Smart Procurement with ShipServ

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AMOS Conference

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SHIPSERV

Find. Connect. Trade.

Agenda for today's session

- Intro to ShipServ
- Partnership with Spectec
- Our Smart Procurement philosophy
- New Developments
  - Strategic sourcing with ShipServ Match
  - Business Intelligence – Spend Analytics

SHIPSERV FOR SHIP MANAGERS AND OWNERS

CORPORATE INTRODUCTION

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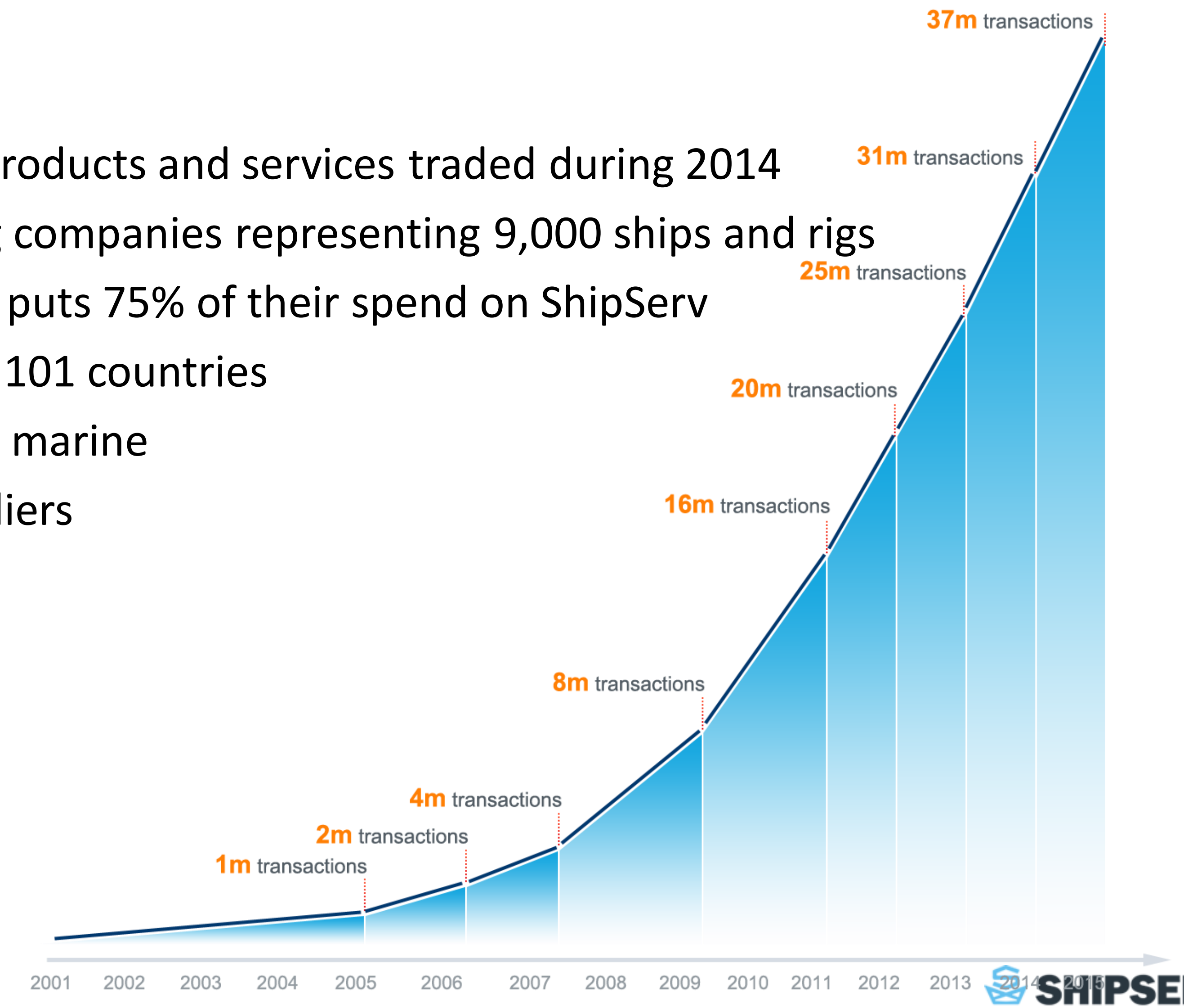
ShipServ at a Glance

- Founded in 1999
- Independent
- $2.5bn worth of products and services traded during 2014
- Over 200 shipping companies representing 9,000 ships and rigs
- Average company puts 75% of their spend on ShipServ
- 100,000+ users in 101 countries
- 100% focussed on marine
- Over 55,000 suppliers



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Some Key Customers and sectors

TEEKAY CORPORATION

CMA CGM

HMS

ANGLO-EASTERN

PRINCESS CRUISES
escape completely

WÄRTSILÄ

GRIEG SHIPPING GROUP

EMS
Ship Supply

MAN Diesel & Turbo

RS

MAERSK LINE

THOME GROUP

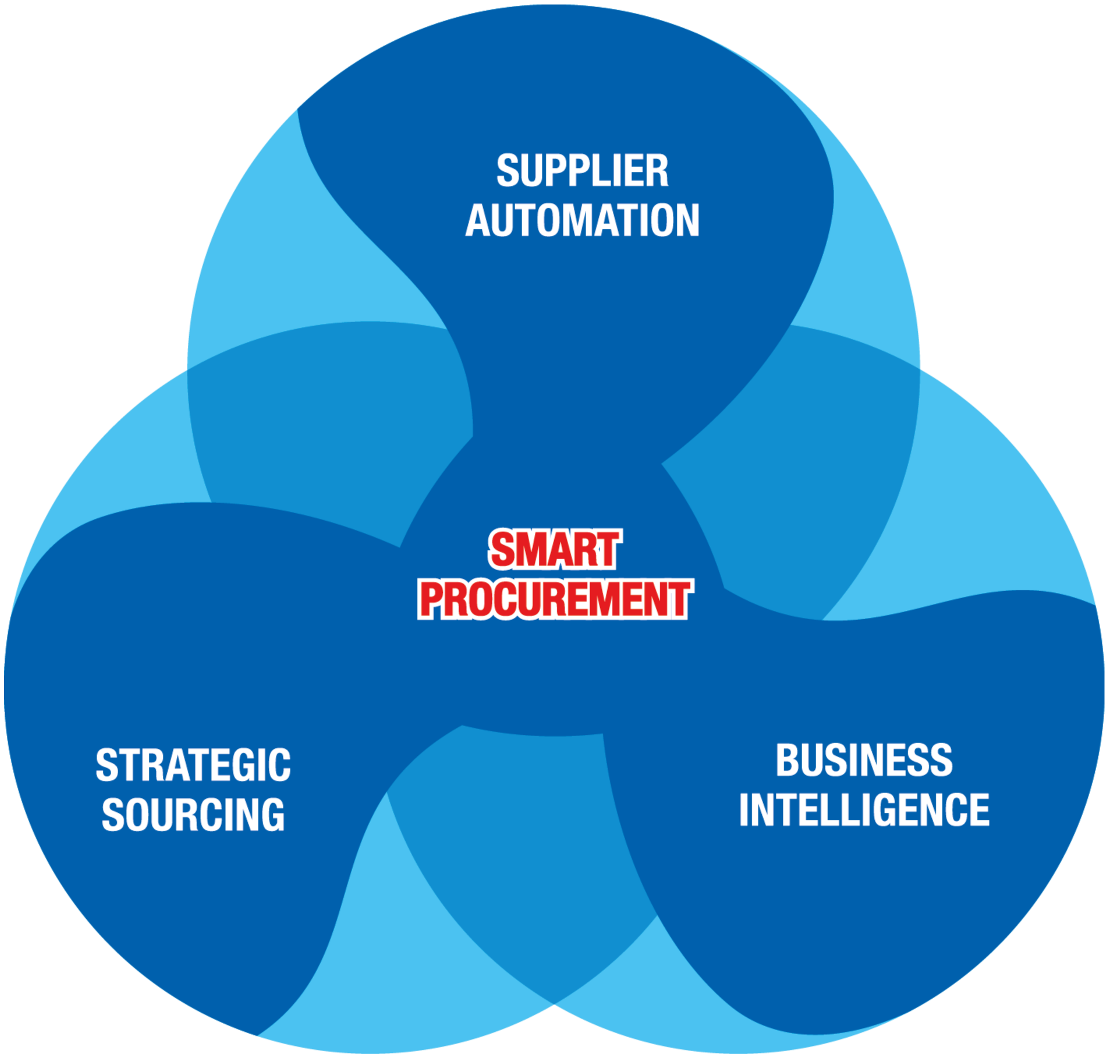
Container	49%
LNG	43%
Cruise	31%
OSV	29%

0% 60%

ShipServ is the world's leading maritime e-marketplace

- We help ship managers buy the products they need and cut their costs.
- We help suppliers to better serve and retain their customers.
- We improve efficiency across the whole marine supply chain.
- We are <u>not</u> a buying consortium. You still trade directly with your suppliers.

Smart Procurement: Driving your business forward



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SmartProcurement cuts costs

Operating Costs Addressed By ShipServ

- Spares
- Stores
- Consumables
- Provisions
- Lubricants
- Services
- Freight Costs
- Transaction Costs

Estimated at $600,000 per vessel per year*

What do we do?

1. We free up 30% of your purchaser's time by their reducing manual work load

2. Provide them with powerful tools to secure better prices and source strategically

What does this mean?

