

IN CONVERSATION WITH



In Conversation with... Ioannis Martinos
Chief Executive, Signal Group

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Born into shipping and a ship owner himself, Ioannis Martinos is now on a mission to modernise the industry using his Signal Ocean software engine and by backing other innovators. Here, he talks to Damian Stewart, Managing Partner EMEA & Asia at Human Capital, about convincing his peers of the merits of digitisation.



Ioannis Martinos wants to transform the shipping industry from the inside out. Well aware that the maritime space is not characteristically forward-thinking in embracing innovation – having grown up in one of the world’s most prominent Greek shipping families – he nevertheless sees an opportunity. Ioannis is driving forward his Signal

Ocean platform with a firm conviction that digital technology can better serve the shipping community.

“Shipping does consistently lag compared to other industries when it comes to technology,” he tells me, “but when you lag in a race, it doesn’t mean you’re not moving. It will not be a frontrunner, and that’s because traditionally the money has not been made by the people that use technology, and because the problems that need solving are much harder to address than you think.”

He adds: “When you look at shipping, you think it’s a simple industry. Machine learning has managed to solve some really complex problems, like playing chess, where the rules of the game are well defined, and you have perfect information. But shipping is more like poker, where AI has had a hard time. The level of complexity is something that technologists underestimate, while people in the industry understand there is no computer that can come in and outsmart the human mind.”

The vision

Ioannis started Signal Group in 2014 after a decade working at his family’s shipping company Thenamaris, where he held a series of technical management roles until taking over as co-CEO in 2013. The vision for Signal always involved technology: “We started Signal with a vision of using our combined understanding of shipping and technology to trade freight, whether in the physical market or the paper market,” says Ioannis. “When we started, we explored those opportunities and, as things evolved, we focused more on the physical market.”

There are now two components to the business: commercial ship manager Signal Maritime and the AI-based software-as-a-service (SaaS) platform Signal Ocean, which aggregates and analyses market data to help clients improve their daily decision-making.

“The SaaS component is kind of a Bloomberg for shipping, for people who are actively trading freight,” he says. “But the main difference is that not everybody gets the same data. We basically generate a Bloomberg-like terminal that is different for each company, based on the data they provide.”

Signal Maritime uses technology as part of its core strategy, in many ways providing the perfect testing ground. “The main idea is that the information flow in the shipping business happens between three parties: the charterers, the shipowners, and the brokers that facilitate the flow of information,” Ioannis explains. “Depending on your level of activity and your level of skill at networking and staying informed, everyone has different levels of visibility. You get bombarded with lots of little pieces of

information, and if you had an infinite amount of time to piece all that together, you would form the best possible picture. We aim to automate a big part of that process for you, but it is down to you and your business contacts to make sure you are receiving the right information.”

Technology-wise, the key element is the platform’s ability to hook into your email inbox and other sources to extract the information that it thinks will be most relevant to improving your decision-making. The more information you have in your systems, the more valuable it will be as a tool.

There is no sharing of client data, which Ioannis says he knew would put people off: “We knew from our shipping pedigree how sensitive people were to sharing proprietary information, in shipping and more broadly in commodities. That’s why we built the whole technology stack around the premise that we are using each client’s data for their benefit alone, and that has really helped us become accepted in the market.”

All but one of the big oil majors now use the platform, he says, just proving the team is doing something right.

There’s no doubt that being steeped in shipping helps. While the big players in some other markets, like Uber and Airbnb, never worked in the industries they sought to transform, it is probably true that shipping was always going to require a bit more insider knowledge.

“I was born into this, literally,” says Ioannis. “When I was in high school, many times instead of going to summer school I would go to a shipyard in Korea or China and spend a month there going up and down the ships as they were being built.”

With a good grasp of physics and maths, he opted for a career in engineering, initially falling in love with helicopters and opting to study a masters’ degree in aerospace engineering at the Massachusetts Institute of Technology. “Then I was recruited back into our family business, where I worked for 10 years, so I came into Signal with equal parts engineering and shipping in me. Hence, the company that we created combines both at its heart.”

