

After undergoing dramatic change in the wake of strategic acquisitions, the largest transport and logistics provider in the Faroe Islands re-emerges as a force to be reckoned with in the age of globalization and consolidation.

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TRANSPORT AND LOGISTICS company Faroe Ship, one of the most long-established organizations in the Faroe Islands, has undergone far-reaching change in the last few years to consolidate its business. Since its formation in 1919, the company has epitomized Faroese initiative and independence, founding the Faroe Islands' first regular overseas connection—a passenger and freight line that had vast implications for the development of the Faroese economy throughout the 20th century.

Faroe Ship eventually abandoned passenger traffic to concentrate on cargo services. Today, following a series of acquisitions and mergers made between 2004 and 2006—including its own purchase by Iceland's Eimskip—the company offers a more comprehensive and globally oriented service than ever before, according to managing director Jóhanna á Bergi.

"It's been an eventful four years since I took office," she says. "One major challenge has been to integrate services offered by merged units and create

a coherent business concept from all the different parts. We've come a long way toward achieving that goal although organizational change is not something that happens just by the stroke of a pen; it's a natural process of ongoing adjustments."

Ms. á Bergi's came to represent a generational shift when her predecessor of three decades, Mr. Árni Joensen, now chairman of the board, left the position to give room for the young lady in 2006.

Changes have been manifold. First, the 2004 merger with Eimskip had created an entirely new situation in which Faroe Ship had become an integral part of a large North Atlantic transportation network. Second, acquisitions in the domestic trucking market were giving

the company key advantages through utilizing the highly developed road infrastructure in the Faroe Islands, where submarine tunnels are fast replacing inter-island ferry connections.

PRESERVING IDENTITY: In this way the company's two aging freight ships could be sold and replacements arranged in line with Eimskip's existing systems to make optimum economic use of resources. Owing to major developments meanwhile in the Faroese road network, domestic sea routes could be shut down together with a few outlying offices and warehouses.

Faroe Ship is in a leading position in the Faroese market, with five weekly shipments from Tórshavn direct to

'OUR REACH IS GLOBAL'

ports in Iceland, Scandinavia, the UK and Continental Europe and via those ports, with links to Asia, Africa, America, Middle East, Russia, and the Baltics. The company operates the country's largest fleet of trucks, a modern truck terminal, a state-of-the-art warehouse facility, and a cold store offering landing services for fishing vessels. Convenient access to a large fleet of containers, whether standard or e.g. refrigerated, gives customers further reason to choose Faroe Ship, whether for import or export.

Faroe Ship also runs a forwarding and airfreight division, known as Faroe Express. Services include collection of goods at factory or warehouse, marking and preparation of shipments for transport, seeking out most favorable rates,

Loading container vessel Blikur; Faroe Ship's management team—from left Halgir D. Olesen, Bogi P. Nielsen, Jákup Christiansen, Jóhanna á Bergi, René D. Olesen, and Kaj M. Petersen (below); Eimskip service route map (bottom left).

freight insurance, customs clearance, and more.

In addition, the company offers maritime agency services on behalf of other shipowners and liner operators, including port agency and liner agency services. Services offered include port clearance for all types of sea vessels, supplies, waste, repairs, crew changes, bunkers and provisioning, to name some.

"Faroe Ship is an exciting business that requires constant adaptation to customer demands and continuous product and market development," Ms. á Bergi says.

"We've gone through a sequence of rearrangements in order to streamline the organization and make operations effective, efficient, and profitable. This means we can now focus more on our core business, which is providing a total transport and logistics solution to Faroese exporters and importers. Because we're part of a large network our reach is global—wherever in the world the

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Managing Director: Jóhanna á Bergi
Shipping, domestic and international transportation and logistics services. Five weekly shipments from Tórshavn direct to ports in Iceland, Scandinavia, the UK and Continental Europe and via those ports, with links to Asia, Africa, America, Middle East, Russia, and the Baltics.

Business units: •Imports •Exports
•Faroe Express •Domestic Trucking
•Shipping Agency •Cold Storage
•Warehousing •Supply Base

destination or the source, we'll get it to or from there."

Irrespective of recent changes made to the organization including the increasing internationalization of the business, keeping the Faroese identity intact remains a priority at Faroe Ship, Ms. á Bergi says.

"This is an organization with a proud history and we should strive to reflect and carry forward the values that built the company—customer service, dynamism, reliability, and expertise in our field of work. Always developing yet at the same time preserving the Faroe Ship identity is important for our staff, our clients, our stakeholders, all of us."