Cut by up to

10%

$60,000 per vessel per year

… and in many cases this solution can be implemented within DAYS

*Source: Moore Stephens OpCost report 2014

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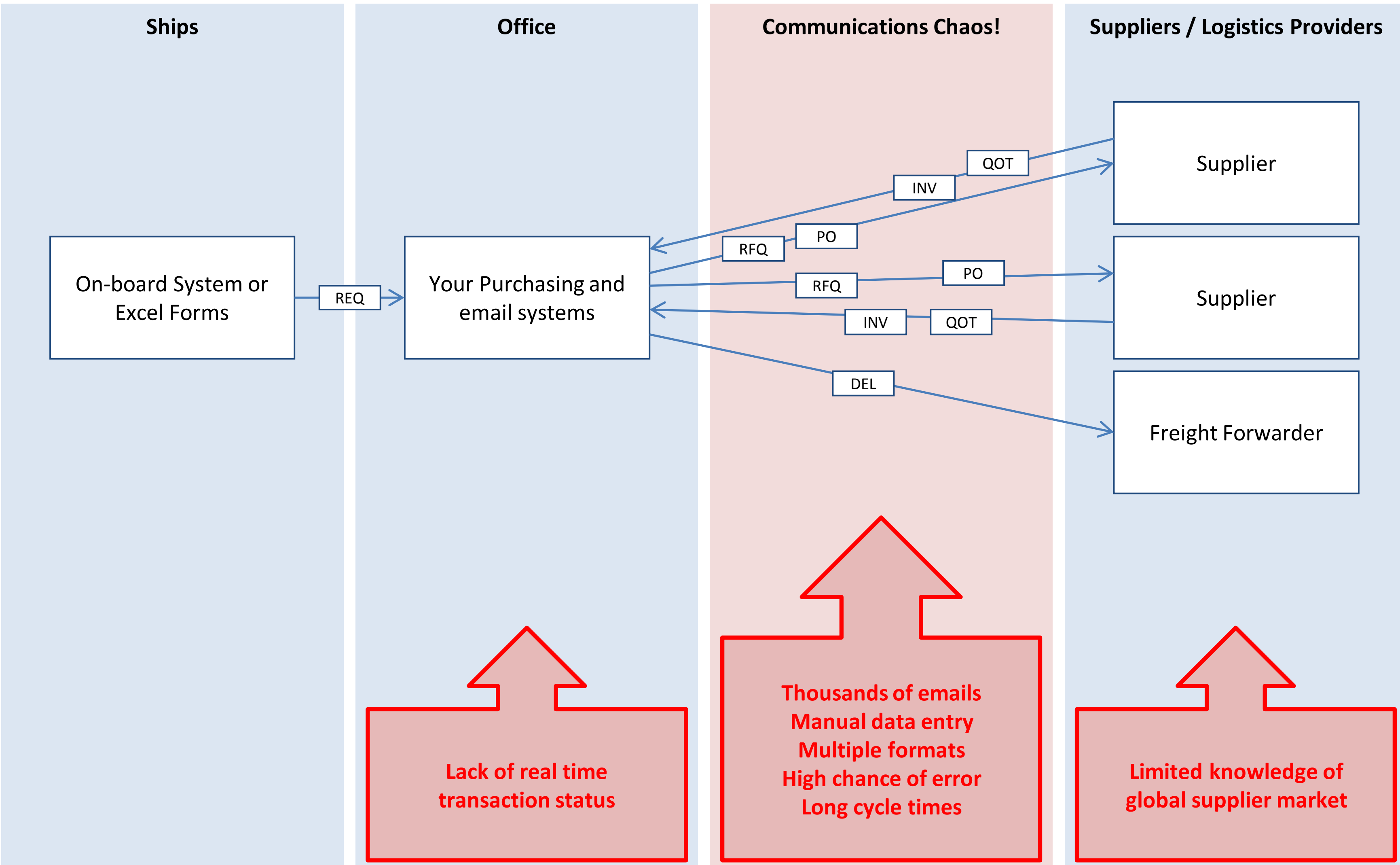
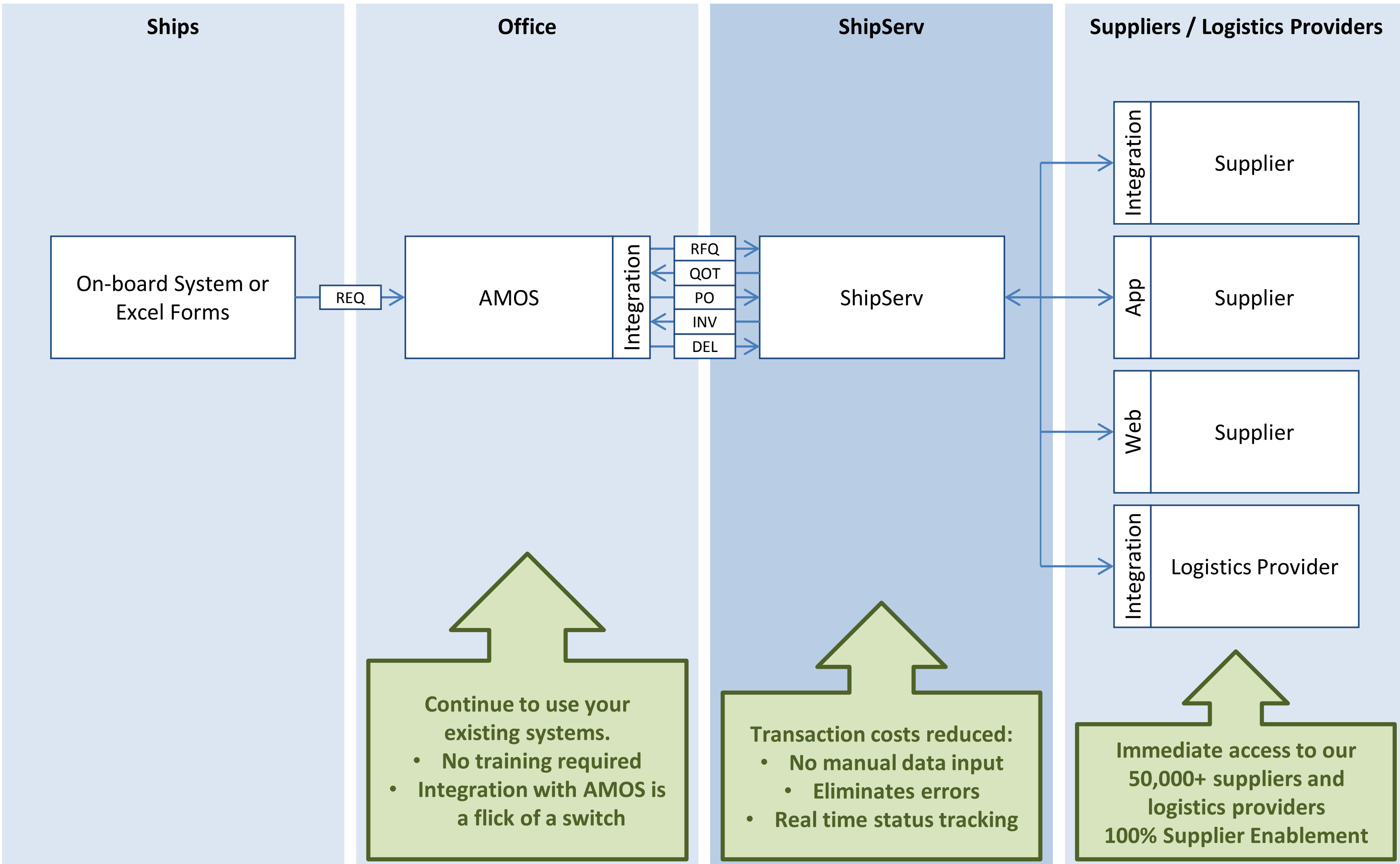
HOW IT WORKS

Before E-Commerce



E-commerce with ShipServ and AMOS



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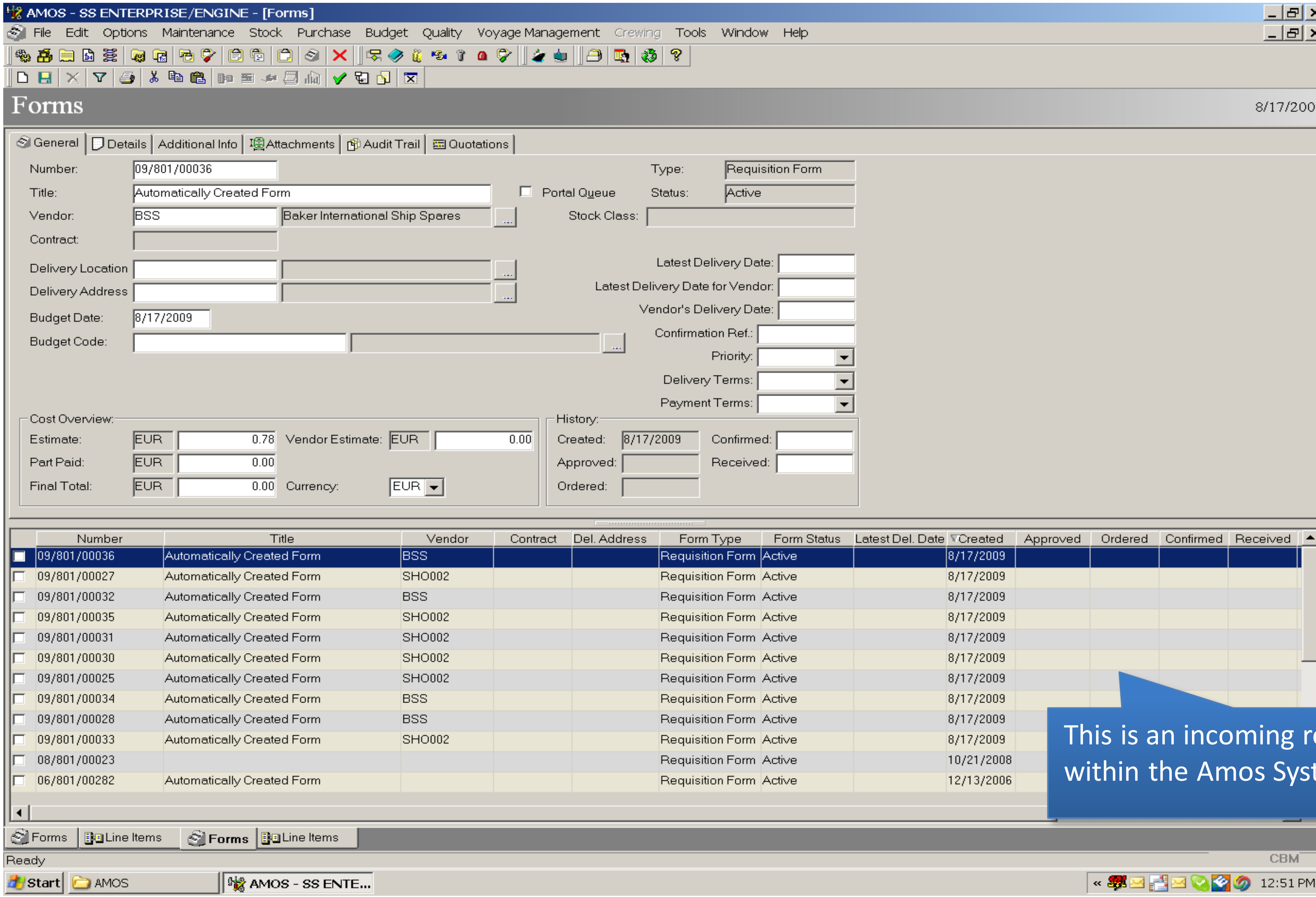
SUPPLIER AUTOMATION

SHIPSERV AND AMOS

We start with an incoming requisition…



Number	Title	Vendor	Contract	Del. Address	Form Type	Form Status	Latest Del. Date	Created	Approved	Ordered	Confirmed	Received
09/801/00036	Automatically Created Form	BSS			Requisition Form	Active		8/17/2009				
09/801/00027	Automatically Created Form	SHO002			Requisition Form	Active		8/17/2009				
09/801/00032	Automatically Created Form	BSS			Requisition Form	Active		8/17/2009				
09/801/00035	Automatically Created Form	SHO002			Requisition Form	Active		8/17/2009				
09/801/00031	Automatically Created Form	SHO002			Requisition Form	Active		8/17/2009				
09/801/00030	Automatically Created Form	SHO002			Requisition Form	Active		8/17/2009				
09/801/00025	Automatically Created Form	SHO002			Requisition Form	Active		8/17/2009				
09/801/00034	Automatically Created Form	BSS			Requisition Form	Active		8/17/2009				
09/801/00028	Automatically Created Form	BSS			Requisition Form	Active		8/17/2009				
09/801/00033	Automatically Created Form	SHO002			Requisition Form	Active		8/17/2009				
08/801/00023					Requisition Form	Active		10/21/2008				
06/801/00282	Automatically Created Form				Requisition Form	Active		12/13/2006				

