

## GCSE in Applied Business Unit 1: Investigating Business

### VGCSE (0511-5051) Assessing Adam's evidence

#### Strand A

Assessment criteria	Comments
<p><b>a1</b> Describe the following features of their <b>two</b> chosen businesses.</p> <ul style="list-style-type: none"> <li>• Activity</li> <li>• Ownership</li> <li>• Location</li> <li>• Aims and objectives</li> </ul>	<p>Adam has covered Center Parcs on pages 6-17. He has described in extensive detail the four features of his chosen business. His second business is Avenue Fisheries. Again he has provided extensive evidence which is found on pages 18-26. Adam has demonstrated very good understanding of the four features of his two chosen businesses.</p>
<p><b>a2</b> Compare the following features of their <b>two</b> chosen businesses and identify the main differences between them.</p> <ul style="list-style-type: none"> <li>• Activity</li> <li>• Ownership</li> <li>• Location</li> <li>• Aims and objectives</li> </ul>	<p>On page 27 Adam has produced a detailed comparison of ownership of the two businesses. He has considered similarities and differences including decision-making, liability and continuity. Adam produced clear comparison of activities and aims and objectives on pages 27-29. However, his coverage of location on page 29 was weaker, as he had provided limited examples of similarities and differences.</p>
<p><b>a3</b> Having fully explored the following features of their <b>two</b> chosen businesses, suggest and justify changes that each could make to enable them to be more effective.</p> <ul style="list-style-type: none"> <li>• Activity</li> <li>• Ownership</li> <li>• Location</li> <li>• Aims and objectives</li> </ul>	<p>For Center Parcs, Adam has suggested and justified changes that could enable the business to be more effective for activity, aims and objectives and location. On page 30 Adam states 'One activity the company could expand more is the health farm side of the holiday . . . It could increase its success by competing with the more traditional choices of health farm (Henlow Grange).' For ownership, Adam has suggested that the business remains as a public limited company but he has not linked the suggestion to effectiveness.</p> <p>For Avenue Fisheries Adam has achieved this criterion for ownership and aims and objectives. On page 33 he stated that 'Avenue Fisheries could become a partnership . . . would be an injection of cash . . . could mean more opportunity to grow or expand and therefore lead to more financial success.' Insufficient evidence had been provided for activity and location.</p>
<p><b>Mark Allocation: 8 + 1</b></p>	<p>Adam has suggested and justified changes that both businesses could make in relation to two features, in order to be more effective. The qualitative judgement mark has been awarded as he has made a number of justified suggestions but they have not all been linked to effectiveness.</p>

## Strand B

Assessment criteria	Comments
<b>b1</b> Describe the type of work carried out by at least <b>three</b> functional areas of <b>one</b> of their chosen businesses.	On pages 36 – 39 Adam has clearly described the type of work carried out by marketing and sales, finance and operations. The evidence has clearly been applied to Center Parcs.
<b>b2</b> Explain, using examples, how at least <b>three</b> functional areas of <b>one</b> of their chosen businesses work together to support the business activity.	Adam has used examples to explain how finance, marketing and sales and operations work together to support the business activity. On pages 40 and 41, his examples include determining the annual price list and running the 'Party in the Park'.
<b>b3</b> Evaluate how effectively at least <b>three</b> functional areas of <b>one</b> of their chosen businesses work together to achieve the aims and objectives of the business.	On page 43 Adam has used figures of 90% occupancy and 65% repeat bookings to support his evaluation. On page 44 he has fully evaluated how effectively the three functional areas work together to achieve the aims and objectives of the business eg aim of being environmentally friendly, having a well trained and motivated workforce. Adam has made clear linkage to the aims and objectives he described in a1.
<b>Mark Allocation: 12 + 1</b>	Adam has evaluated the effectiveness of three functional areas working together to achieve the aims and objectives of the business. He has been awarded maximum marks because of the quality of his evaluation, supported by evidence from the business (see pages 43-44).

## Strand C

Assessment criteria	Comments
<b>c1</b> For <b>one</b> business describe the different methods of oral and written communication used and describe, with examples, how it uses ICT to communicate and operate.	On pages 46-48 Adam has clearly described the different methods of oral, written and ICT methods of communication used at Center Parcs. On pages 48-49 he has also clearly described, with examples, how Center Parcs uses ICT to operate.
<b>c2</b> For the business selected in <b>c1</b> analyse the effectiveness of the communication methods used: <ul style="list-style-type: none"> <li>• inside functional areas</li> <li>• between functional areas</li> <li>• with people and organisations outside the business.</li> </ul>	<p><b>Inside functional areas</b> On pages 51-52 Adam has analysed the effectiveness of the communication methods used in the finance and operations functional areas.</p> <p><b>Between functional areas</b> On pages 52-53 Adam has attempted to analyse the communication methods used by the three functional area described in b1. He has just achieved this criterion as there is limited analysis of the communication methods used between functional areas. Some of the evidence relates to the holidaymaker rather than communication between functional areas.</p> <p><b>With people and organisations outside of the</b></p>

	<b>business</b> On pages 53-55 Adam has analysed in depth the effectiveness of the communication methods used with external contacts eg holidaymakers and suppliers.
<b>c3</b> <i>On the basis of their analysis, for the business investigated in c1 and c2, suggest and justify alternative or improved methods of communication:</i> <ul style="list-style-type: none"> <li>• <i>inside functional areas</i></li> <li>• <i>between functional areas</i></li> <li>• <i>with people and organisations outside the business.</i></li> </ul>	On pages 56-57 Adam has suggested and justified alternative or improved methods of communication for each of the three bullet points.
<b>Mark Allocation: 14</b>	Adam has suggested and justified alternative or improved methods of communication in relation to the three stated bullet points.

#### Strand D

<b>Assessment criteria</b>	<b>Comments</b>
<b>d1</b> <i>Identify the main external influences on their two chosen businesses, including reference to competitors, economic conditions and environmental constraints.</i>	On pages 58-65 Adam has produced detailed descriptions of competitors, economic conditions and environmental constraints in relation to his two businesses. The evidence on economic conditions for Avenue Fisheries was brief as he had described in depth interest rates, inflation, and exchange rates in his evidence for Centre Parcs.
<b>d2</b> <i>Explain the impact on their two chosen businesses of changes in external influences, including reference to competitors, economic conditions and environmental constraints.</i>	On pages 66-68 Adam has explained the impact of change on Centre Parcs for competitors and economic conditions. He has not achieved environmental constraints as he has failed to consider a realistic environmental change and the impact it would have on the business. On pages 69-71 Adam has weakly evidenced competitors, explaining the impact the new competitor, The Japanese Koi Company Ltd, has had on the business. His evidence for economic factors is much stronger clearly explaining the impact changes in interest rates, exchange rates and inflation would have on the business. Environmental constraints was not achieved for Avenue Fisheries as Adam's evidence failed to clearly identify environmental change.
<b>d3</b> <i>Having fully explored changes in external influences, including reference to competitors, economic conditions and environmental constraints, suggest and justify ways in</i>	On pages 72-73 Adam has suggested and fully justified ways that Center Parcs could respond to the changes explained in d2 for competitors and economic conditions. On page 74 Adam has again suggested and fully justified ways that Avenue Fisheries could respond to the changes outlined in d2 for competitors and economic conditions.

<i>which their <b>two</b> chosen businesses could respond to these changes.</i>	
<b>Mark Allocation: 10</b>	Adam has made realistic suggestions which have been fully justified for two aspects of his chosen business. He could not achieve d3 for environmental constraints as he had failed to achieve this within d2.
<b>Total Marks: 46</b>	Adam has achieved 46/50 for Unit 1.

GCSE IN APPLIED BUSINESS (DOUBLE AWARD)

Unit Recording Sheet for Unit 1: Investigating Business



No. (11)

Taster Pack - Unit 486

Please read the instructions printed at the end of this form. One of these sheets, suitably completed, should be attached to the assessed work of each candidate.

