

Bunker Holding's owner family has settled on future strategy

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The owner of one of the world's top bunker suppliers has spent years working on the strategy for the family-held company's ownership going forward. Now the plans are ready, also for Torben Østergaard-Nielsen himself, he says in an interview with ShippingWatch.



Torben Østergaard-Nielsen's two daughters Nina Østergaard Borris (left) and Mia Østergaard Nielsen are serving on several boards of directors, while Nina Østergaard Borris also works at Bunker Holding. The family has settled the company's future. Photo: Selfinvest

The future for United Shipping & Trading Company, USTC, has been settled, says owner Torben Østergaard-Nielsen in an interview with ShippingWatch following the publication of the group's annual report.

Selfinvest owns USTC, the parent company of Bunker Holding, one of the world's biggest bunker suppliers, among other shipping companies.

After many days and hours spent with consultants and not least his daughters Nina Østergaard Borris and Mia Østergaard Nielsen, the family has settled upon a strategy for the ownership going forward, just as all companies in the group completed a comprehensive strategy plan last fall.

We've listed some requirements, so if my two daughters are to serve in senior executive positions at the company, various factors need to be met. We need to have the best leaders, executives and managers. It could very well end up being someone who doesn't have our last name"

TORBEN ØSTERGAARD-NIELSEN, CEO AND OWNER, SELFINVEST

Every third month, the owner meets with his daughters as well as the CEO and CFO of company Selfinvest Family Office for an owners' council meeting, and at these meetings it has been decided what the family members can expect going forward, even though unforeseen circumstances could of course change the course, explains Østergaard-Nielsen.

"I'm not involved in the operational part of the business, but I work on the strategic level and on the board of directors. That's what I'll be doing. I've been training at this for close to four years, and I now feel I'm starting to like it. So I'd like to work with this for some years and help set out the overall guidelines for our company at the strategic level," he says:

"So I'm not about to be unemployed anytime soon. I think this is incredibly exciting. It's really exciting to help shape the future for all these companies alongside the executive teams, boards of directors and consultants."

Special requirements

His two daughters are currently both part of the group. Mia Østergaard Nielsen joined the Bunker Holding board of directors early this year, where Nina Østergaard Borris has previously served and currently works. Nina Østergaard Borris also serves on the boards of the companies USTC, SDK and Uni-Tankers.

But even though they are both working at the company and are active owners, there is no guarantee that they will end up as top executives.

"We've listed some requirements, so if my two daughters are to serve in senior executive positions at the company, various factors need to be met. We need to have the best leaders, executives and managers. It could very well end up being someone who doesn't have our last name," explains Østergaard-Nielsen.

Dan-Bunkering CEO joins parent company's executive board

At other family-owned companies there can be requirements for training and the number of travels or foreign postings that need to be checked off in order to make it to the top. Østergaard-Nielsen and his family have not been that rigid.

"They've been at the table for 20 years, so they know what's been going on. That could also help tip the scales. It will be an individual decision. But the important thing is that this has been addressed. We've also discussed how to handle disagreement. This doesn't necessarily mean that we can resolve it, but if one has talked about it and put words on it and thought about all kinds of scenarios, you've made strides."

"Just the fact that they can identify with the company, we've addressed that with the strategy."

Strategies must be tested

The group has spent close to a double-digit DKK figure on consultants in recent years, and on developing various strategies for the many companies in the "mini, mini conglomerate," as he describes Selfinvest, in which Bunker Holding accounts for the by far biggest part of the business.

Ownership of the group has also been settled as part of this process. It will not be listed or sold, the company will stay in the family. There have been frequent meetings held in the past many years with private equity funds and institutional funds, but this option was ultimately discarded. Østergaard-Nielsen prefers to actively develop the company rather than being sold again quickly by an equity fund or be locked into a fixed share price.

"I'm not saying it's bad to be owned by an equity fund or to be listed. But I like to think there's something a family-owned company can do that others can't. We have to make this clear to our employees now, and we can maintain employees longer by doing so," he explains.

Logistics and shipping subsidiary Shipping.dk recently announced that it will gather all its brands under one, SDK. This is one of the initiatives in the strategy for the company under, which has now been realized. For Bunker Holding, an initiative for the physical business such as Bunker One is also a result of the strategy process. Now the various strategies will be put to work.

"Now we're in what's called operating mode. We can't sit around all day doing strategy, now we need to see if all this works. 80 percent of all strategies are never implemented. We're determined to get it done," he says, explaining that the company has hired a employee and a team specifically to do this at Bunker Holding.

In the displaced fiscal year 2017/2018, Selfinvest reported a profit after taxes of DKK 199 million (USD 31.1 million) and an operating profit of DKK 256 million, compared to DKK 201 million and DKK 264 million, respectively, the year before. Revenue increased from DKK 46 billion to around DKK 54 billion.

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