

TOPIC 2: STRATEGIC MANAGEMENT & SMALLER MARITIME PORTS

General Comments

The two most significant facts to come out of our discussion were that smaller ports are heterogeneous and that the private enterprise interests in these ports was dominant in most decisions. The heterogeneous makeup exacerbates the problem of identifying research areas that will be of universal value to these smaller ports as a group. However, the interplay between private and public demands on this public enterprise operation serves as a fruitful area of research.

Significant managerial problem areas were identified, including return on investment versus survival, community support, subsidization, marketing effort, decision making and the relationship between the port's board and manager.

One area of change currently receiving considerable attention is federal deregulation. Federal deregulation efforts on both the land side (deregulation of both truck lines and railroads) and on the ocean side (the Shipping Act of 1984 and the Federal Maritime Commission's recent inquiry) have brought changes to the port industry. Our workshop session looked at the effect of these and other federal deregulation efforts on the smaller maritime ports.

Discussion centered around the smaller port's managerial problems, some of which are affected by federal deregulation and some of which are not. Although federal deregulation was often mentioned as a factor, in the majority of situations it was just one of several things that were affecting the managerial environment of these ports.

Specific Research Recommendations:

Research in identifying port managerial areas that apply to "smaller" ports, "larger" ports or both would appear to be of high priority, possibly accentuated by the competitive nature of seaports and decreasing regulation. Specific areas of research that appear most valid are: planning, financing, decision making, marketing, pricing and community relations.

2-1. Determine if larger and smaller ports approach long-term planning in the same way. How do they differ in their methods? Is it fair to assume that smaller ports are less sophisticated?

2-2. Analyze what financing techniques are most useful for smaller ports. Are these methods different than the most useful ones for larger ports?

2-3. Research whether smaller ports really tend to give extensive weight to profit versus the public demands in decision making. If so, is it because their political environments are less complex, or for some other reason?

2-4. Compare how marketing approaches used by smaller ports differ from those used by larger ports. What explains the difference?

2-5 Determine if community relations in smaller ports are handled differently or given more or less priority than in larger ports. What part do general tax subsidies play in shaping the port's community relations?

Topic Coordinator:
Thomas Dowd
Affiliate Associate Professor
Institute for Marine Studies
University of Washington