RECOGNISING ACHIEVEMENT

Specification Code	1491	Unit Code	4863	Session	Jan / June	Year	2	0	0	5
Centre Name	[REDACTED]									
Candidate Name	[REDACTED]									
	Centre Number		Candidate Number							

Evidence: a portfolio based on your investigation of two contrasting businesses.

Criteria		Teacher Comment	Location
a1 Describe the following features of your two chosen businesses: Activity; Location; Ownership; Aims and objectives.	a2 Compare the following features of your two chosen businesses and identify the main differences between them: Activity; Location; Ownership; Aims and objectives.	<p>The pupil has identified ALL AREAS FOR EACH COMPANY IN DEPTH Comparison. Suggestions are relevant with justification. SORRY BUT PUPIL OBSESSED!</p>	P1-26 P27-29 P30-35
b1 Describe the type of work carried out by at least three functional areas of one of your chosen businesses.	b2 Explain, using examples, how at least three functional areas of one of your chosen businesses work together to support the business activity.		<p>Excellent description of the work in 3 functional areas.</p> <p>Pupil has clearly shown, using examples, how they work together to support the Business activity. All aims are considered. Examples of how they are achieved are given with meaning.</p>
0 1 2 3 4	5 6 7	<p>Mark</p> <p>10</p>	
0 1 2 3 4 5 6	7 8 9 10	<p>Mark</p> <p>13</p>	

Criteria			Teacher Comment	Location
<p><b>c1</b> For one business describe the different methods of oral and written communication used and describe, with examples, how it uses ICT to communicate and operate.</p> <p><b>0 1 2 3 4 5 6 7</b></p>	<p><b>c2</b> For the business selected in <b>c1</b> analyse the effectiveness of the communication methods used: inside functional areas; between functional areas; with people and organisations outside the business.</p> <p><b>8 9 10 11 12</b></p>	<p><b>c3</b> On the basis of their analysis, for the business investigated in <b>c1</b> and <b>c2</b>, suggest and justify alternative or improved methods of communication: inside functional areas; between functional areas; with people and organisations outside the business.</p> <p><b>13 14 15</b></p>	<p>Subal, has reached the goal, which is oral ICT Communication methods. It also shows ICT operations.</p> <ul style="list-style-type: none"> <li>Subal looks at the effectiveness - considers how to measure the effectiveness.</li> <li>From a good analysis is able to discuss good practical ideas offer alternatives with justification in some areas.</li> </ul>	<p>P46-49</p> <p>P50-55</p> <p>P56/57</p>
<p><b>d1</b> Identify the main external influences on your two chosen businesses including reference to competitors, economic conditions and environmental constraints.</p> <p><b>0 1 2 3 4 5</b></p>	<p><b>d2</b> Explain the impact on your two chosen businesses of changes in external influences, including reference to competitors, economic conditions and environmental constraints.</p> <p><b>6 7 8 9</b></p>	<p><b>d3</b> Having fully explored changes in external influences, including reference to competitors, economic conditions and environmental constraints, suggest and justify ways in which your two chosen businesses could respond to these changes.</p> <p><b>10 11 12</b></p>	<p>EXTERNAL INFLUENCES IDENTIFIED WITH EXAMPLES IN BOTH COMPANIES</p> <p>IMPACT SHOWN FOR BOTH BUSINESSES</p> <ul style="list-style-type: none"> <li>Relevant suggestions made as to how both Companies might respond</li> </ul>	<p>Page 58-66</p> <p>Page 66-71</p> <p>Page 72-75</p>
<p><b>Mark</b></p> <p><b>14</b></p>				
<p><b>Mark</b></p> <p><b>11</b></p>				
<p><b>Total/50</b></p> <p><b>48</b></p>				

### Guidance on Completion of this Form

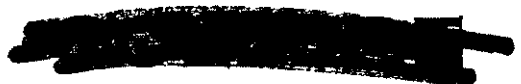
- One sheet should be used for each candidate.
- Please ensure that the appropriate boxes at the top of the form are completed.
- Circle the mark awarded for each strand of the marking criteria in the appropriate box and also enter the circled mark in the final column.
- Add the marks for the strands together to give a total out of 50. Enter this total in the relevant box.

# **APPLIED BUSINESS PORTFOLIO**

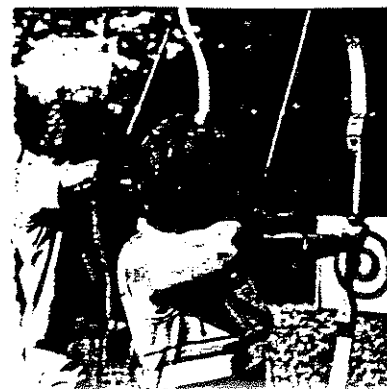
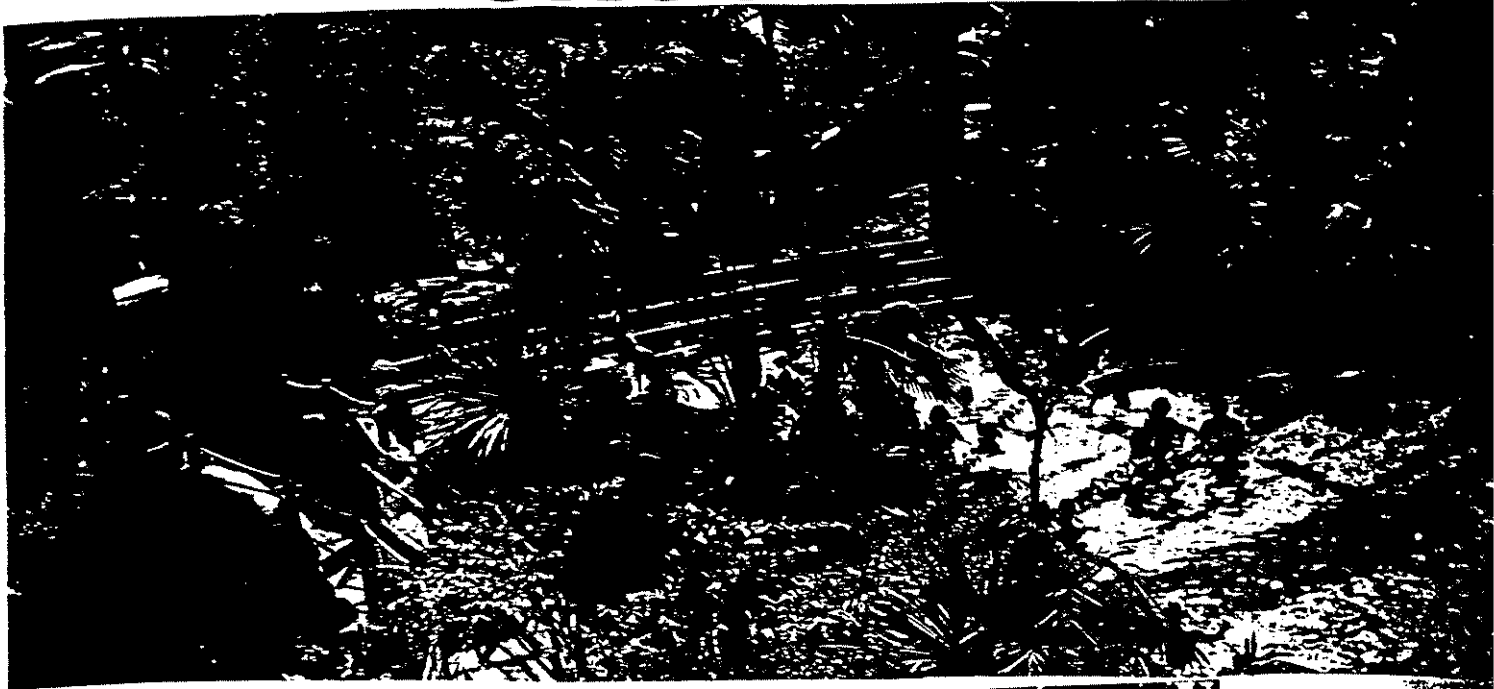
## **UNIT 1**

