

Charting the Course for the Marine Market

Interview with Rodrigo Quilula, Vice President, Motor-Services Hugo Stamp, Inc.

What are MSHS' core markets and what recent changes have you seen in these markets?

RQ – MSHS predominately operates within the marine market, supporting power generation from main and auxiliary engines and associated equipment through service, repair, overhaul and retrofit. Within the marine market, timing is everything. Increased tonnage and more expansive freight routes have led to a decrease in shorter coastal routes. Ships are larger and can remain at sea longer, meaning the time spent in dock must be well used for repairs and maintenance. Keeping to the ship's schedule is critical, and will only become more so as the sea freight integrates more closely with land-based freight routes.

What challenges do these changes represent?

RQ – Service suppliers such as MSHS are building an infrastructure which supports the customer. Whether scheduled dry dock, or emergency repairs, the challenge is to ensure that you are there when the customer needs you. This is not only changing the location of service hubs in relation to ports, but is also developing the needs for on-board emergency and specific services such as on-site machining. Our Turbo Shop in The Bahamas supports customers who maximize docking time to include overhauls. Additionally, parts supply chains are continuing to evolve, ensuring the parts are dockside when the ship arrives. The development of more integrated land-based freight routes particularly with rail freight expansion is supporting the supply chain further, and is an indication of how the market is developing cohesion to support the customers' needs.

How are customers' needs changing in response to these challenges?

RQ – Proximity to the customer has become a key factor, together with the flexibility to work with the ship's schedule in terms of availability of service personnel and accessibility of parts supply. The time demands of the ship's schedule means that anything we as service providers can do to support the timing of the ship's schedule, getting them under way on time and ready for the next voyage adds value to the service we offer our marine customers.

• In what ways is MSHS changing to meet redefined customer needs?

RQ – MSHS is seeing increased tonnage in the Gulf of Mexico, driven in part by the Panama canal expansion but also by the development of freight hubs in Gulf locations such as Houston. To continue to develop the ways in which we can support our customers, we are investing in expansion of our Gulf Facility in New Orleans. MSHS Gulf opened a year ago to offer turbocharger service, sales and parts. We are now expanding this operation to become a full-service facility for engine, turbocharger, filtration and separation needs. The MSHS Gulf central location positions us to be able to deliver service of critical systems directly to the customer. Additionally, we are expanding our emergency service capabilities, with the addition of on-site machining to our service portfolio. We have also



invested in staff training, ensuring all MSHS engineers and technicians ae HUET and SafeGulf trained, meaning our personnel are "rig ready" and able to be dispatched at a moment's notice. MSHS Gulf Joins MSHS facilities in Fort Lauderdale, FL and the Bahamas to deliver service to ships calling into or dry docking at the major US ports. We believe this combination of investment in service facilities, inventory supply and staff training positions us to meet the changing needs of our marine customers.

• What would your prediction be for the main areas of change within MSHS core markets within the next five years?

RQ – I think we will continue to see the expansion of the rail freight network throughout the USA, with evolving and improving sea freight links at hubs throughout the Gulf. I see this integration continuing to demand increased tonnage and improved freight lines, and will be further developed as the Panama Canal expansion begins to direct new builds. As service providers to the marine market, MSHS will continue to invest in ensuring we meet our customers' changing needs through availability and accessibility, underscored by quality in everything we do.