This is an incoming requisition within the Amos System

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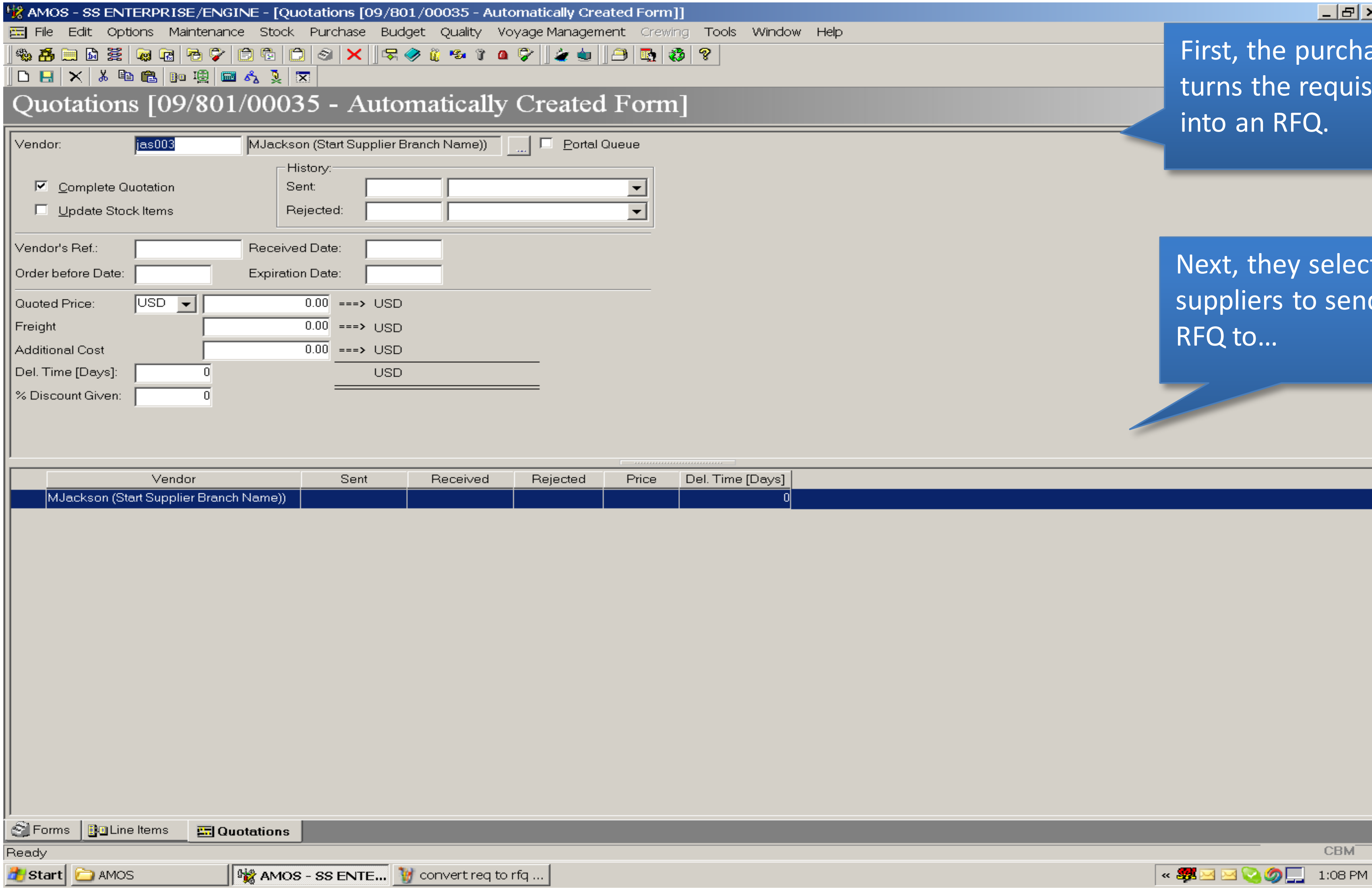
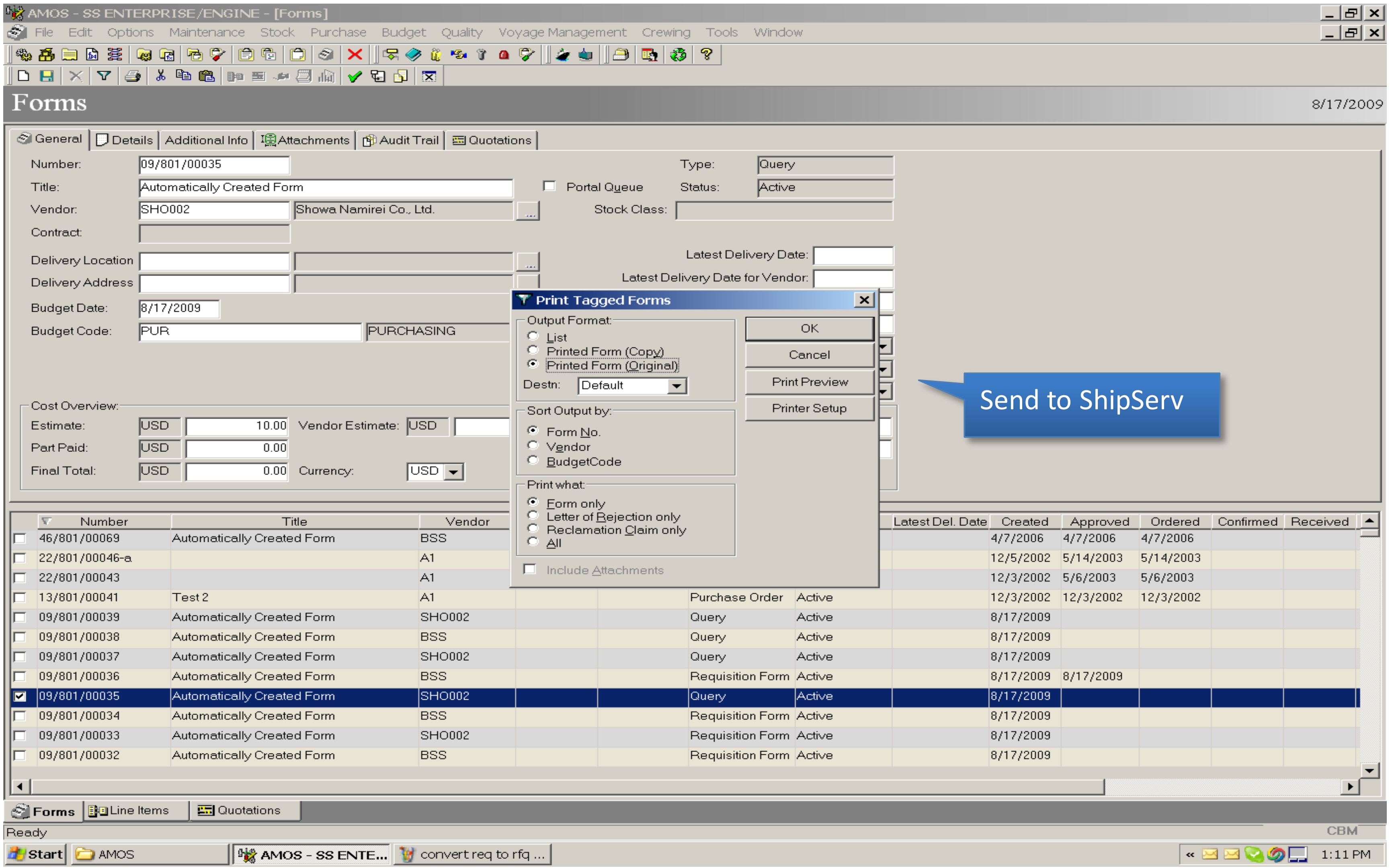
Creating an RFQ and selecting suppliers…



First, the purchaser turns the requisition into an RFQ.

Next, they select the suppliers to send the RFQ to…

RFQs are sent to the Suppliers via ShipServ



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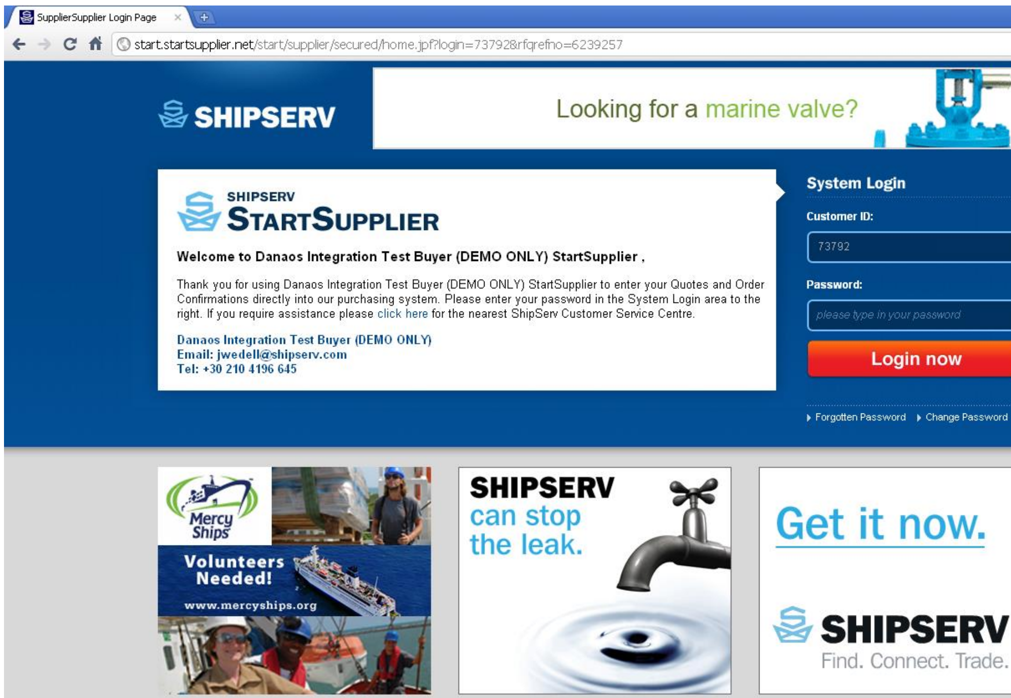
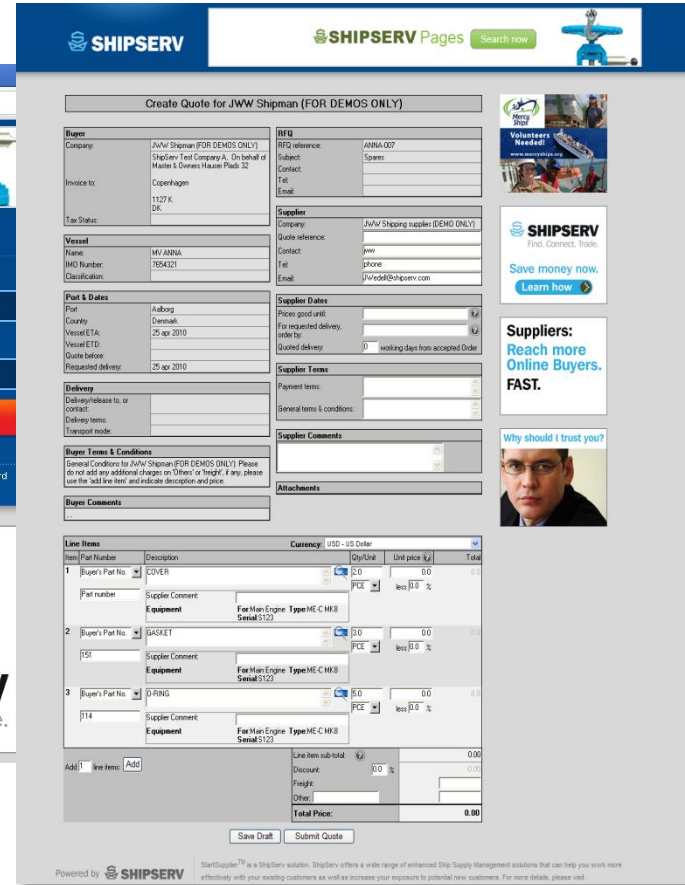
All suppliers can trade for FREE