### **CHOSEN BUSINESSES:**

- **CENTER PARCS (UK)  
GROUP PLC**
- **AVENUE FISHERIES**



# CENTER PARCS (UK) GROUP PLC





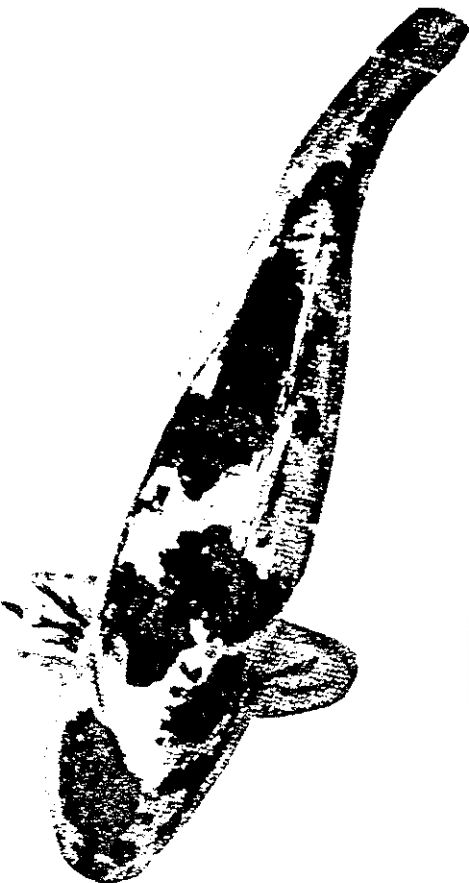
Sanke



# AVENUE FISHERIES



Kohaku



Doitsu Yamatonisiki

## INVESTIGATING BUSINESS

For my portfolio I have chosen to investigate two businesses from the private sector. The private sector is made up of businesses that are owned by individuals or groups of individuals. It is possible for businesses in the private sector to be owned by other businesses. Private sector businesses are not owned by the local councils or by the government.

I have chosen an example of a sole trader, in the form of S.G. Field trading as Avenue Fisheries and an example of a public limited company, in the form of Center Parcs (UK) Group PLC.

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### 1. CENTER PARCS (UK) GROUP PLC

- HISTORY
- OWNERSHIP
- LIST OF DIRECTORS OF CENTER PARCS (UK) GROUP PLC
- LIST OF MAJOR SHAREHOLDERS IN CENTER PARCS (UK) GROUP PLC
- ACTIVITY
- AIMS AND OBJECTIVES
- AIMS
- TABLES OUTLINING AIMS AND OBJECTIVES OF CENTER PARCS (UK) GROUP PLC AND HOW ITS OBJECTIVES ARE ACHIEVED
- LOCATION (MAPS)
- LOCATION

### 2. AVENUE FISHERIES

- HISTORY
- OWNERSHIP
- ACTIVITY
- AIMS AND OBJECTIVES
- TABLES OUTLINING AIMS AND OBJECTIVES OF AVENUE FISHERIES AND HOW ITS OBJECTIVES ARE ACHIEVED
- LOCATION (INCLUDING MAPS)

### 3. SIMILARITIES AND DIFFERENCES BETWEEN CENTER PARCS (UK) GROUP PLC AND AVENUE FISHERIES.

- OWNERSHIP
- ACTIVITY
- AIMS AND OBJECTIVES
- LOCATION

### 4. SUGGEST AND JUSTIFY CHANGES THAT MIGHT MAKE THE TWO BUSINESSES MORE SUCCESSFUL. CONSIDER OWNERSHIP, ACTIVITY, AIMS AND OBJECTIVES, AND LOCATION.

## PART 1: CENTER PARCS (UK) GROUP PLC

- OWNERSHIP
- ACTIVITY
- AIMS AND OBJECTIVES
- LOCATION

## PART 2: AVENUE FISHERIES

- OWNERSHIP
- ACTIVITY
- AIMS AND OBJECTIVES
- LOCATION

5. DESCRIBE THE TYPES OF WORK CARRIED OUT BY THREE FUNCTIONAL AREAS IN ONE OF THE CHOSEN BUSINESSES.

CENTER PARCS (UK) GROUP PLC

- MARKETING AND SALES
- FINANCE
- OPERATIONS

6. EXPLAIN, USING EXAMPLES, HOW AT LEAST THREE FUNCTIONAL AREAS OF ONE OF THE CHOSEN BUSINESSES WORK TOGETHER TO SUPPORT THE BUSINESS ACTIVITY.

- CENTER PARCS (UK) GROUP PLC

7. EVALUATE HOW EFFECTIVELY AT LEAST THREE FUNCTIONAL AREAS OF ONE OF THE CHOSEN BUSINESSES WORK TOGETHER TO ACHIEVE THE AIMS AND OBJECTIVES OF THE BUSINESS.

- CENTER PARCS (UK) GROUP PLC

8. FOR ONE OF THE CHOSEN BUSINESSES, DESCRIBE THE DIFFERENT METHODS OF ORAL AND WRITTEN COMMUNICATION USED AND DESCRIBE, WITH EXAMPLES, HOW THE BUSINESS USES ICT TO COMMUNICATE AND OPERATE.

- CENTER PARCS (UK) GROUP PLC

9. ANALYSE THE EFFECTIVENESS OF THE COMMUNICATION METHODS, OF ONE THE CHOSEN BUSINESSES, USED INSIDE FUNCTIONAL AREAS, BETWEEN FUNCTIONAL AREAS, AND WITH PEOPLE AND ORGANISATIONS OUTSIDE THE BUSINESS.

CENTER PARCS (UK) GROUP PLC

- INSIDE FUNCTIONAL AREAS
- BETWEEN FUNCTIONAL AREAS
- WITH PEOPLE AND ORGANISATIONS OUTSIDE THE BUSINESS

10. SUGGEST AND JUSTIFY ALTERNATIVE OR IMPROVED METHODS OF COMMUNICATION INSIDE FUNCTIONAL AREAS, BETWEEN FUNCTIONAL AREAS AND WITH PEOPLE AND ORGANISATIONS OUTSIDE THE BUSINESS.

CENTER PARCS (UK) GROUP PLC

- INSIDE FUNCTIONAL AREAS
- BETWEEN FUNCTIONAL AREAS
- WITH PEOPLE AND ORGANISATIONS OUTSIDE THE BUSINESS

11. IDENTIFY THE MAIN EXTERNAL INFLUENCES ON THE TWO CHOSEN BUSINESSES, INCLUDING REFERENCE TO COMPETITORS, ECONOMIC CONDITIONS AND ENVIRONMENTAL CONSTRAINTS.

PART 1: CENTER PARCS (UK) GROUP PLC

- COMPETITORS
- ECONOMIC CONDITIONS
- ENVIRONMENTAL CONSTRAINTS

PART 2: AVENUE FISHERIES

- COMPETITORS
- ECONOMIC CONDITIONS
- ENVIRONMENTAL CONSTRAINTS

12. EXPLAIN THE IMPACT ON THE TWO CHOSEN BUSINESSES OF CHANGES IN EXTERNAL INFLUENCES, INCLUDING REFERENCE TO COMPETITORS, ECONOMIC CONDITIONS AND ENVIRONMENTAL CONSTRAINTS.

