

The first days, the next years

On 1 January 2016, Juha Koskela took over the running of ABB's marine and ports business from Heikki Soljama, after 12 years with Heikki at the helm.

When Heikki took over in 2004, the marine business had survived a near crisis and was looking ahead to years of growth based on AC drives and Azipod propulsion. As Juha Koskela assumes command, the big news is in DC and digitalisation, with Onboard DC Grid looking to gain traction, and the Internet of Things, Services and People changing the way work is done in virtually every aspect of the marine and ports business.

All in for ABB

Juha has spent his entire working career with ABB, joining the company in 1996 after graduating from Technical University.

He started working with high power drives software and commissioning, programming software for steel mills and marine applications. Early on Juha's work took him around the world, starting up rolling mills and cruise ships. "The laptops were thicker

and we were still using floppy discs, but we were essentially providing connectivity even back then," he reflects.

His first post in Marine and Ports was to develop the service business in Finland and help establish the new global service organisation. In 2003 he moved to Singapore to expand the existing service unit into the systems business unit for drilling rigs, also handling drilling process drives. "We hired around 100 people from the region, many of them from other industries." Establishing in South Asia gave good results, and Juha notes that the unit in Singapore is now one of the strongest in the Global Business Unit. "After working four years in Singapore I was asked to return to Finland to work with the Azipod propulsion business and cruise industry, which was already a big success back then. Eventually I took over responsibility for the cruise and ferry markets and the propulsion business."

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Juha Koskela

“Flexible and dynamic will be our key words.”

Smooth transition, still learning

Any big surprises in his first six months as BU managing director for Marine and Ports? “No real surprises. I have been a part of the management team for several years, so I was familiar with our present work and future plans. What we have to do now is find new opportunities while some segments are in down cycle. Our management team agrees that diversification is the way to go.”

There is one area where he has a lot to learn, though: “The ports business is new to me. Even though marine and ports are connected, they are very different worlds, and I am finding the ports world fascinating.” He feels certain that the team will find even more potential for realising synergies

between the two segments: “There is already consolidation in the market between lines and terminals, but I think this is just the waking phase.”

Juha acknowledges that the ports business will not be driven by growing volume for a while. “Container volumes have stagnated, so we need to find other pockets of opportunities.” One area is upgrades, with many terminals in need of modernization due to increased ship size, and the opening of the expanded Panama Canal likely to generate substantial upgrade activity. Port automation is also coming on strong, with opportunities in the Americas, Asia, and probably Africa as well. “But we are looking at terminal upgrades rather than expansion,” he emphasises.

Cruise, on the other hand, is booming: “All the cruise yards are busy until 2025, but that still means only 15-20 ships a year. They are very high value, but it isn’t really a lot of ships on a global scale.”

And there is no relief in sight offshore: “Changes like the ones we have seen in the offshore market take time to shake out, so I don’t see that segment picking up soon.”

Flexible and dynamic

That means seeking out and conquering new markets. New technologies like energy storage, electrical propulsion enabling variable engine speed, and innovative digitalisation are all key factors, regardless of segment. “DC grid is an attractive option for smaller vessels, and now we offer Dynamic AC for larger vessels. Economy and the environment go hand-in-hand to make these technologies attractive on today’s market.”

The Dina Star OSV kicked off the move to DC Grid, but Juha believes the ferry market will be more active





Juha Koskela and Mirva Nevalainen in the Vuosaari factory

going forward, as well as inland marine transportation. “We have to find the right niches. We can apply this technology to all segments. Flexible and dynamic will be our key words.”

Meanwhile the competition is getting tougher in all markets. As an example, Juha cites participation at a recent Electrical and Hybrid conference: “That topic brought forward the smaller players, so you could really see how many people are looking at promising markets. Digitalisation and Big Data are offering more opportunities for new competitors. It’s becoming clearer every day that we will have to really focus on our development activities.”

Mix and match

Competition will strengthen the industry, but not without cost, Juha observes. “One aspect is that this may be a good time to consider acquisitions and partnerships. I believe we will be working more across the gap from bridge to propeller, integrating systems through software. The ultimate goal is to bring fully integrated systems on board. We will see vertical and horizontal expansion of systems through integration, and there is potential for mergers and acquisitions to cover the complete system.”

Heikki Soljama once said that it takes around ten years for a manager to make his or her mark – five to

start something new, and five more to establish it on the market. What expectations does Juha have for his own turn at the helm? “There are so many changes happening so fast now, I believe it will become more and more important to have people with current skills and experience in charge. In that setting, a ten-year perspective might be a little long. It will be interesting to see where we stand five years from now.”

Facing one of the most challenging marine markets in history, those promise to be five very busy years for new BU leader Juha Koskela and his team.