Start Supplier

- Web application accessed via a link in a notification email
- Allows supplier to view RFQs, quote, view POs and confirm
- Key to 100% e-enablement of your supplier base
- Branded as your application
- Completely free to suppliers, no limit on transaction volume

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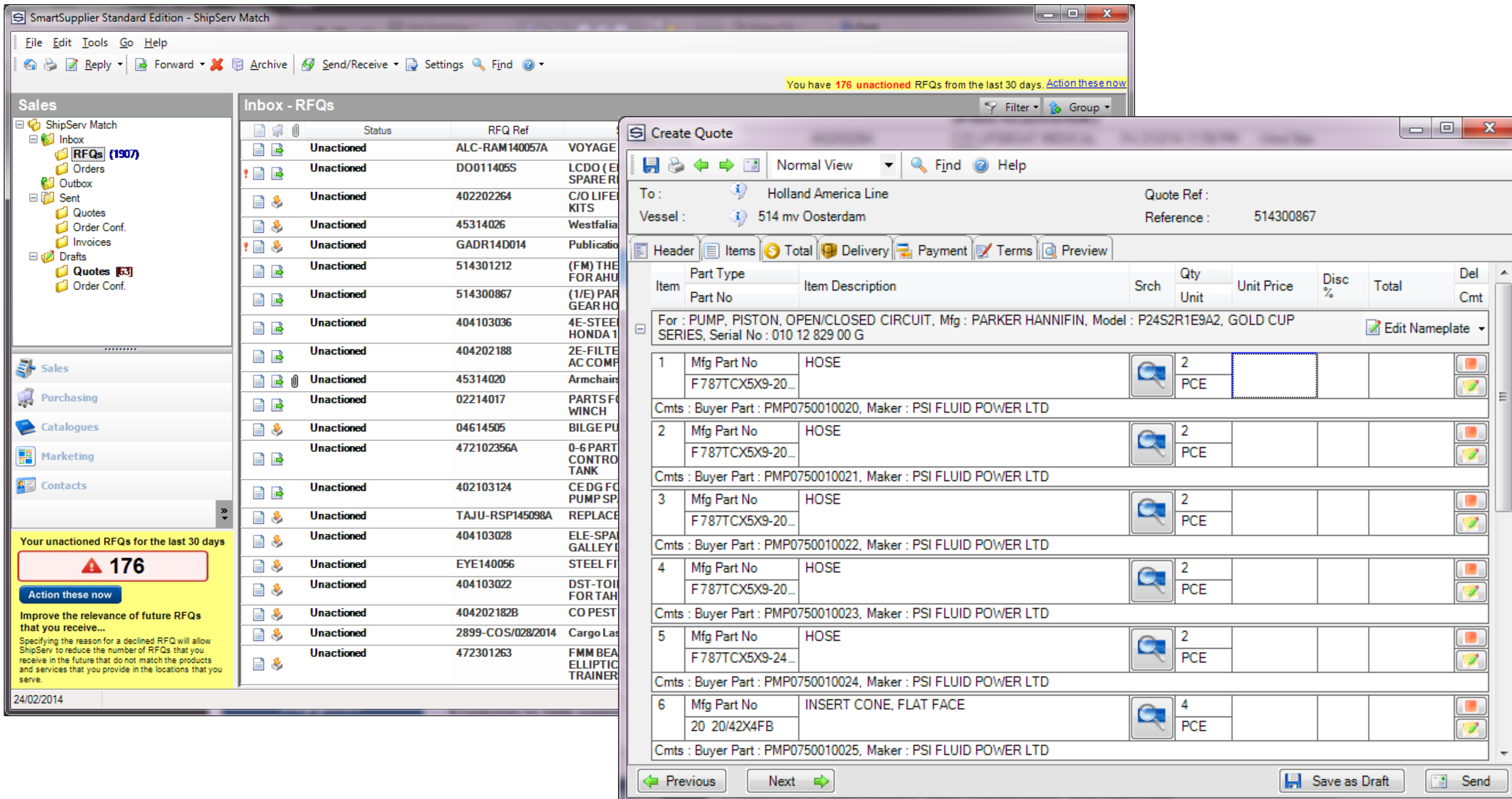
Quoting via SmartSupplier



Smart Supplier

- ‘Outlook’ style Windows application
- Helps suppliers to manage and respond to their ShipServ transactions
- Built in catalogue functionality helps them to quote quickly
- Features to help support team coordination and save time
- Small annual membership and transaction fee

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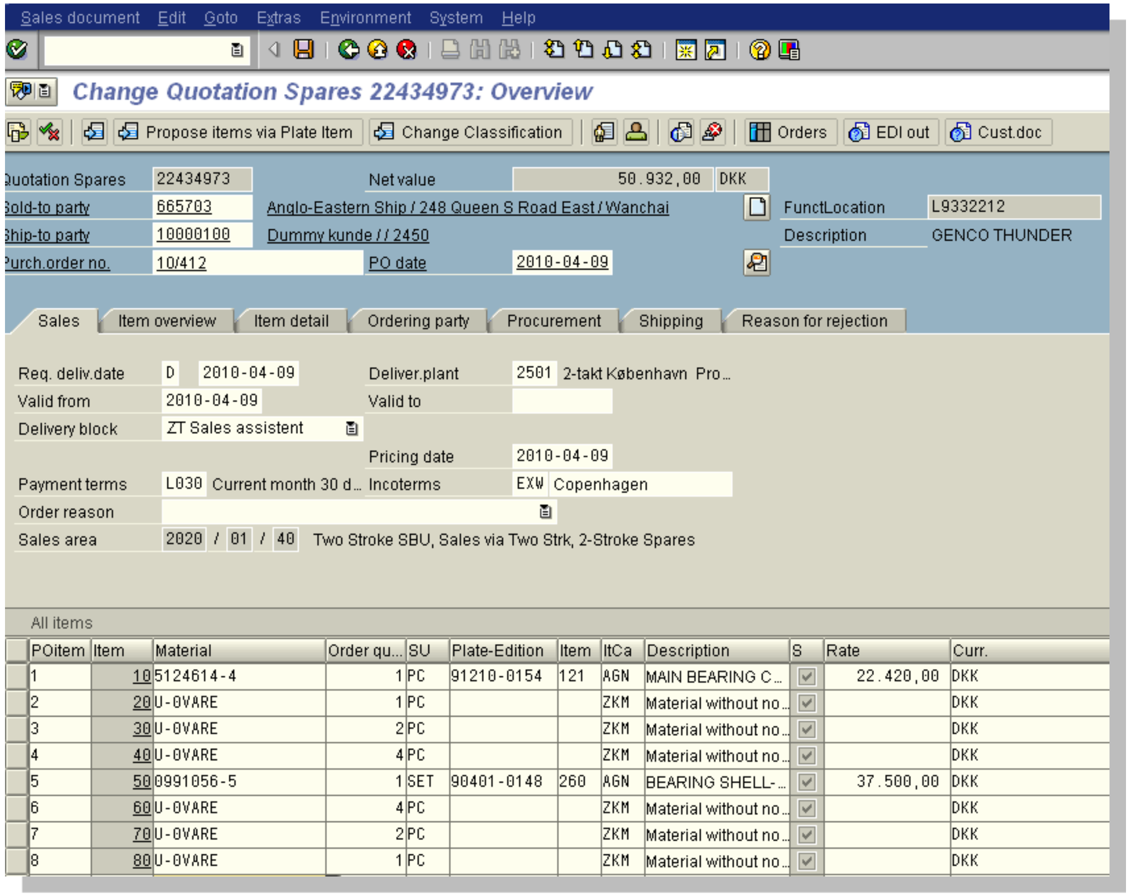
Quoting as a Fully Integrated Supplier



Expert Supplier

- Supplier seamless integrates directly with ShipServ
- Supplier reaps significant savings on transaction costs
- Some suppliers may pass on a proportion of these savings to buyers
- Annual licence and transaction fee
- One integration to many buyers!