PART 1: CENTER PARCS (UK) GROUP PLC

- COMPETITORS
- ECONOMIC CONDITIONS
- ENVIRONMENTAL CONSTRAINTS

PART 2: AVENUE FISHERIES

- COMPETITORS
- ECONOMIC CONDITIONS
- ENVIRONMENTAL CONSTRAINTS

13. HAVING FULLY EXPLORED CHANGES IN EXTERNAL INFLUENCES, INCLUDING REFERENCE TO COMPETITORS, ECONOMIC CONDITIONS AND ENVIRONMENTAL CONSTRAINTS, SUGGEST AND JUSTIFY WAYS IN WHICH THE TWO CHOSEN BUSINESSES COULD RESPOND TO THESE CHANGES.

PART 1: CENTER PARCS (UK) GROUP PLC

- COMPETITORS
- ECONOMIC CONDITIONS
- ENVIRONMENTAL CONSTRAINTS

PART 2: AVENUE FISHERIES

- COMPETITORS
- ECONOMIC CONDITIONS
- ENVIRONMENTAL CONSTRAINTS

# UNIT 1

# INVESTIGATING BUSINESS

# CENTER PARCS (UK) GROUP PLC

## HISTORY

Center Parcs was established by Dutchman, Piet Derksen in 1967, under the original name of Sporthuis Centrum Recreatie. Piet had been a pioneer in the sports and leisure industry since the 1950's with his chain of innovative and spectacular sports shops. The first village to be opened was in the South of Holland with just thirty villas and an outdoor swimming pool. The 'villa in the forest' idea came from Derksen's love of getting away from the hustle and bustle of everyday life and escaping back to nature.

Professor Jaap Bakema, an eminent Dutch architect, was asked to design the first all-season holiday village. He used a design which involved simple and natural materials. His instructions were to harmonize everything with the woodland, with a strong emphasis on building features, such as large windows, to bring nature closer to the holidaymaker.

Center Parcs revolutionised the holiday market in Holland over thirty years ago and did the same in the United Kingdom when it opened its first village at Sherwood Forest in Nottingham during July 1987. Center Parcs offers short break holidays (for example: midweek breaks from Monday to Friday and also weekend breaks from Friday to Monday) on a year round basis, in addition to longer stays during traditional holiday periods. The success of this can be seen at all villages where the occupancy figures are over 90% and repeat bookings are more than 60% within a year.

The Center Parcs Group at present includes fourteen villages – five in Holland, two in Belgium, two in France, one in Germany, and four in the United Kingdom. All the villages are run and organised on the same basis.

## OWNERSHIP

Center Parcs (UK) Group PLC consists of four holiday parks – Elveden Forest in Suffolk, Longleat Forest near Bath, Oasis Whinfell in the Lake District and Sherwood Forest near Nottingham.

For ease, I will refer to Center Parcs (UK) Group PLC simply as Center Parcs UK.

The operation has around 3,100 villas and apartments and had in the region of 1.2 million guests and a turnover of £166 million in the 2001/02 financial year. It employs approximately 4,000 full and part-time staff.

Center Parcs UK is a public limited company. It actually only became a public limited company very recently, on the 11/12/03.

Previously, Center Parcs in the United Kingdom was owned by MidOcean Partners, a private equity firm. On the 4/12/03, MidOcean announced the sale of Center Parcs for £285 million. A group of fund managers, led by stockbroker Collins Stewart, took control of the business temporarily and then floated it on London's Alternative Market (AIM) on 11/12/03. As such, Center Parcs became a public limited company – Center Parcs (UK) Group PLC.

Martin Robinson, Chairman of Center Parcs UK said:

**“We are delighted that our shares start trading on AIM today. We look forward to growing Center Parcs as a quoted company and delivering shareholder value in the future.”**

Until the 19<sup>th</sup> Century, a group of people engaging in trade could only be a partnership. There were some rare exceptions in the form of companies chartered by Royal Charter or by an act of parliament. Trading in partnership means each partner is liable for any debts. This deterred many people from trading, so the solution was the invention of the limited company.

A company is a special type of business, with two or more owners (shareholders). The largest companies can have thousands of owners. A company is therefore an association of people who contribute money to a business and share the profit and loss arising out of that business.

There are two types of limited company – private and public. Both types of limited company are incorporated and have a separate legal identity from their owners. Limited liability means that the owners (shareholders), only risk losing the money they invested in the business. If the company fails, shareholders are not responsible for all the debts of the business: they are only responsible for up to the amount they invested in the company. Limited companies are owned by shareholders and the more shares an individual owns, the more control they have over the company. A limited company may find it easier to raise funds through loans, as banks generally consider limited companies to be less of a security risk. Companies benefit from continuity. If a shareholder dies, the shares are sold to someone else and the business carries on. d,

Center Parcs UK is a limited company and therefore would have gone through many formalities before being able to operate. It would have completed a Memorandum of Association and Articles of Association, which together outline the name and address of the Company, the Company's purpose in trading and the amount of capital it will raise. It also outlines the internal arrangements of the business, which includes the shareholders' rights, the directors' power and the rules for company meetings.

The above two documents would then have been sent to the Registrar of Companies at Companies House in Cardiff, which keep records of all British Companies. The Registrar of Companies issues a Certificate of Incorporation, which allows the Company to start trading.

Private limited companies (Ltd.) can only sell shares if all the shareholders agree. Center Parcs UK is a public limited company (PLC) and that means anyone can buy shares in the company, if they can find someone who is willing to sell them. Public limited companies can advertise their shares freely. The advantage of being a PLC is that more capital can be raised than by any other kind of business and this often helps the company to expand and/or diversify. Shareholders of a company elect directors to manage the business and in public limited companies this often means that the founders of the company lose control, as each shareholder has little say in how the company is run, unless they have an awful lot of shares. This can be another disadvantage of a public limited company, as if an individual or business can afford to buy enough shares, it is possible to take over the company.

In public limited companies, shareholders delegate responsibility for the general direction or strategy of the business to the directors. The directors decide on strategy at regular board meetings but directors can be removed from their job by the shareholders. The top director is called the Chair of the Board. Directors can also be shareholders and therefore part owners of the company.



## **Directors of Center Parcs (UK) Group PLC**

Martin Robinson (Chairman)  
Martin Dalby (Managing Director)  
Simon Lane (Finance Director)  
Graham White (Operations Director)  
Don Camilleri (Development and Engineering Director)  
Jennie Ayres (Sales and Marketing Director)  
Judi Leavor (Director of Human Resources)  
Richard Bond (Director of I.T)

## **Major Shareholders in Center Parcs (UK) Group PLC as at 16/01/04**

ISIS Asset Management PLC	15.11%
Threadneedle Inv Mgrs Ltd.	7.61%
UBS Asset Management Ltd.	7.20%
Tudor Capital (UK) Ltd.	5.84%
Henderson Investors Ltd.	5.31%
M&G Inv Mgmt Ltd.	5.02%
Credit Suisse Asset Mgmt Ltd.	4.61%
Morley Fund Mgmt Ltd.	4.38%
Millgate Capital Inc.	3.84%
Perry Capital	3.80%
Liberty Square Asset Mgmt.	3.71%
Canada Life Group	3.06%
Fidelity Inv Services Ltd.	3.02%
Directors	0.34%

## ACTIVITY

Center Parcs UK falls into the tertiary sector and, as such, provides a service. Center Parcs UK faces, national, international and, to a limited degree, local competition in the holiday business. The holiday market is a growing and competitive sector. Strictly speaking, holidays fall into the category of 'a luxury'. However, most people nowadays strive to go on holiday at least once a year and this is made more possible by better and cheaper transport. Changes in society and the provision of many different types of holiday have helped the holiday sector to grow. Center Parcs UK strives to provide the best holiday with the best activities. Center Parcs UK constantly monitors and reviews the activities it provides to remain competitive and to continue attracting customers. a1

The principal activity of the company is the operation of four holiday parks – Elveden Forest in Suffolk, Sherwood Forest near Nottingham, Longleat Forest near Bath and Oasis Whinfall Forest in the Lake District.

