safety Management System were seen by the court as inadequate and ineffective. Finally, the responsible party for the incident was deemed to be the owner and the management of the vessel and therefore not covered by normal hull and machinery insurance.

The above incident and this observation lead to a line of questioning:

- Why did the company fail to implement and control a more effective safety management system?
- Why was the crew not trained in proper fire fighting on this vessel?
- Is a potential uninsured loss of a vessel and its cargo a likely event when common practice in vessel management requires the owner/manager to anticipate and take precautions for all known hazards?

The effort had already been made so why was it not effective:

Implementations of Safety Systems and regulations that oversee the guarding and the protection of human life and the marine environment have become part of daily common practice, so we all contribute time attention and expenditure to them.

The Eurasian Dream did have a Safety management System and the crew did perform safety drills and customary training exercises.

But why was this not enough?

The answer is fairly clear from the court findings.

The SMS system was confused such that it was impossible to find relevant information promptly at the time of need, the safety drills were not quite right for the type of vessel, and the performance of the drills was not being monitored by the management.

It is certainly not hard to confuse information if the SMS system is paper based and has close to a thousand pages of procedures and checklists. Even an electronic system that does not relate a procedure to the task to which it applies, can be dangerously confusing.

It is also easy to overlook the proper availability of ship specific training information, where needed, if the office management of the SMS system is confused.

It is also not difficult to lose track of the monitoring of safety drills and training if there is no reliable and quick way of doing so between the vessel and the shore.

Computerisation can contribute significantly to the solutions of the above information management problems; but the dangers that are involved in selecting a computerised system can be as many and as important as the dangers of a badly implemented Safety Management System.

A company's decision in selecting a software system is usually triggered by the necessity to cover its needs and the known availability of a solution. While in business sectors such as banking, this necessity had been identified and solutions provided many years ago, in shipping it is only in the last few years that the idea of computerised assistance is beginning to mature for the daily operation of the vessels. Furthermore software tools for co-ordination and management of vast amounts of information between vessels and shore offices have only in recent years been available.

In order for ship managers to make use of available tools for co-ordination and management of information the considerations leading to making the right choice must follow common sense and business experience. After all such solutions are by no means more complicated than technical decisions in the maritime field, which are addressed with business savvy, common sense and success.

Multiple features or the right features and ergonomics?

The perception that the good computerised applications are the ones with multiple features is only true to a degree. Our experience both in the shipping arena and in the IT world has shown us that the superior applications are the ones that bring results quickly and assist greatly the field of one's work. A good application covers the most essential need, that of conveniently managing information in a geographically disbursed organisation and is backed up by client testimonials. In other words, it covers the essential need of managing vast amounts of data and written information on board and shore, while Mariners like it and use it. Features are effective if they are useful and do not add to the complexity. Good software architecture will allow software to seem very simple even if it has many features.

Should it be a tool for few or for all?

It is an indisputable fact that most shipping companies are hesitant in selecting a computerised solution because they are afraid of its low utilisation by the end-users. The most critical end users in a maritime information system are the mariners. They have many responsibilities, many pre-occupations, significant staff turnover and a remotely located management unit. If they are to use a new software system, they must find it intuitive and helpful so as to use it to inform themselves as well as enrich it with information that is useful to the head office. Mariners do not have the interest to learn new complicated software and ship operators do not have the budgets to train them to learn such systems.

A poor choice of information systems leads to a demanding computerised environment that tries to provide some essential data for a few people at head office, and distributes a "mega hassle" for many highly paid mariners on the vessels. Computerisation should be aiming at relieving the surplus administration and bureaucratic procedures for the many in the company, provide up to date

critical information to management and disseminate essential know how to the field.

Again the best way to verify this is to ask those that use the prospective system. Ask them how long it took to start collecting useful data after it was properly deployed. Ask them if the system needed special training or whether it could be used after minimal time in familiarisation. These are excellent indicators of how useful and popular the system will be among users in your company.

Cheap or economically valuable?

The value of an information system must be compared to the benefit it brings. The Eurasian Dream incident brings to light the value of preventing an incident or at least collecting insurance in the unfortunate eventuality of such an incident. Also it is clear from the court ruling that such a financial loss could have been prevented had managers been able to show due diligence via the necessary steps to provide the vessel with a manageable SMS system. In other words by replacing a poor SMS system with a system that provides clarity and internal transparency. This could have been done at a fraction of the cost of managing the failed system. What is the value here?

Furthermore, what is the value of distributing good know-how information to mariners?

The answer is, high enough that most companies went to the trouble to supply such SMS information long before ISM, and high enough to have created the necessity for this through the ISM code and other management codes.

In the case of the Eurasian dream a proper fire extinguishing procedure would have saved the ship.

There are many other indicators of benefit, and we would be pleased to arrange that you hear these directly from our satisfied clients.

If you are interested in the full report of the Eurasia Dream incident please see (2002) 1 Lloyd's Rep 719.

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