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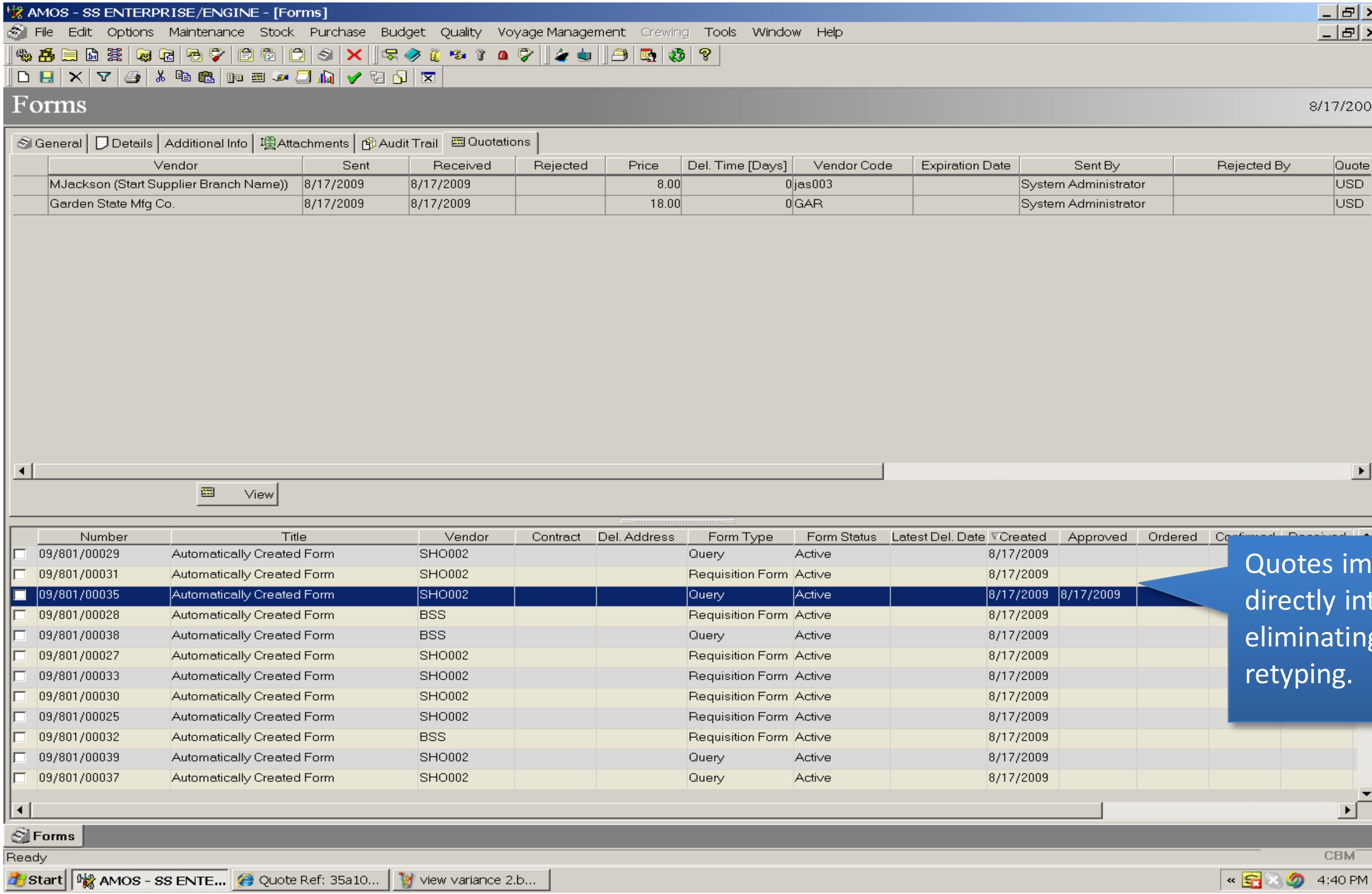
Receiving and comparing quotes…



Vendor	Sent	Received	Rejected	Price	Del. Time [Days]	Vendor Code	Expiration Date	Sent By	Rejected By	Quote
MJackson (Start Supplier Branch Name))	8/17/2009	8/17/2009		8.00	0	jas003		System Administrator		USD
Garden State Mfg Co.	8/17/2009	8/17/2009		18.00	0	GAR		System Administrator		USD

Number	Title	Vendor	Contract	Del. Address	Form Type	Form Status	Latest Del. Date	Created	Approved	Ordered
09/801/00029	Automatically Created Form	SHO002			Query	Active		8/17/2009		
09/801/00031	Automatically Created Form	SHO002			Requisition Form	Active		8/17/2009		
09/801/00035	Automatically Created Form	SHO002			Query	Active		8/17/2009	8/17/2009	
09/801/00028	Automatically Created Form	BSS			Requisition Form	Active		8/17/2009		
09/801/00038	Automatically Created Form	BSS			Query	Active		8/17/2009		
09/801/00027	Automatically Created Form	SHO002			Requisition Form	Active		8/17/2009		
09/801/00033	Automatically Created Form	SHO002			Requisition Form	Active		8/17/2009		
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09/801/00025	Automatically Created Form	SHO002			Requisition Form	Active		8/17/2009		
09/801/00032	Automatically Created Form	BSS			Requisition Form	Active		8/17/2009		
09/801/00039	Automatically Created Form	SHO002			Query	Active		8/17/2009		
09/801/00037	Automatically Created Form	SHO002			Query	Active		8/17/2009		

Quotes imported directly into system eliminating need for retyping.

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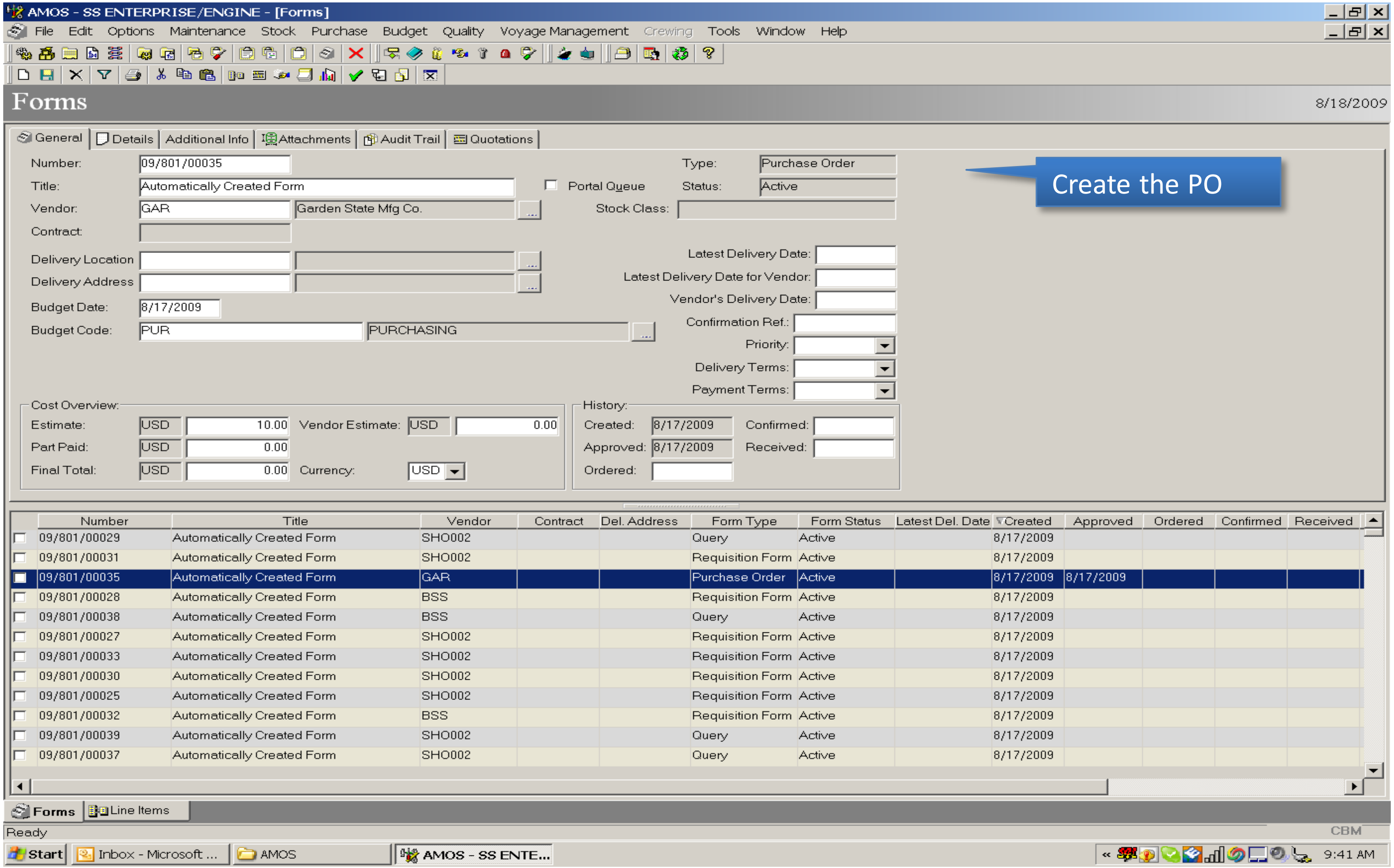
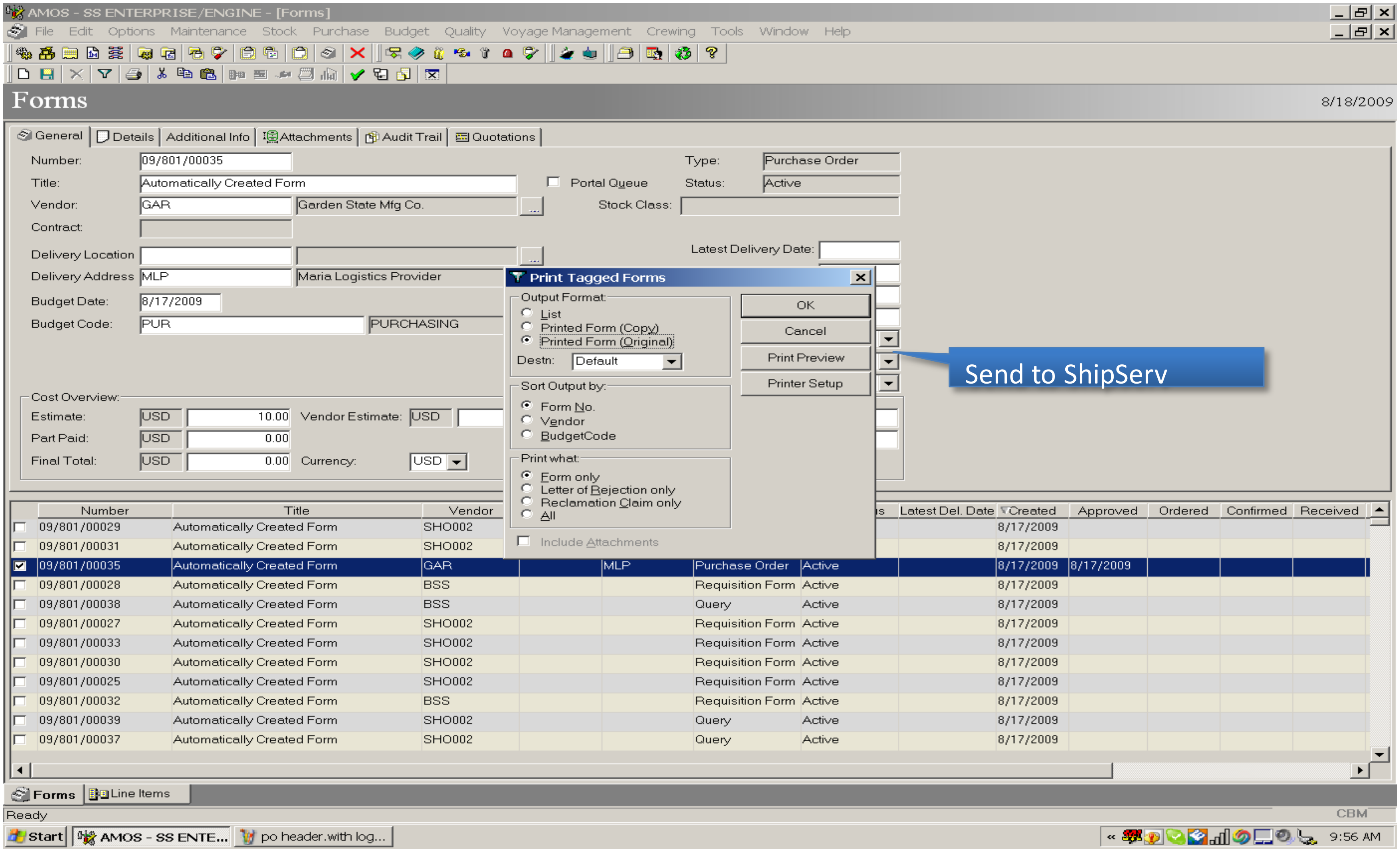
Creating the PO