The company offers short break holidays, mid week breaks from Monday to Friday and weekend breaks from Friday to Monday all year round. They also offer longer stays during traditional holiday periods. Center Parcs UK is Britain's leading short break holiday village operator.

The company offers high quality accommodation in fully equipped villas, apartments and lodges, all of which are set amongst woodland and water. Each park is set in four hundred acres of land. Elveden Forest has six hundred and thirty eight villas plus sixty apartments, Sherwood Forest has seven hundred and eighty six villas plus thirty nine apartments, Longleat Forest has six hundred and thirty eight villas plus sixty apartments and Oasis Whinfall Forest has seven hundred and eighteen lodges plus seventy nine apartments.

The focus of each village is the 'Subtropical Swimming Paradise', which is a transparent covered dome shaped construction, housing a selection of water activities. These include wave pools, water rapids, slides, flumes, children's pools and Jacuzzis. The inside temperature of the dome is maintained at eighty three degrees Fahrenheit and is full of tropical trees and plants. The villages offer an extensive range of indoor and outdoor sport and leisure facilities. These include tennis, squash, football, roller skating, fencing, badminton, sailing and windsurfing, canoeing, golf, archery, snooker, pool, and spa facilities offering a range of health farm treatments. The villages at Elveden, Sherwood and Longleat include the Take Action Company Challenge, which features abseiling, climbing towers and rope challenges ten metres off the ground.

As well as the activity of running holiday accommodation and facilities, Center Parcs UK offers Conference and Meeting facilities for other businesses. They provide a range of full day and half day activities including teambuilding events.

A less well known activity of Center Parcs UK is environmental management and protection of the environment. Center Parcs UK is committed to not only conserving the environment but also enhancing it. The Company has a team of trained forest rangers, chartered landscape architects and ecology managers, to protect and restore ecological features and, where possible, improve biodiversity. Center Parcs UK works closely with outside bodies like the Forestry Commission, English Nature and local Wildlife Trusts.

The company strives to create habitats that encourage indigenous flora and fauna and also strives to protect and enhance existing wildlife. Center Parcs UK has received various recommendations and awards for its environmental policies and its commitment to the environment.

## AIMS AND OBJECTIVES

**AIMS** are the long term goals of a business. Businesses often draw up a mission statement, which sets out the general purpose of the business and often helps employees work towards a common goal.

Center Parcs UK's mission statement reads:

“Everyday, the perfect break, naturally.”

Center Parcs UK claims that this reminds employees that everyday is precious to their guests and that guests naturally expect them to deliver their promise to create the perfect break – through quality facilities and skilled, dedicated staff. The Center Parcs UK manual states that they will measure their success by how well they satisfy their guests, staff and other stakeholders, by the value they create for shareholders and by their environmental standards.

**OBJECTIVES** are targets set by a business to help it achieve its overall aims. Objectives should be SMART. This means that objectives should be Specific, Measurable, Achievable, Realistic and Time-scaled.

Some of the objectives of Center Parcs UK are more **specific** than others, for example, when it has a clear objective of improving percentage figures. Most of the objectives are given a **time scale** of one year. The Company sets annual objectives to enable it to monitor its success very closely. All the objectives are **achievable** and **realistic** and by reviewing objectives annually, Center Parcs UK can review and maintain realistic and achievable objectives. An example of this would be if occupancy figures reached 100%, then obviously the objective to ‘increase’ upon occupancy figures can be changed to read ‘maintain’ occupancy figures for the following year. The success of Center Parcs UK's objectives can be **measured** in a number of ways. They can be measured through profit figures, occupancy figures, repeat booking figures, questionnaire responses, percentage of market share figures, retention of good staff, monitoring any complaints and the receipt of industry awards. Center Parcs UK has been a recipient of many awards, including, Investors in People, Hospitality Assured Accreditation, parent friendly Award – Tommy's Campaign, ISO 14001 Environment Certificate, Landscape Institute 1999 Award for landscape Management, Corporate Ecologist of the year and the TourFour Award.

The Center Parcs UK aims and objectives are listed in the tables on pages 12, 13 and 14.

### AIMS

Center Parcs UK has five main aims:

1. To increase profit and success, thereby providing value for shareholders.
2. To remain the preferred short break resort for guests in the UK.
3. To grow and expand.
4. To be environmentally friendly and remain world leaders on ecological and environmental issues.
5. To have a well trained and motivated workforce.

To help them achieve these aims, Center Parcs UK set various objectives. Their training manual states that they set demanding and stretching goals and achieve them. They do this by constant review and monitoring performance against targets.

Center Parcs UK's main objectives involve satisfying the guests. Satisfied guests mean more return visits and more people recommending Center Parcs UK as a holiday destination. This leads to increased revenue, providing more profit and increased value for shareholders. Achieving guest satisfaction also helps with the Company's second aim of becoming the preferred short break resort in the UK. Last year the average occupancy in all villages was 90% and the repeat/return booking was over 65%. One of Center Parcs UK's objectives is to increase upon these figures each year. Customer satisfaction is measured by these figures and all guests are asked to complete a satisfaction questionnaire after each visit.

Center Parcs UK has a continual rolling programme of site development to enhance customer spend. It recently acquired Oasis Whinfell Forest in September 2001 as part of its aim to expand and grow. As previously stated, Center Parcs UK has received many awards for its environmental management and development.

The tables on the following pages, which illustrate the Company's aims, objectives and action taken to achieve them, are all interlinked and flow from satisfied guests, staff and other stakeholders. Section one of the latest Employee Handbook, issued in April 2003, sets out the Center Parcs UK vision, mission statement, values and culture and how staff are an essential ingredient to the Company's objective of satisfying guests and increasing occupancy and repeat visit figures.

<u>AIMS</u> (LONG TERM)	<u>OBJECTIVES</u> (ANNUAL)	<u>HOW OBJECTIVES ARE ACHIEVED</u>
<p>1. To increase profit and success, thereby providing value for shareholders.</p>	<ul style="list-style-type: none"> <li>• To achieve a minimum of and increase upon 90% occupancy and 65% repeat bookings.</li> <li>• To provide all guests with a holiday of outstanding experience, not found in normal every day life.</li> <li>• To maintain high standards of both facilities and environment.</li> <li>• To make the mission statement a reality for guests every day.</li> <li>• Improve and innovate in the range of facilities, products and services at all times, offering repeat visitors something new as often as possible.</li> </ul>	<ul style="list-style-type: none"> <li>• Guest satisfaction.</li> <li>• Competitive pricing structure.</li> <li>• Constant review of advertising strategy.</li> <li>• Targeted marketing – offering discounts etc. for previous guests.</li> <li>• Sell assertively through call centre.</li> <li>• Satisfaction questionnaires and surveys with appropriate review and reaction</li> <li>• Helpful, motivated, well trained workforce.</li> <li>• Continual development of sites and activities offered.</li> <li>• Constant renovation and assessment of accommodation offered.</li> <li>• Make it easy to 'buy' on site.</li> <li>• Constant monitoring and review of all services, i.e cleaning, restaurants, shops etc.</li> </ul>
<p>2. To remain the preferred short break resort for guests in the UK.</p>	<ul style="list-style-type: none"> <li>• To increase the market share of short break holiday business.</li> <li>• To provide high quality accommodation, activities and environment at all times.</li> <li>• Improve and innovate in the range of facilities, products and services at all sites.</li> </ul>	<ul style="list-style-type: none"> <li>• All of the actions for aim one apply here.</li> <li>• Straightforward timetable of events and activities.</li> <li>• Simple booking process for all events and activities.</li> <li>• Quick response and appropriate reaction to potential complaints.</li> <li>• Instil in all staff the Center Parcs values and culture.</li> </ul>

