

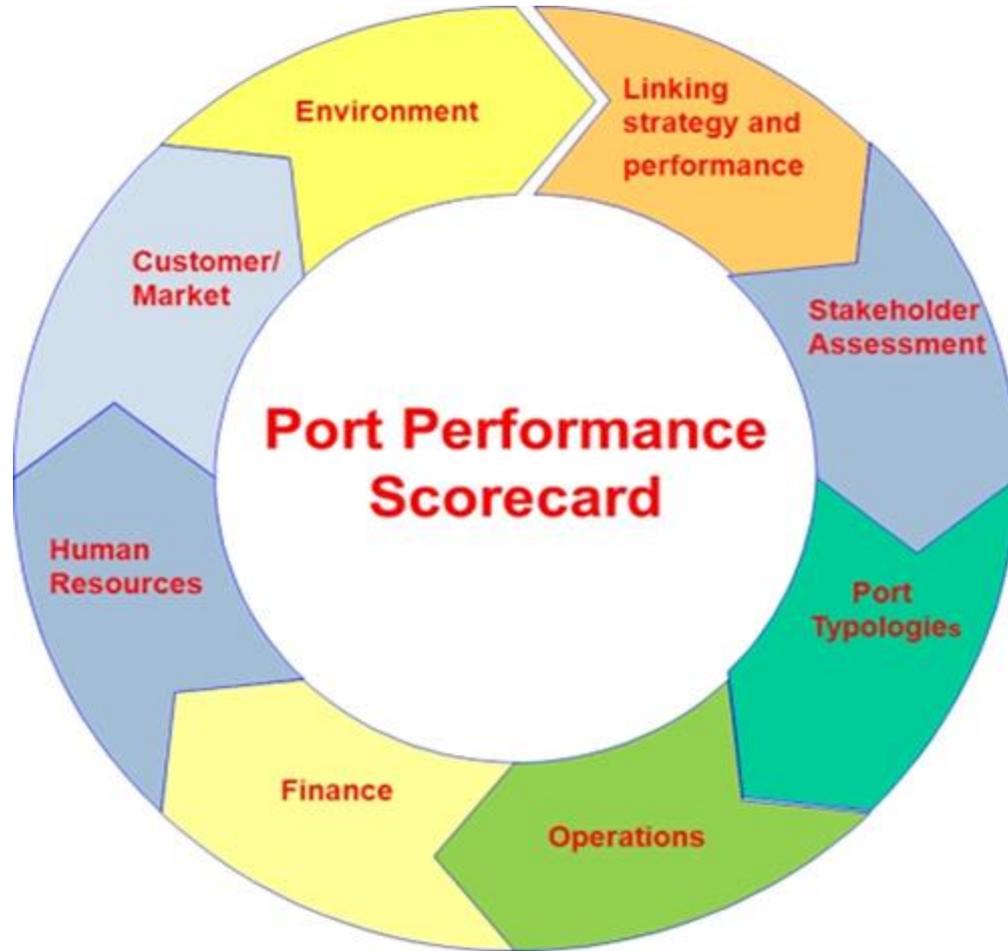
Finding the Right Balance
Successful Practices II: Mitigating
Risks through Effective Stakeholders
Management:
St. Vincent and the Grenadines
Experience

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As Administrators of Ports, be it Cargo or Cruise, one must accept the fact that our Ports operate in a very competitive environment. It therefore means that apart from delivering quality service to customers, that service must not only be affordable but delivered at a more competitive price.





In the trade business there is no word as “friendly neighbours”. Other Ports are competitors – The focus must be on quality service and reducing cost while minimising the risks posed by the complex network of stakeholders.

“Port Competitiveness is a matter of Point of View – due to the difference in the expectations/goals of the various Port Stakeholders.”

- Different Port Stakeholders prioritize different elements, that is, Operators, Landlords, Shippers, Ship Owners, Local Community, and Government.
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Various Port Stakeholders

Commercial

Traffic and investments

Lessees (terminals, logistics facilities, industrial sites, commercial real estate, etc.)
Carriers (container, ro-ro, bulk)
Cruise lines
Port service providers (bunkering, towing)
Logistics operators
Shippers
Road, rail and barge operators
Inland ports

Institutional

Policy and regulations

Governmental institutions
Trade and investment agencies
Financial institutions
Trade groups
Municipal governments
Regional and provincial governments
Non governmental organizations

Community

Public relations

Employees and labor unions
Special interest groups
Port-related economic activities (trade, manufacturing, tourism)
Foundations
Tourists and passengers

The overall goal is to work with Stakeholders to modernize Port operations to enable SVG Port Authority to be more effective and efficient in servicing or meeting the demands of various Stakeholders.

Key Stakeholders impacting Port:

- Competitors – Regional especially Cruise Sector
 - Policy makers
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- Shipping Lines
 - Agents
 - Labour Unions
 - Terminal Operators
 - Service Providers – Pilotage, Tug Operators
 - Surrounding Communities
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- The various demands on the Owners and Management of Ports have led to an increasingly complex Port Environment.
 - In such Environment a “One Size Fit All” approach to stakeholder management will not be effective.
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Elements determining Port Competitiveness:

- Geographical location of Ports (St. Vincent and the Grenadines lies in the Southern Chain – affects cost – distance from service North America
 - Higher Shipping cost
 - State of the infrastructure of the plant and Age of Equipment – Less Efficient
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- Cost of doing business
 - Quality of Service – time to off load a ship/turnaround time: speed
 - Reliability of service
 - Safety of operators – Impact on Insurance Premium
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Policy Makers in St. Vincent and the Grenadines have realized that SVG Port Infrastructure is aging (53 years), has embarked on Port Development through:

- Port Rationalization Study undertaken to guide Port Development
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- Relocation of existing Port
 - Redesign of Plant – to become more modernized
 - Identifying Financing – U.K., W.B., CBN (Partners)
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Minimising the operating costs, ensuring efficiency, effectiveness of Port Operations and profitability will be determined by the extent to which the Owners and Management of Ports can navigate among competing Stakeholders.



Mitigating Risks through Effective

Stakeholders Management therefore requires:

- Understanding the Stakeholders demands—to facilitate adequate planning and policy development
 - Stakeholders influence on users
 - Role of Trade Unions (Unionized Labour) is a major influence on Port in our Region
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- Competitiveness, especially Small Ports.
 - Role of Governments – Policy Makers where discussions and Policies are framed outside of management affecting the cost of doing business – Fees are legislated and differently in adjusting
 - Role of Ports in Economic Development (Politics of Port Operators and Development) – Hub of Trade Activities
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Successful Practice – Reform Measures

Restructuring the Port Security Service –

St. Vincent and the Grenadines' Case

ISPS Code in 2003 saw the introduction of new security measures and procedures at Ports. The results:

- Recruitment and training of a new batch of Officers, independent of the Police under Port Management

- Increase Security
- Controlled access
- Unionization – strikes for higher wages
- Uncontrolled sick leave and absenteeism

This arrangement affected productivity, had to rely on normal Police to fill the void.
Disruptive



- Change of Legislation to disband Port Police
 - Establishment of New Unit under the command of the Police.
 - This has led to stability, confidence; reduce cost of service and minimising Industrial Action. A more professional approach to provide Port Security
 - Greater respect of the users of the Port
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