Sending the PO via ShipServ



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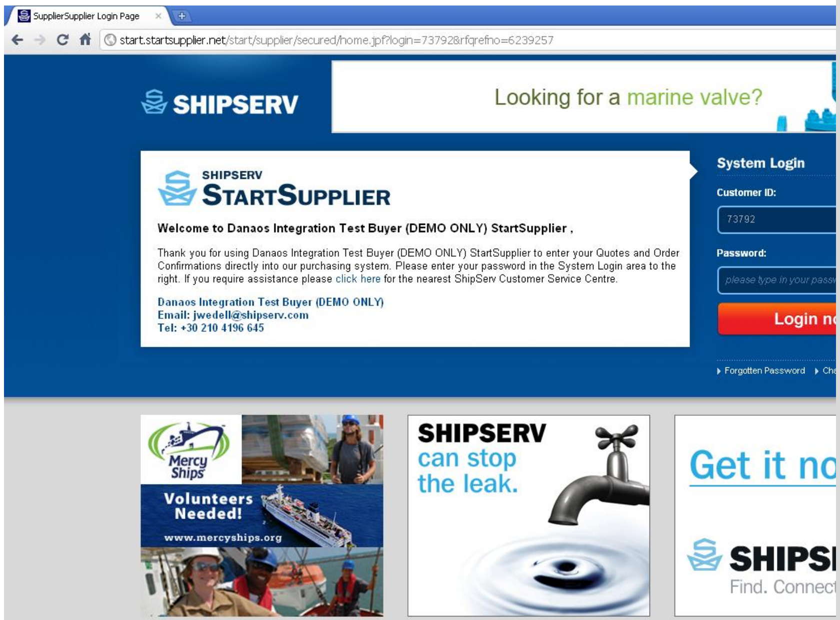
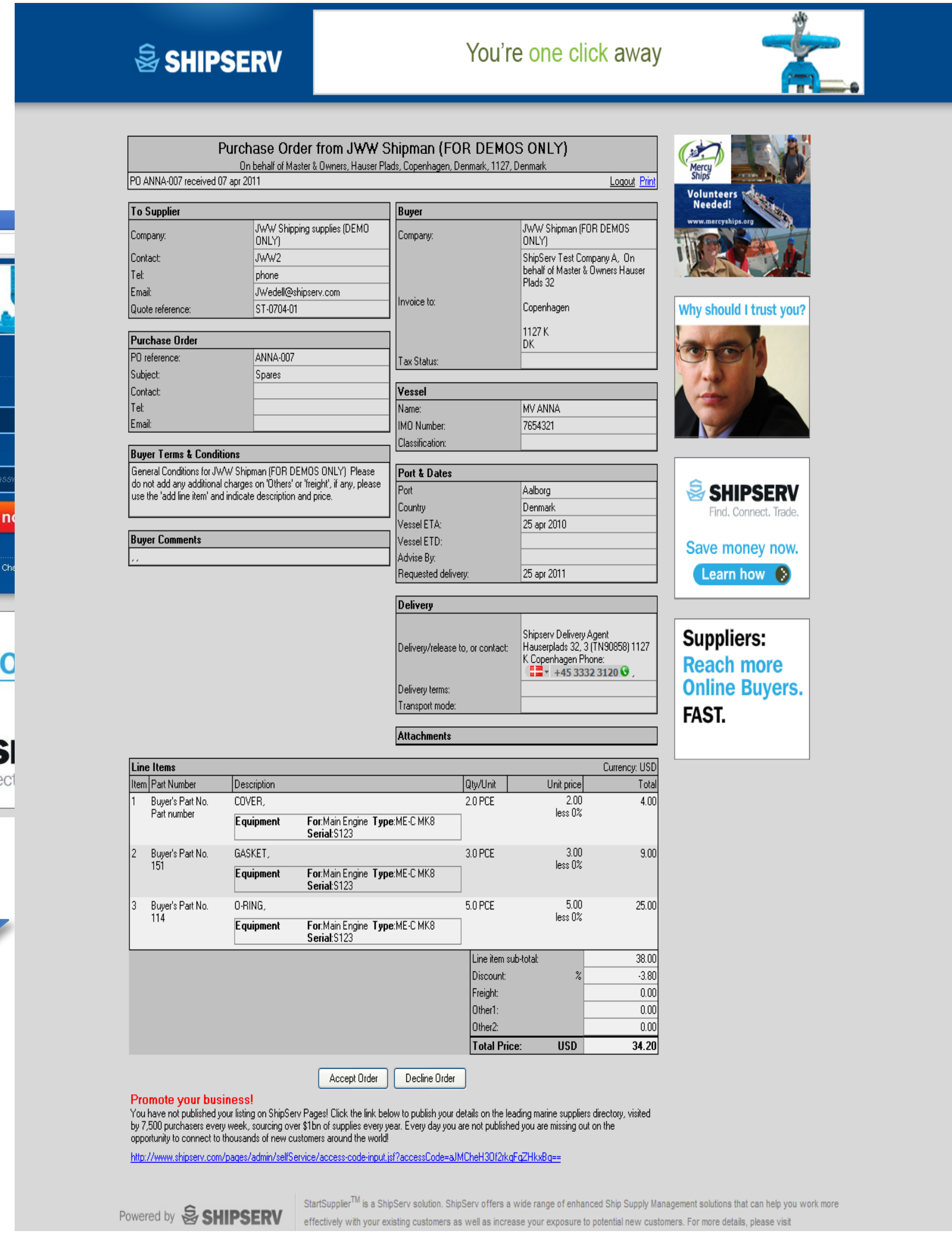
Receiving a PO in StartSupplier





The PO is received in StartSupplier. The supplier confirms and the processes the order as normal

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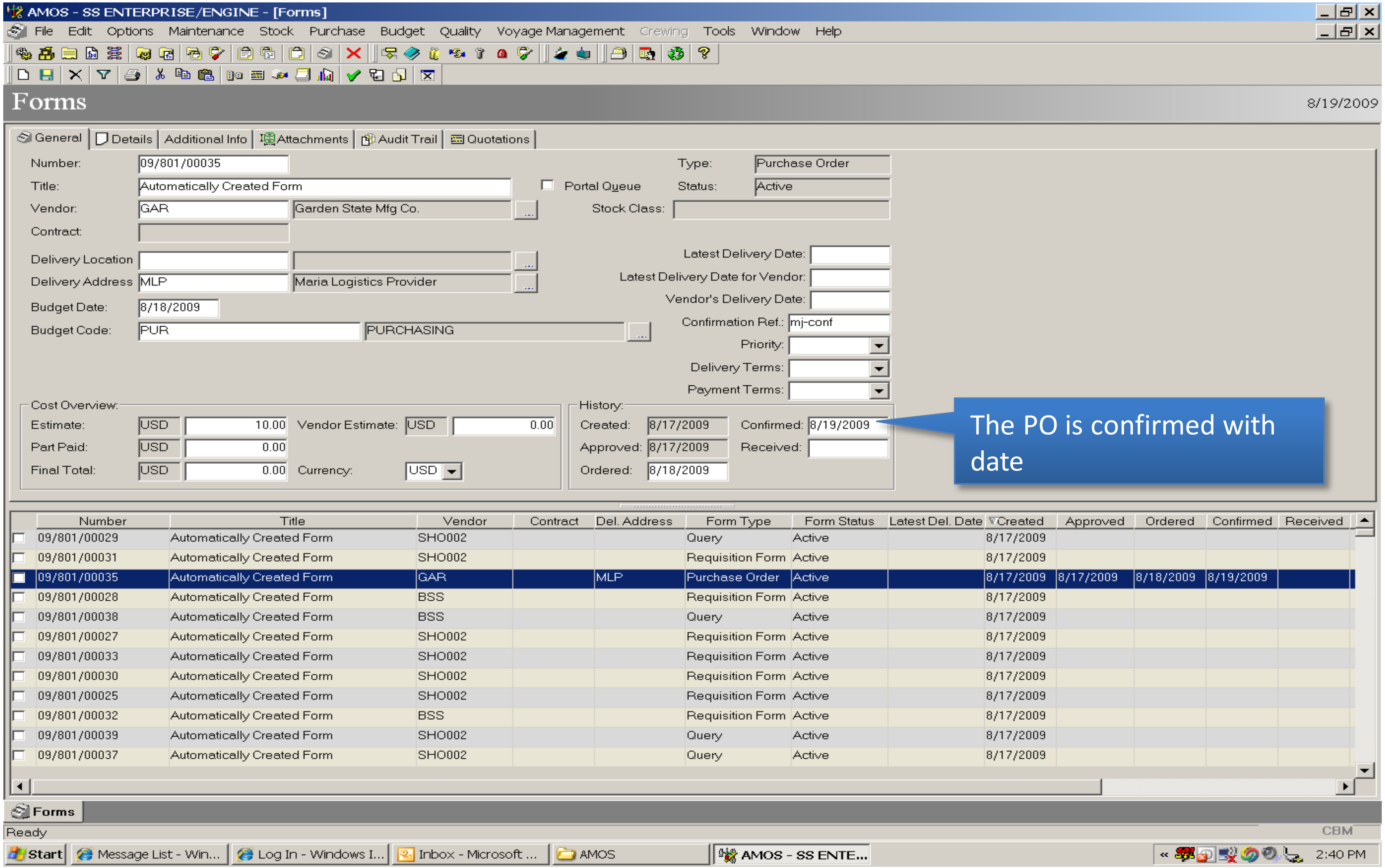
PO Confirmation via ShipServ