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<u>AIMS</u> (LONG TERM)	<u>OBJECTIVES</u> (ANNUAL)	<u>HOW OBJECTIVES ARE ACHIEVED</u>
3. To grow and expand.	<ul style="list-style-type: none"> <li>• Increase upon 90% occupancy and 65% repeat bookings.</li> <li>• Maintain aim of being preferred choice for short breaks in UK.</li> <li>• To look for appropriate sites/ventures for potential acquisition as in Oasis Whinell Forest, acquired in September 2001.</li> </ul>	<ul style="list-style-type: none"> <li>• All of the actions for aim one and aim two apply here also.</li> <li>• All investments should be value engineered to optimise impact through guest satisfaction/revenue/cost/health and safety standards.</li> <li>• Invest in training and work hard to retain good performance.</li> </ul>
4. To be environmentally friendly at all times and remain world leaders on ecological/environmental issues.	<ul style="list-style-type: none"> <li>• To protect areas of conservation and wildlife interest.</li> <li>• To protect, maintain and where possible and practical, improve the environment of the villages.</li> <li>• To follow the objectives set in ISO 14001 Environmental Management System, to ensure continual improvement of environmental performance.</li> <li>• To communicate the environmental policy and any related local initiatives to employees, guests and the wider community.</li> <li>• To create habitats, which encourage the indigenous flora and fauna.</li> </ul>	<ul style="list-style-type: none"> <li>• New sites are meticulously planned to ensure minimal disruption and to identify areas needing protection.</li> <li>• Communicate at all times with Center Parcs UK's own Chartered Landscape Architects, Ecology Managers and Forest Rangers.</li> <li>• On existing sites -- annual ecological monitoring by Ecology Manager.</li> <li>• Monitor progress against ISO 14001 EMS.</li> <li>• Monitor accredited management system.</li> <li>• Organise activities to give priority to avoidance and prevention of pollution.</li> <li>• Source materials and services from third parties.</li> <li>• Use only environmentally safe sprays and organic feed.</li> </ul>

<u>AIMS</u> (LONG TERM)	<u>OBJECTIVES</u> (ANNUAL)	<u>HOW OBJECTIVES ARE</u> <u>ACHIEVED</u>
<p>4. To be environmentally friendly at all times and remain world leaders on ecological/environmental issues.</p>		<ul style="list-style-type: none"> <li>• Check soil regularly.</li> <li>• Careful selection of plants.</li> <li>• Recycling of glass, paper and aluminium promoted to guests as well as staff.</li> <li>• Reduce energy consumption.</li> <li>• Maintain traffic free environment.</li> </ul>
<p>5. To have a well trained and motivated work force.</p>	<ul style="list-style-type: none"> <li>• To identify training needs within the work force and deliver a structured and relevant training programme to address those needs.</li> <li>• To develop talented and motivated employees through training, development and succession activity.</li> <li>• To work in cross-functional teams right from the beginning of a process.</li> <li>• To provide a work place that is properly regulated and resourced.</li> <li>• To value high quality staff and the contribution they make in achieving guest satisfaction and value, recognising that employee commitment drives business success.</li> </ul>	<ul style="list-style-type: none"> <li>• Induction programme instilling Company values.</li> <li>• Effective briefing and cascade processes.</li> <li>• Individual training plans and appraisals.</li> <li>• Reward systems.</li> <li>• Bright Ideas suggestion scheme with financial rewards for implemented ideas.</li> <li>• Employee Councils for managers and staff to exchange ideas and concerns.</li> <li>• Briefings, working groups, newsletters and notice boards for good communication.</li> <li>• Staff discounts.</li> <li>• Shared Success scheme.</li> <li>• Star Performers scheme.</li> <li>• New employee progress summary review.</li> <li>• Management Bonus Scheme.</li> <li>• Service Recognition.</li> <li>• Staff Pension Scheme.</li> <li>• Recognition/succession programmes.</li> </ul>

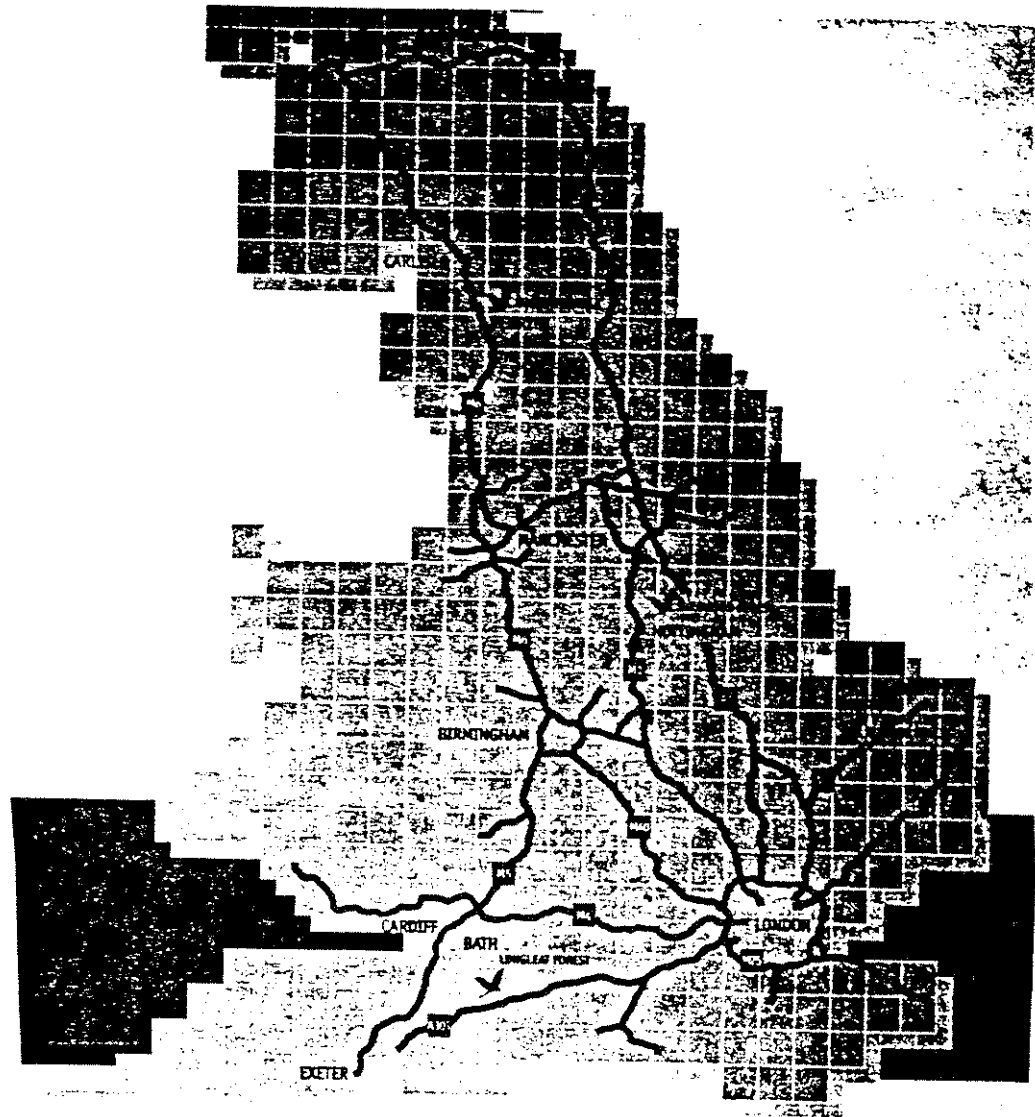
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## LOCATION - Maps

The following pages show a map of the UK and the location of each Center Parcs UK village and there are also smaller maps giving the location of each village in more detail.