His grounded approach has also endeared Signal to the customer base; Signal makes no grand promises: “We don’t particularly subscribe to the view that data is the new oil, and it should indiscriminately be the new way of thinking. Our philosophy is that many times data can be the new oil, but only if you do a really good job. If not, data is just the new snake oil.”

Embracing digitisation

Ioannis believes that resistance to digitisation comes from a lack of belief that tech can solve real commercial problems, and he tells me that just might be true. “First, technology does some of the boring stuff,” he says. “Only then does it start doing something that didn’t exist before. In the case of shipping, we think it will enable commercial collaborations that haven’t happened before. People fear tech will take the broker out of the equation, and we think that is completely wrong. But we do think it will revolutionise pooling and commercial collaboration of ships.”

He adds: “The problem is that people are rightly focused on what they’re doing and how technology will replace their job. They’re obsessing about that part, and they sometimes miss the forest for the trees, and that lack of faith leads to a lack of investment.”

That is why Signal ran the software company alongside the commercial business from day one, with the commercial team well aware that they needed to spend a lot of time helping the software improve. Having made substantial investment in the last six years in building the backbone, Ioannis is now looking at supporting other start-ups.

Last summer, the company appointed two entrepreneurs-in-residence. Alexandre Claude, the former managing director of SaaS energy platform CSN Energy, will work on analytics for the dry commodities space, while Saif Khalaf, an expert and founder in the containers technology space will be looking into supply chain and logistics optimisation solutions. Three years ago, the group embarked on a similar arrangement with crude oil expert analyst Florian Thaler, who leveraged Signal’s environment and solution to incubate oil data analytics company OilX. That business has since secured funding from Citigroup and counts the European Space Agency among its backers.

“When you are a start-up, one of the big mistakes you can make is trying to do everything on your own. When we developed the expertise in tankers, we flirted with the idea of creating an oil product but realised we didn’t have the expertise and we didn’t want to lose focus on the main tool we were building,” says Ioannis. “We met Florian and he really liked the data pipeline we had created, so there was a clear win-win in combining the two. We felt we managed to multiply ourselves without unnecessary distraction. Based on that, we now have an endeavour around containers that we are pursuing, as well as one in dry bulk commodities, with Alex. We think it’s a model that can work further down the line with different businesses, building on the data backbone we’ve created.”

There are competitive pressures for sure, not least from the expectation that there will

not just be other SaaS companies springing up, but customers developing capabilities in-house. Signal sees a growing interest from venture capital in the space, supporting other start-ups, and Ioannis believes the high level of investment required to develop such platforms will put even the oil majors off developing their own solutions. “The companies have been investing for a long time, but I think they will now maybe invest more in the integration process of working with a small number of providers,” he says.

Attracting the right talent

This increase in investment leaves just the thorny question of talent...Ioannis may be able to convince his peers that technology can work in shipping, but how can he tempt the brightest and best software developers into an industry not known for its innovation?

“Our overall strategy has been to hire people that have technology skills and teach them shipping,” he says. The company has created the Signal Academy for Chartering, so for every person that gets hired, the first few weeks are spent going through a learning process on how ships get fixed and booked and learning the jargon.

“Surprisingly, our platform is a great way to learn shipping, because it puts the ship movements at your fingertips, along with the names of the charterers, the cargoes, and the types of ships the charterers favour,” he says.

“Shipping is increasingly coming onto the radar of technology people, because it is part of the last frontier of digitisation, and maybe one of the last ones,” says Ioannis.

“When technology people come to explore it, they see that what we are doing is truly cutting-edge tech work and that they have to work with all the same algorithms that they would need in an autonomous car company. ”

His view of the future of shipping involves collaboration at the commercial level, enabled by tech, rather than collaboration on the asset level, which has so far not materialised because it is so expensive and complicated. Commercial collaboration can create a much healthier environment for the industry, allowing it to address much bigger issues.

“Decentralised collaborations enabled by technology are going to become more visible over the next five years, and ultimately a healthier backdrop will allow shipping to take on the burden of big societal issues like decarbonisation.”

It's a lofty goal, but one gets the feeling that Ioannis has a unique approach to shipping that may just be right on track.

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