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STRATEGIC SOURCING - MATCH

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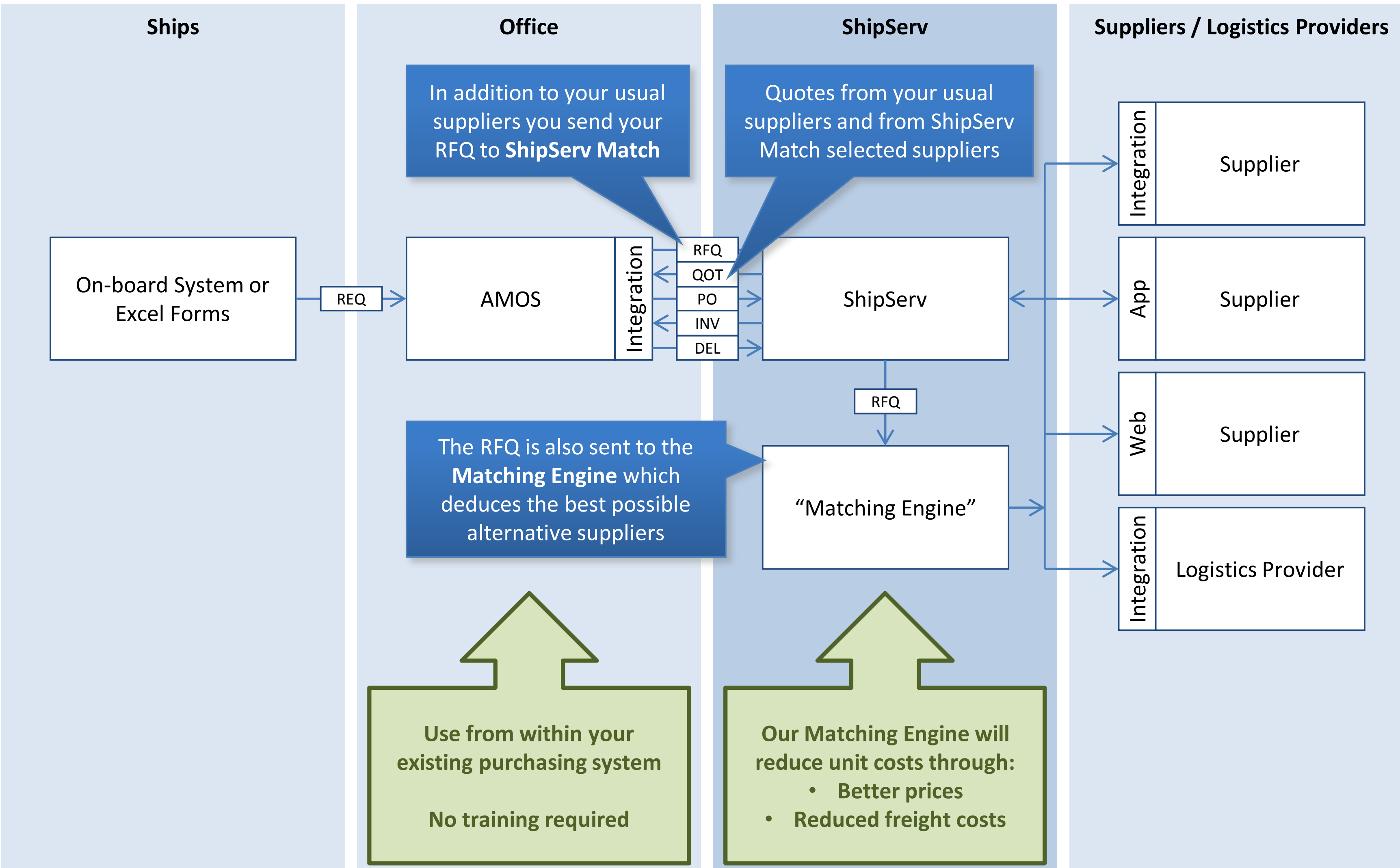
Strategic Sourcing with ShipServ Match



What you get back…

This quote from Match

Quotes from suppliers selected by buyer

Other quotes from Match suppliers

Quote comparison for this RFQ

The table below shows the price in this Match quote against other quotes already received - both original suppliers you added as well as other Match suppliers (shown highlighted in yellow in the table) who have responded. This table will be updated if other Match suppliers submit a quote.

Date	Quote type	Supplier	Total Price * (original currency)	Total Price * (USD currency)	Quote completeness **
07-OCT-2013	This quote	[redacted]	10,000.00 EUR	13,568.52 USD	100%
03-OCT-2013	Original quote	[redacted]	106,748.64 DKK	19,415.90 USD	100%
03-OCT-2013	Original quote	[redacted]	14,730.00 USD	14,730.00 USD	100%
05-SEP-2013	Original quote	[redacted]	12,175.00 USD	12,175.00 USD	100%
04-OCT-2013	Match quote	[redacted]	11,555.00 USD	11,555.00 USD	50%
03-OCT-2013	Match quote	[redacted]	11,485.00 USD	11,485.00 USD	100%
04-OCT-2013	Match quote	[redacted]	4,078.00 EUR	5,533.24 USD	100%

*) The price shown is the total price as per the quote. To see detail of any discounts or freight cost, see the details on the original quote. ShipServ has used an estimated exchange rate to convert into USD.
**) Quote completeness: the percentage of quoted line items (Line items that havent been declined).

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How does our system find QUALITY suppliers?

Our system knows more suppliers and more about them than anybody else…

What others say suppliers do…

Reviews

Ratings

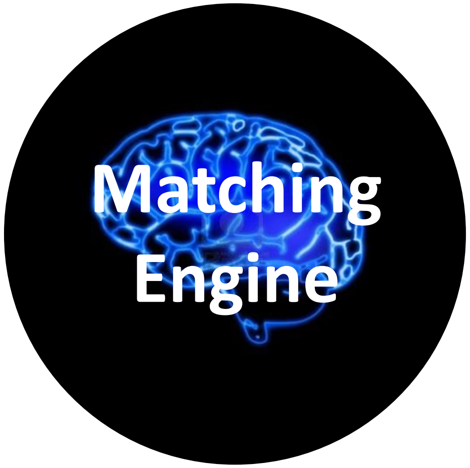
Brand Verification

Millions of additional data points and user actions to draw upon

What suppliers actually do…

14 years of trading history

Who sold what and where



What suppliers say they do…

Profile Information

Catalogues

Marketing Materials

Apply 4,000 person-years of purchasing experience to every procurement decision that you make

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We Provide Evidence of Quality

What they say they do…

Link to their detailed profile on Pages

Supplier details

World Ship Supply (Texas) Inc (TNID: 58657) (Smart Supplier)

World Ship Building, Post Office Box 1265, Deer Park, TX , 77536, United States, Phone: +1 713 222 6005 , Fax: +1 713 222 1121, texas@worldship.com, www.worldship.com

View profile on ShipServ Pages

What others say about them…

Reviews from buyers verified as having used this supplier

Reviews:

3 positive reviews	Delivered items as described:	★★★★☆
0 neutral reviews	On-time delivery:	★★★★☆
0 negative reviews	Customer service:	★★★★☆

0-5 star rating system based upon trading activity and verifiable feedback

TradeRank

★★★★★

What is TradeRank?

Trading Performance:

71 buyers (with 3435 transactions) have traded with this Supplier in the last 5 years on TradeNet, including:

Finaval SPA, Expedo Ship Management (Canada) Ltd., Nordic Tankers Marine A/S, Grieg Star, MISC Berhad (Malaysia International Shipping Corporation), Southern Shipmanagement (Chile) Ltd.

View all buyers

What they actually do…

See who else uses this supplier and how many orders they have won

Verification System:

Verified as Agent for:	**Ferryl** (Authorised Agent)
Not-yet-verified as Agent for:	**Marisol** (Certified OEM Spares, Authorised Installer/Repairer, Authorised Agent), **Polar Tools** (Certified OEM Spares, Authorised Installer/Repairer, Authorised Agent)

What others say about them…

Claims of authorised agent or OEM spares status are verified by the manufacturer

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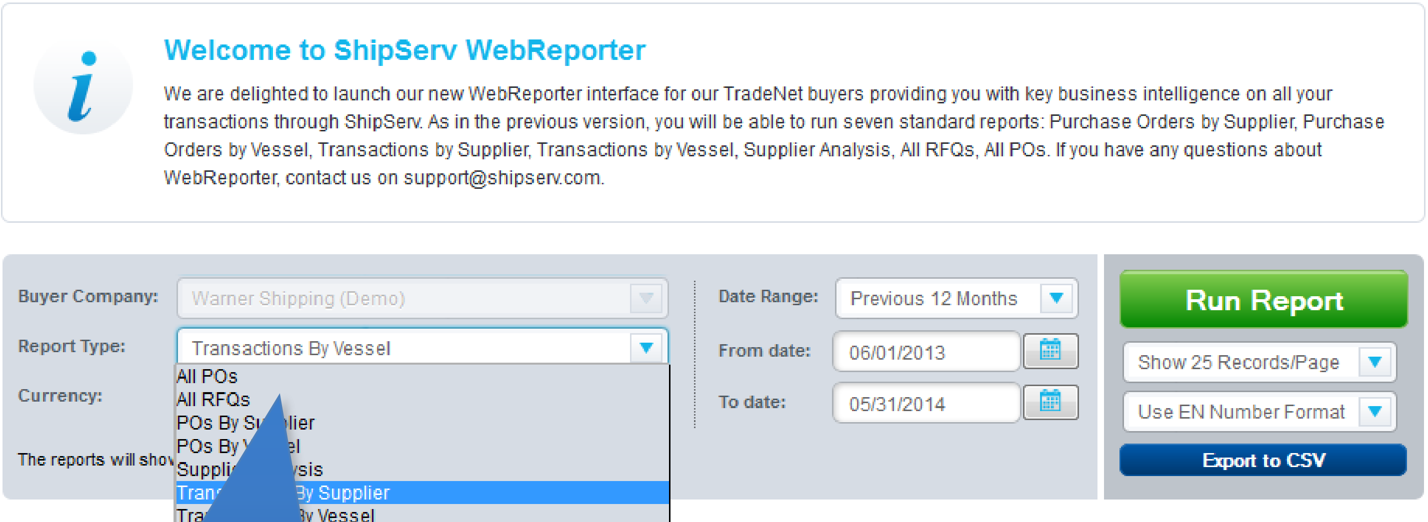
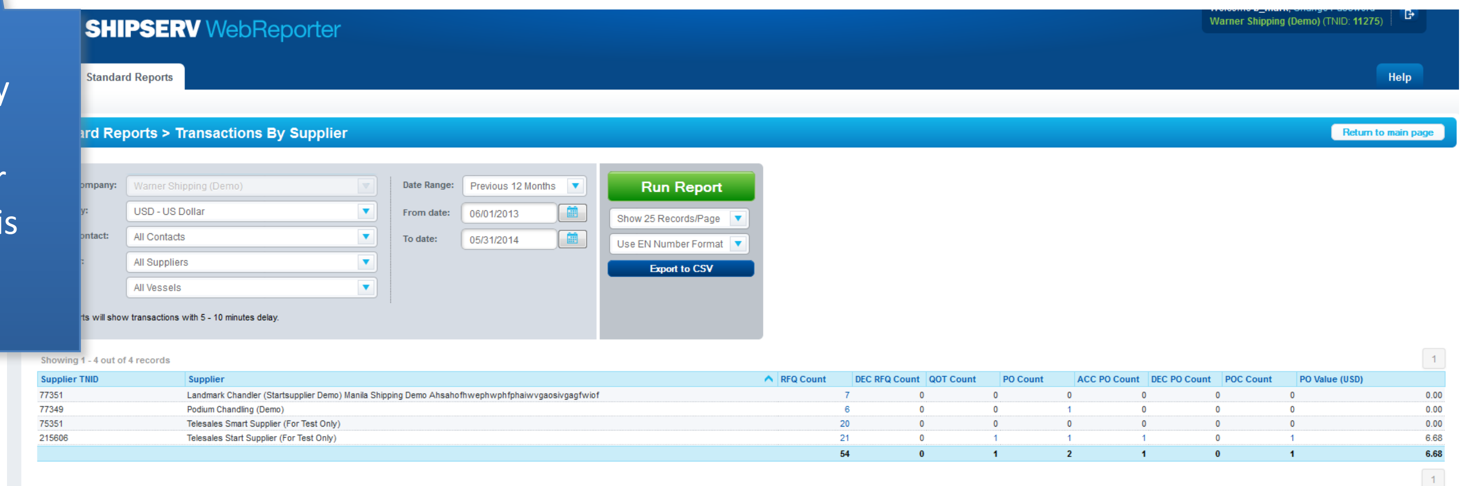
BUSINESS INTELLIGENCE