- SF Sherwood Forest
- EF Elveden Forest
- LL Longleat Forest
- OWF Oasis Whinfell Forest



Location	EF	SF	LL	OWF
Birmingham	182	73	125	159
Bristol	263	161	200	31
Cambridge	228	99	32	168
Cardiff	262	180	232	161
Chesham	273	145	73	145
Edinburgh	150	260	378	480
Exeter	333	232	276	75
Glasgow	119	256	376	449
Inverness	280	418	537	610
Leeds	163	55	173	258
Liverpool	112	123	218	261
London	294	148	96	109
Manchester	103	77	205	248
Milton Keynes	248	103	101	143
Newcastle	81	136	256	344
Norwich	290	161	33	221
Nottingham	159	19	115	192
Oxford	252	121	138	91
Peterborough	199	69	65	188
Sheffeld	131	28	157	230
Warrford	278	133	88	111





## LOCATION

Center Parcs UK obviously requires a great deal of land for its villages and this is naturally one of the key factors for their locations. They also require natural forest land and because of the Company's commitment to the environment, suitable locations are essential. Each village is set amongst natural resources.

In the United Kingdom, climate is sometimes a factor in location. Some businesses in the primary sector (eg. agricultural), may require more rainfall or less rainfall, or in the case of English wine growers, they may need to locate in a part of the country that receives more sunshine. The climate is not a factor in location for Center Parcs UK. Part of the Center Parcs UK's marketing strategy is to claim that Center Parcs UK is the one holiday the British weather cannot spoil. Center Parcs UK provides so many activities based indoors and the centre point of their holiday is the environment of the Subtropical Swimming Paradise. Whatever the weather, they claim that the environment and relaxed lifestyle can be appreciated and enjoyed.

Even though the location of the villages is determined by the location of natural resources, all the villages are near good transport links, making them easily accessible. Oasis Whinfell is found just off the M6 at junction 40 on the A66. Sherwood Forest is only a few miles off the M1 and the A1. Longleat is accessed via A roads and only a short distance from the M5 and M4. Elveden Forest also has motorway links within a few miles and is found just off the busy A14. All the villages are not so far removed from civilisation and are in fact all relatively close to large towns or cities, all with rail links.

Center Parcs in the UK employs approximately 4,000 full and part time staff. The fact that the villages are all close to large towns or cities means easy access to large numbers of staff. Many of the staff can be raw recruits, as Center Parcs UK has its own training programmes. They also employ part time staff and many of these also come from the local vicinity.

Center Parcs UK's villages at Sherwood Forest and Elveden Forest were the basis of a report produced by the Rural Development Commission in 1991, which highlighted Center Parcs UK's benefit to the local economy, through staffing, using local suppliers and guest spending in the locality. Some of the findings are below:

- Over £4 million per annum is injected into the local economy of the villages through wages and salaries paid to Center Parcs UK employees – this in turn supports another 38 jobs locally.
- £2 million is spent annually on goods and services supplied by local companies, with another £2 million spent with local depots of national companies based in the area. This supports another 148 jobs in local businesses.
- Center Parcs UK guests spent £2 million each year in the locality, supporting another 65 jobs.
- Including the above and taking into account the multiplier effect of the additional jobs created through increased activity, the total income per annum for the local area of each village is £14 million (1991 figures).

It can clearly be seen that Center Parcs UK benefits from its locations as it can draw its work force and supplies from them and in turn, the local economy benefits greatly from Center Parcs UK's existence.

# AVENUE FISHERIES

## HISTORY

Avenue Fisheries is an importer and retailer of Japanese Koi carp and also a pond design and pond construction business. It is one of the largest Koi retailers in the United Kingdom and one of the longest established Koi retailers. The business began life as a hobby. Steve Field and his father were both interested in keeping Japanese Koi carp. The family garden was increasingly excavated and changed from lawn into several small ponds.

At the age of sixteen, in 1978, Steve began selling Koi carp on a casual, part time basis, whilst he was still studying at school. When Steve turned eighteen in 1980, he officially launched Avenue Fisheries as a business and started trading full time. In 1990, Steve purchased a property with four acres of land in order to expand his business. He continued trading from the family home until he had designed and constructed new ponds within a landscaped area at his new premises. When the premises were ready for trading, the existing fish were transferred from the family back garden and the ponds were filled in - the family home became a 'normal' home once more.

The business and car parking does not occupy all of the four acres. Within those four acres, Steve has his own home, lake and gardens.

## OWNERSHIP

Avenue Fisheries is an example of a sole trader (owned by Steve Field) in the private sector. As a sole trader, Steve is liable for all of the business' debts. Sole traders are common in businesses that are fairly simple to run and do not need many workers. A sole trader may employ other people, but the owner takes all the decisions. Steve Field does in fact employ other people, mostly on a part time or seasonal basis. Sole traders are the most common type of business in the UK.

As a sole trader, Steve Field is the boss of the business and makes all the decisions about the business. As a sole trader, he also keeps all of the profits from the business. Steve employs a part time book keeper, a part time secretary, and between April and September he employs additional staff. In the winter months, when Steve designs and constructs ponds and gardens, he employs extra labour to help with this task.

As a sole trader, Avenue Fisheries is an example of an unincorporated business. This means that it has no separate legal existence from its owner and that the owner is fully responsible for all the business' activities and debts. Sole traders have unlimited liability for any business debts, which means should Avenue Fisheries fall into debt, Steve Field could be forced to sell, not only his business, but also his possessions, including his house, to cover those debts. As a sole trader, Steve is liable for all of the business' debts.

Like most sole traders, Steve works very long hours and finds taking a holiday difficult because if he doesn't work then he doesn't make any money. Another disadvantage of being a sole trader is the raising of capital and the financial risks involved should the business not be successful. The bank lending Avenue Fisheries money has made sure they can recover their money plus interest, even if it means forcing Steve to sell his house. Banks do not like taking too many risks.

Avenue Fisheries is not a limited company so it does not have to be registered with Companies House or publish an Annual Report, containing financial information. This means its financial affairs can remain private and unknown to its competitors and customers.

## ACTIVITY

Avenue Fisheries falls into the tertiary sector as it provides a service. Originally, the principal activity was the importing and retail of Japanese Koi Carp. The business then expanded and added pond design and construction to its activities. Avenue Fisheries faces local and national competition. The sale of Koi and the pond design and construction business is part of a growing sector. It is of a specialist nature, selective and prone to individual taste. In recent years the sector has grown and continues to grow and Avenue Fisheries faces more competitors nowadays as opposed to when it first started trading. However, due to its specialist and selective nature, being very much a luxury pursuit, the sector is prone to fluctuation. A1

Avenue Fisheries has a number of Japanese suppliers and the fish are chosen in a couple of ways. Steve regularly visits Japan to meet with the suppliers, to hand pick specimens and also to discuss his business' requirements and needs. When Steve is unable to travel to Japan, he selects the fish from the suppliers' detailed lists, which often include photographs of the fish. Customers also approach Steve with requests for specific types of Koi and the suppliers provide photographs and quotations. The photographs are shown to the customer and a price is agreed. The suppliers do not sell direct to the general public; they only sell through reputable dealers, like Avenue Fisheries.

The fish are flown from Japan into Heathrow and sometimes Gatwick airport. Steve has his own adapted van in order to collect the fish and transport them back to Avenue Fisheries. The fish are then placed into floating plastic trays in a quarantine pond, in case they are carrying any diseases. Each fish is photographed, weighed, measured and given a quick health check before they are released into the quarantine pond. The fish must be checked against the suppliers list to ensure that the business has received what it has paid for. It is not possible to do this at the airport as time is limited: the fish are very confined and running out of oxygen after their long flight. It is essential to get them to fresh, clean water as soon as possible to prevent any loss of life. The fish are not available for sale until the quarantine period is over.

