

ADVANCED SUBSIDIARY GCE
LEISURE STUDIES
Unit 3: Leisure Industry Practice

G182/CS

CASE STUDY

Tuesday 13 January 2009
Morning

Duration: 1 hour 30 minutes



INFORMATION FOR CANDIDATES

- This is a clean copy of the Case Study which you should have already seen.
- You should refer to it when answering the examination questions which are printed in a separate booklet.
- You may **not** take your previous copy of the Case Study into the examination.
- You may **not** take notes into the examination.
- This document consists of **4** pages. Any blank pages are indicated.

Simply Snow Scotland (SSS)

SSS is an indoor snow dome. It forms one element of an out of town facility; the others being a cinema, bowling alley, retail outlet park and a number of restaurants and cafés. It is located half way between two major cities and the facility is closely linked to the motorway system, which gives good access. The facility has a large car and coach park.

SSS is a newly established facility and has been open for just over a year. It is, however, part of a chain with other similar facilities established in other parts of the UK. The unique selling point, which SSS offers, is that all of its activities are carried out on snow. This snow is artificially produced using new technology, rather than a dry ski slope. 5

Simply Snow centres offer snow-based activities to children, young people and adults. The key areas of operation are skiing sessions, snowboarding sessions and tobogganing. The centres have a number of other facilities including a: 10

- changing village;
- café;
- viewing area with a bar and a range of vending machines selling drinks and snacks;
- rental shop where customers can hire ski clothing; 15
- shop where customers can buy Simply Snow merchandise;
- ski tow.

Simply Snow uses branding and its logo is used on all promotional materials, staff clothing and signage.

The most popular activities offered by Simply Snow are skiing and snowboarding lessons – either individual, group or free skiing, where customers who have already achieved a certain standard can ski on their own on the slope. As most people want lessons prior to skiing holidays, the centres are busiest from November through to Easter (**see Fig. 1**). 20

The summer is very quiet with few customers for the snow domes. This is something that the management of SSS is looking to address. To enhance the service offered and to help combat the low levels of customer use in the summer, they are looking at opening a new facility, Simply Skating. This would be a skate park with a range of ramps and half pipes for skateboarders. The new facility would be located on a small area of land, alongside SSS, which is currently unused. Before going forward with the project, the managers are going to conduct market research to ensure that there is a need and desire for such a facility. 25 30

SSS employs a range of full-time, part-time and seasonal casual staff and prides itself on the levels of instruction and service it provides for its customers. It has a very low staff turnover, which is one of its key strengths as it helps maintain and improve staff expertise. As a facility offering adventurous activities, the safety of its customers and staff is very important and closely monitored, with all new pieces of legislation acted on as appropriate. Particular attention is paid to the use of chemicals, which are used in snow production. To ensure the centre is operating at the highest standard, SSS has worked towards and achieved the QUEST quality standard, although the process it went through has not been as straight forward as had been envisaged. 35

SSS operates an electronic membership and ticketing system and retains all customer details on a database. These are used for marketing activities throughout the year. All customer use of the facility is monitored using relevant business systems which provide management with up to date and accurate information to use in the decision making process. 40

SSS has a website which it uses as a promotional tool. It contains:

- small video clips of people taking part in the activities; 45
- a gallery of pictures of activities;
- testimonies of previous customers;
- price lists;
- opening times;
- details of how to contact the centre for further information;
- a BLOG onto which customers can add comments about their experiences. 50

SSS is set both monthly and annual targets by Simply Snow head office in Coventry. These targets are expressed in both financial and performance terms. It is expected that these targets, along with appropriate budgeting and financial control techniques, will be used in the financial planning of SSS. The use of financial documents, such as the balance sheet shown in **Fig. 2**, are an essential part of this planning process. 55

The future for SSS is unknown. As a newly established facility it is moving through the product life cycle. Managers recognise that they have issues to address in order to ensure the future success of the centre.

Average Daily Attendance at SSS

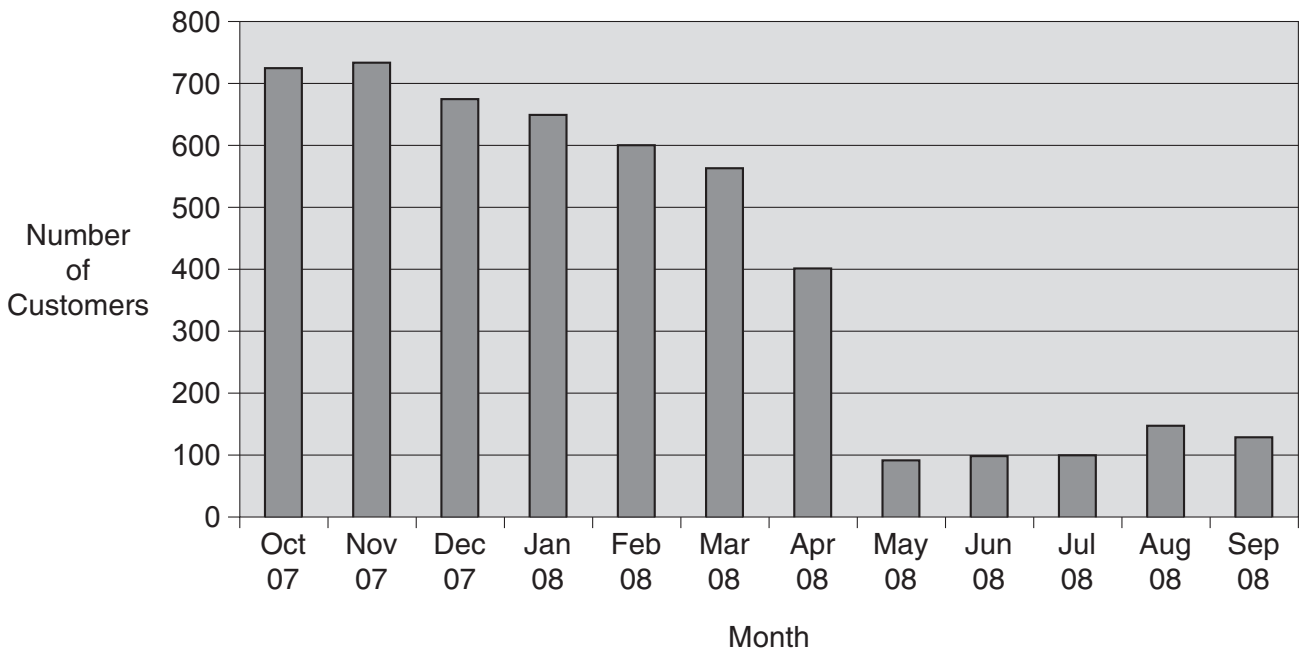


Fig. 1

Balance Sheets SSS as at 30 September

	2009 (Forecast)		2008	
	£000	£000	£000	£000
Fixed Assets		1 900		2 000
Current Assets	450		250	
Current Liabilities	<u>(200)</u>		<u>(200)</u>	
Working Capital		250		50
Long Term Liabilities		<u>(500)</u>		<u>(500)</u>
Net Assets		<u>1 650</u>		<u>1 550</u>
Capital & Reserves				
Shareholders' Funds		1 500		1 500
Profit and Loss Account		<u>150</u>		<u>50</u>
		<u>1 650</u>		<u>1 550</u>

NB Current Liabilities are creditors – i.e. amounts falling due within one year. Long Term Liabilities are amounts falling due after one year (i.e. loans).

Fig. 2