Business Intelligence with WebReporter





Can run seven standard reports including POs by supplier and rig, Transactions by Supplier and rig, Supplier Analysis and All RFQs and POs

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Benchmarking – your quarterly KPI report

Fleet Co.			TradeNet Community			01/01/2013 - 31/03/2013
			Benchmark			
			Low	Average	High	
E-enablement Level		76%	54%	81%	100%	The percentage of POs your company sends electronically through TradeNet (based on total number of POs per Rig/Unit as provided by you.
Supplier Response Rate		65%	32%	75%	96%	The percentage of your RFQs responded to through TradeNet.
Supplier Response Time	< 1 day	35%	14%	44%	78%	The percentage of RFQs responded to within the indicated period.
	1-4 days	32%	14%	34%	56%	
	> 4 days	33%	0%	22%	59%	
RFQ to PO Ratio		2.9	0.1	3.3	7.4	The number of RFQs sent for every PO placed.
Run Rate		105	19	227	370	The annualized number of POs per rig/unit sent via TradeNet.
Line Items per PO		5.6	2.6	8.8	31	The average number of line items per PO.
% of Zero value PO		0				The percentage of POs with zero value.

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Spend Analysis Project focuses on top global categories

- Deck Stores & Machinery
- Engineroom & Environmental
- Paint & Coatings
- Cabin & Galley
- Safety & Security
- Bridge & Navigation
- Lubricants
- Chemicals & Gases
- Provisions

•Horizontal analysis is also underway across groups such as Services, Valves, Tools etc

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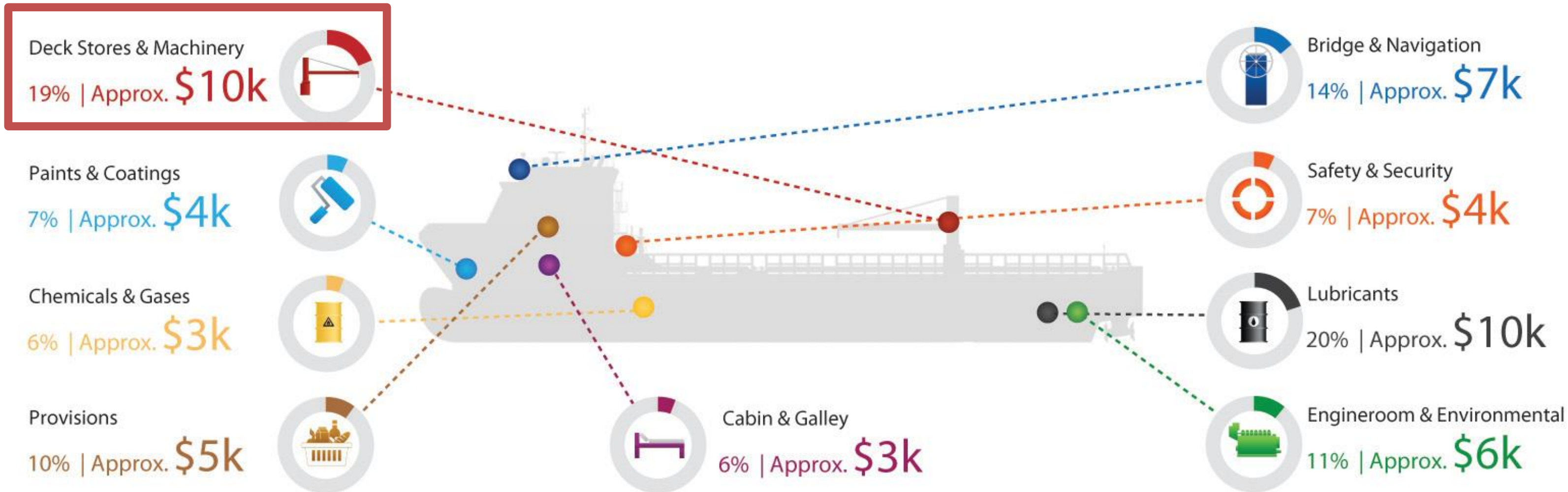
We then apply categories to ShipServ data

Deck Stores & Machinery	7%	**196 $m**
Engineroom & Environmental	17%	**476 $m**
Paint & Coatings	11%	**308 $m**
Cabin & Galley	6%	**168 $m**
Safety & Security	6%	**168 $m**
Bridge & Navigation	7%	**196 $m**
Lubricants	25%	**700 $m**
Chemicals & Gases	11%	**308 $m**
Provisions	10%	**280 $m**
TOTAL	100%	**2.8 $bn**

Source: ShipServ analysis based on TradeNet data and market interviews

Spend on OSV vessel type

Average Monthly Spend



% of Global Fleet of this type using ShipServ

29%

% of total spend on ShipServ for this vessel type

77%

Annual Avg. No. of POs for this vessel type

201

*** OSV segment includes AHTS, PSV and Offshore Supply vessels as registered in IHS database

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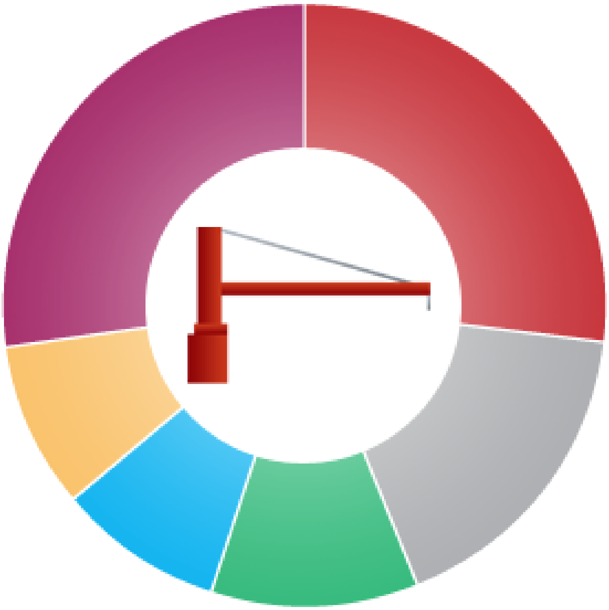
OSV Deck Stores & Machinery Spend



Hydraulic Winches and Lifting	$ 2,700
Anchors, Chains and Fenders	$ 1,700
Mooring Ropes, Wires and Cables	$ 1,100
Cranes	$ 900
Gangways and Ladders	$ 900
Other	$ 2,700
TOTAL	$ 10,000

Source: ShipServ analysis based on TradeNet data and market interviews

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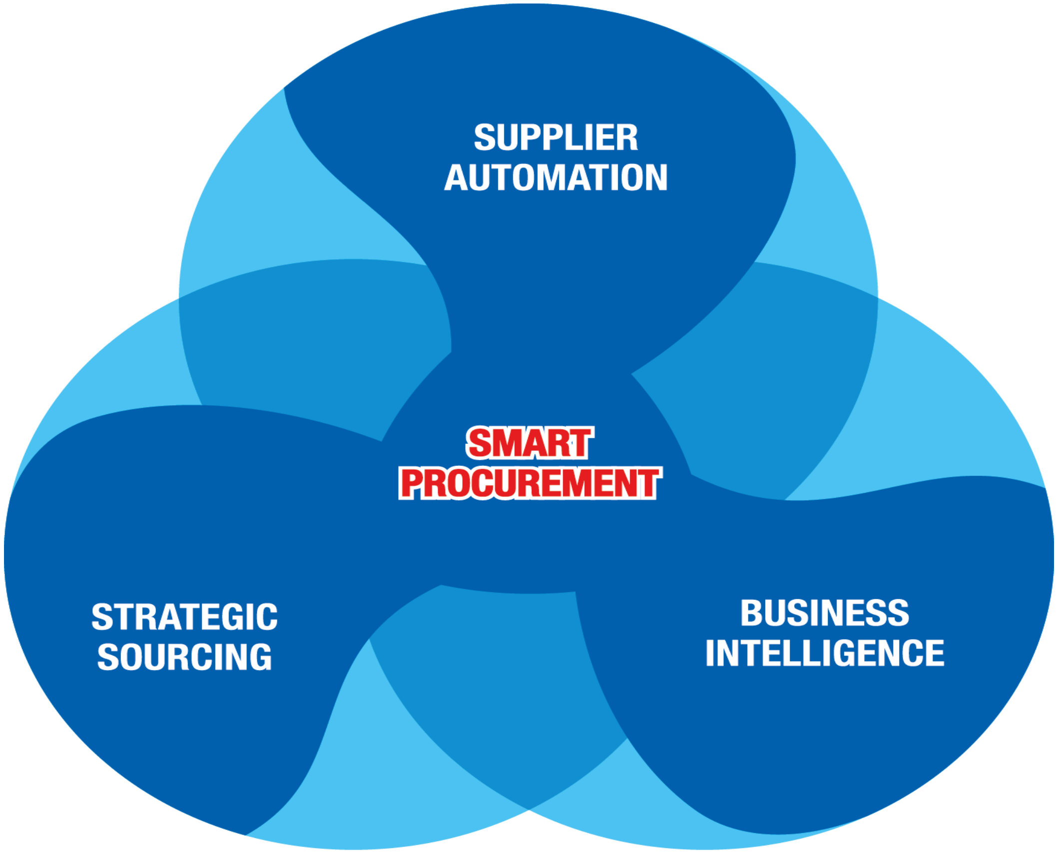
ShipServ puts you in control of your supply chain



- Partnering ShipServ and AMOS makes purchasing more efficient
- Using ShipServ reduces costs without adding complexity
- Local access to global data puts you in control of your supply chain.

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ONE MORE THING

SPECIAL FREE TRIAL OFFER (AMOS & SHIPSERV)

EXISTING USER OF AMOS 8.6 OR ABOVE, SHIPSERV CAN PROVIDE THE FOLLOWINGS:

- **FREE TRIAL OF SHIPSERV E-COMMERCE SOLUTION (3 MONTHS)**
- **UNLIMITED USE OF MATCH SERVICE**
- **FREE BUSINESS INTELLIGENCE REPORT**
- **50% DISCOUNT ON SUBSCRIPTION FOR FIRST 3 MONTH**

PLEASE CONTACT ME AFTER MY PRESENTATION

THANK YOU

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