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COURSE BROCHURE

Vessel Operating Cost and Shipping Performance Training Course

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Registered in the United Kingdom and Saudi Arabia

Vessel Operating Cost and Shipping Performance Training Course

Vessel Operating Cost and Shipping Performance is a 1-week training course for shipping executives, ship owners and maritime business managers, built around a vessel operating budget and fleet performance scorecard. Volatile freight earnings, rising crew and repair bills and stricter lender covenants leave little room for owners who cannot see their daily running costs clearly. Jupiter Prime Training connects cost lines on each ship to the commercial results of the whole fleet.

Why Vessel Operating Cost and Shipping Performance Matters Now

Three forces shape this subject today: freight market cycles that swing earnings far faster than running costs can be cut, lenders and investors who test every fleet against cash breakeven, and charterers who reward reliable vessels with repeat business. An owner who knows the daily cost of each ship can fix charters, time dry-docking and sell or buy tonnage with confidence; one who does not drifts into covenant breaches and forced sales. The course rests on the voyage estimate and time charter equivalent TCE method, net present value NPV appraisal and a set of key performance indicators KPIs for technical and commercial results.

Who Gains Most from Vessel Operating Cost and Shipping Performance

- Executives who approve fleet budgets, charter strategy and vessel sale or purchase
- Owners and investors who weigh newbuilding, second-hand and charter-in options
- Managers who run technical, crewing and procurement departments for a fleet
- Commercial heads who fix vessels and judge voyage profitability
- Finance leads who report fleet results to banks, boards and partners

Tanker, dry bulk and offshore support companies gain most when their commercial, technical and finance heads attend together.

Vessel Operating Cost and Shipping Performance Capabilities

Participants turn crew, stores, repair and insurance lines into fleet decisions.

- Build a daily operating expense budget for one vessel — the annual fleet budget approval
- Calculate time charter equivalent earnings and cash breakeven — fixing or idling a ship
- Weigh newbuilding, second-hand and charter-in options with NPV — fleet renewal choices
- Assess loan covenants, refinancing and residual value risk — lenders and shareholders
- Design a fleet KPI scorecard linking off-hire, cost and safety — board reporting
- Communicate cost variances and corrective actions — technical and commercial departments

Key Vessel Operating Cost and Shipping Performance Terms

- Operating Expenses OPEX — the daily cost of keeping a ship in service: crew, stores, spares, repairs, insurance and management fees.
- Voyage Costs — bunkers, port charges and canal dues that fall on whoever operates the voyage, owner or charterer.
- Time Charter Equivalent TCE — voyage revenue minus voyage costs, divided by voyage days, used to compare employment options.
- Cash Breakeven — the daily earnings a ship needs to cover operating costs, interest and loan repayments.
- Off-Hire — a period when a chartered vessel cannot perform and hire stops, usually after breakdown or deficiency.
- Residual Value — the expected sale or scrap value of a vessel at the end of its planned service in the fleet.

Vessel Operating Cost and Shipping Performance Day by Day

Day 1: Market Cycles and Shipping Earnings

- Freight Rate Cycles and Supply of Tonnage — Timing Fleet Commitments
- Spot, Time Charter and Contract of Affreightment — Employment Mix
- Voyage Estimate Construction — Comparing Cargoes and Routes
- Time Charter Equivalent Calculation — Ranking Employment Options
- Second-Hand Prices and Asset Play — Buying and Selling Tonnage

Day 2: Running Costs on Board and Ashore

- Crew Wages, Travel and Training Lines — Manning Cost Choices
- Stores, Lubricants and Spares Budgets — Procurement Targets
- Planned Maintenance and Dry-Docking Reserves — Survey Cycle Costs
- Hull and Machinery and P&I Premiums — Insurance Renewal Positions
- Ship Management Fees and Overheads — In-House or Third-Party Choice

Day 3: Fleet Investment and Ship Finance

- Newbuilding, Second-Hand and Charter-In Comparison — Fleet Renewal
- Net Present Value and Internal Rate of Return — Investment Approval
- Bank Loans, Leasing and Sale-and-Leaseback — Funding Structure
- Loan Covenants and Value-to-Loan Tests — Lender Relations
- Cash Breakeven and Liquidity Forecast — Surviving Weak Markets

Day 4: Organisation, KPIs and Risk

- Technical, Commercial and Crewing Department Roles — Accountability Lines
- Fleet KPI Scorecard Design — Off-Hire, Cost and Safety Targets
- Budget Variance Reports — Corrective Actions by Department
- Bunker Price and Freight Exposure — Hedging and Charter Cover
- Counterparty and Charterer Credit Checks — Default Protection

Day 5: Practising the Vessel Operating Budget and Fleet Performance Scorecard

- Bulk Carrier Voyage Estimate Case — Day 1 Earnings Methods
- Tanker Daily OPEX Budget Case — Day 2 Cost Lines
- Offshore Support Vessel Purchase Appraisal — Day 3 Finance Tests
- Board Presentation of Fleet Results — Commercial Strategy Choices
- Vessel Operating Budget and Fleet Performance Scorecard — Final Record

Applying Vessel Operating Cost and Shipping Performance After the Course

- Rebuild the daily operating expense budget of one vessel and test it against cash breakeven.
- Launch a monthly fleet KPI scorecard covering off-hire, cost variance and safety for the technical and commercial departments.

Vessel Operating Cost and Shipping Performance Questions FAQ

What is vessel operating cost and shipping performance, and why does it matter now?

It is the discipline of measuring each ship's running costs and earnings and steering the fleet with them. It matters now because freight markets swing sharply while lenders and charterers judge owners on breakeven and reliability.

Which roles gain most from vessel operating cost and shipping performance?

Shipping executives, ship owners and maritime business managers gain most. Commercial heads and finance leads also benefit.

How does vessel operating cost and shipping performance differ from a fleet strategy course?

It works at the level of the single ship and its daily cost lines rather than long-range market positioning.

What do you bring back from vessel operating cost and shipping performance?

You bring back an operating budget and scorecard for one real vessel or fleet. It holds daily cost lines, breakeven, an investment test and KPIs.

Vessel Operating Cost and Shipping Performance: The Way Forward

The vessel operating budget and fleet performance scorecard gives owners one view of what each ship costs and earns. Its first use is the decision to fix, idle or sell a vessel, taken by commercial, technical and finance heads together. Revisit it after the first quarter of reporting, when actual off-hire and cost variances show which targets need resetting.