Steve also treats 'sick' fish. He has extensive knowledge and experience in caring for Koi and customers often bring their fish for a 'check-up' or ring him for advice. Steve also responds to call outs from anxious customers. There are various chemicals, treatments and injections available for Koi now. It is worth noting that the fish sold by Avenue Fisheries vary in price, some retail at £10 and others at up to and beyond £3,000. It is not unknown for Koi to sell at £6,000 - £10,000!

Avenue Fisheries has a brick built shop, which sells dry goods, including food, pumps, filter systems, pond liners, gravel, ornamental stones, books and other fish related products. It also has a huge aviary, which contains several exotic birds and parrots. Some of these birds are for sale and Steve runs a breeding programme for the birds.

Avenue Fisheries has a total of eight ponds, set amongst paving and ornamental gravel. All the ponds are in a natural setting of plants, trees and bamboo waterfalls. The prime season for selling outdoor cold water fish, in this country, starts from mid to late March and continues until late September/October. After that the fish retreat to the bottom of the ponds and it can distress them to move them. This is particularly so for the large specimens. Steve sells Koi starting from the size of four inches in length up to two and a half feet long. It is during this busy retail season that Steve employs extra part-time staff.

The other main activity of Avenue Fisheries is the design and construction of landscaped ponds. This is mainly undertaken between September through to March. However, when Steve's mother and wife are available to run the fish area during the week, Steve can carry out pond construction work all through the year, thereby increasing revenue. He mainly specialises in medium to large ponds, incorporating landscaped gardens and waterfalls. The business has some JCB machinery and the rest is supplied by Steve's brother-in-law, who owns a small building firm. Steve often

employs his brother-in-law to work with him on large pond constructions. Although this reduces the profit going directly to Steve on some jobs, he benefits by completing jobs early, which enables him to take on extra jobs on his own, generating more income.

## AIMS AND OBJECTIVES

Avenue Fisheries has two main aims and has several objectives to help it achieve its aims. Avenue Fisheries does not have a mission statement.

### AIMS

1. To increase profit.
2. To become the UK's number one choice for Japanese Koi carp.

### OBJECTIVES

Avenue Fisheries has set SMART objectives to help it achieve its aims. The objectives are Specific, Measurable, Achievable, Realistic and Time-scaled.

As stated, Avenue Fisheries' objectives are **specific** and **time-scaled**. It sets annual objectives to enable it to monitor progress closely. Reputation is extremely important to Avenue Fisheries and it prides itself on good value and honest advice. Many of its customers have been purchasing goods from the business since it was first established. One of Avenue Fisheries' objectives is to maintain its good reputation to help the business achieve its aim of becoming the UK's number one choice for Japanese Koi carp.

Although the business has set objectives to help it become the UK's number one choice for Japanese Koi carp, Steve has very strong views on how the fish are transported, handled, displayed and kept. Some dealers are able to stock more fish on much smaller premises than Avenue Fisheries but the fish are often kept in round vats of water, with too many fish in each vat making conditions very cramped. Avenue Fisheries believes in providing the best conditions for the fish. They are kept in ponds of various shapes and sizes and these ponds are never over stocked. This is a more costly way to display fish as it takes up a great deal more space, but it is more aesthetically pleasing. Avenue Fisheries will not change to display its fish in vats just to increase potential profits and must therefore have the objective of building on its reputation and quality of products, rather than just quantity. Its objective is to provide the customer with a pleasant environment to 'shop' in and to choose Avenue Fisheries over any other outlet.

One of Avenue Fisheries' objectives to help it achieve its aim of increasing profits is to expand the pond design and construction side of the business to an all year round service. At the moment Steve only employs his brother-in-law part time and mainly works off site when it is low season for fish retailing.

Avenue Fisheries' objectives must all be **realistic** and **achievable**, taking into account that Steve is more often than not the only full time worker.

The objectives are all **measurable**. The obvious measures are any increase in profits and any increase in the number of new customers and those who return time after time. Repeat customers

help to measure reputation and satisfaction with the business as customers will only return if they are pleased with the quality of products, the service and value for money.

Avenue Fisheries is well respected in the industry but cannot rely solely on 'word of mouth' advertising. It must constantly review its advertising strategy and monitor its success. At present, Avenue Fisheries takes out regular advertisements in specialist fish magazines, for example: Practical Fish Keeping and Koi Keepers.

The success of Avenue Fisheries' objective to provide customer satisfaction can be measured through customer feedback, the amount of return customers and increased turnover.

The tables on pages 22 and 23 list Avenue Fisheries' aims, objectives and the action taken to achieve them. The tables are an excellent way to display this information clearly.

<p style="text-align: center;"><b>AIMS</b> (LONG TERM)</p>	<p style="text-align: center;"><b>OBJECTIVES</b> (ANNUAL)</p>	<p style="text-align: center;"><b>HOW OBJECTIVES ARE ACHIEVED</b></p>
<p>1. To increase profits.</p>	<ul style="list-style-type: none"> <li>• To improve on the previous years income.</li> <li>• To increase number of new customers.</li> <li>• To maintain high standards of service, knowledge and presentation.</li> <li>• To offer more choice and variety than competitors.</li> <li>• To provide better quality fish than competitors.</li> <li>• To provide customers with a 'natural' environment to 'shop' in, that is not normally found at most retailers.</li> <li>• To increase numbers of return customers.</li> <li>• To expand bird breeding programme and sales.</li> <li>• To further develop the pond design and construction side of the business.</li> <li>• Offer more all year round goods.</li> <li>• To continue advertising, attracting more new customers.</li> <li>• To maintain excellent reputation.</li> </ul>	<ul style="list-style-type: none"> <li>• Competitive pricing structure.</li> <li>• Review and monitor advertising strategies.</li> <li>• Run a showcase at British Koi Keepers Society annual show.</li> <li>• Increase use of information technology.</li> <li>• Increase internet advertising – create an Avenue Fisheries web page with info on the business, including price lists and photographs of fish.</li> <li>• Target existing customers for discounts and loyalty bonuses etc.</li> <li>• Introduce gift vouchers for out of season purchases.</li> <li>• Review agreements and contracts with existing suppliers regularly.</li> <li>• Maintain rigorous checks on livestock, ponds and the premises.</li> <li>• Regularly review and monitor fish transport costs.</li> <li>• Monitor change in interest and exchange rates affecting imports from Japan.</li> <li>• Keep abreast with latest developments in treatments for ponds, fish and birds.</li> <li>• Provide a good, friendly service based on honesty, quality and years of knowledge and experience.</li> </ul>



<p style="text-align: center;"><u>AIMS</u> (LONG TERM)</p>	<p style="text-align: center;"><u>OBJECTIVES</u> (ANNUAL)</p>	<p style="text-align: center;"><u>HOW OBJECTIVES ARE ACHIEVED</u></p>
<p>2. To become UK's number one choice for Japanese Koi carp.</p>	<ul style="list-style-type: none"> <li>• All of the objectives from aim one apply here also.</li> <li>• To sell more Koi than competitors.</li> <li>• To sell better quality Koi than competitors.</li> <li>• To offer more choice and variety than competitors.</li> <li>• To increase on previous years sales.</li> <li>• To maintain excellent reputation.</li> <li>• To maintain high standards of care and presentation.</li> </ul>	<ul style="list-style-type: none"> <li>• All of the actions for aim one apply here.</li> <li>• Increase choice and variety of Koi.</li> <li>• To maintain after sales support.</li> <li>• Review mailing list regularly.</li> <li>• Visit competitors to assess quality, price and service.</li> <li>• Listen and react to customer feedback.</li> </ul>

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## LOCATION

Avenue Fisheries was originally located in the back garden of Steve's parents' home in The Avenue, in Sandy, Bedfordshire (hence the name Avenue Fisheries). This was a residential area, with limited space. As the business began to increase its customer base, car parking became a problem and a nuisance to the neighbours.

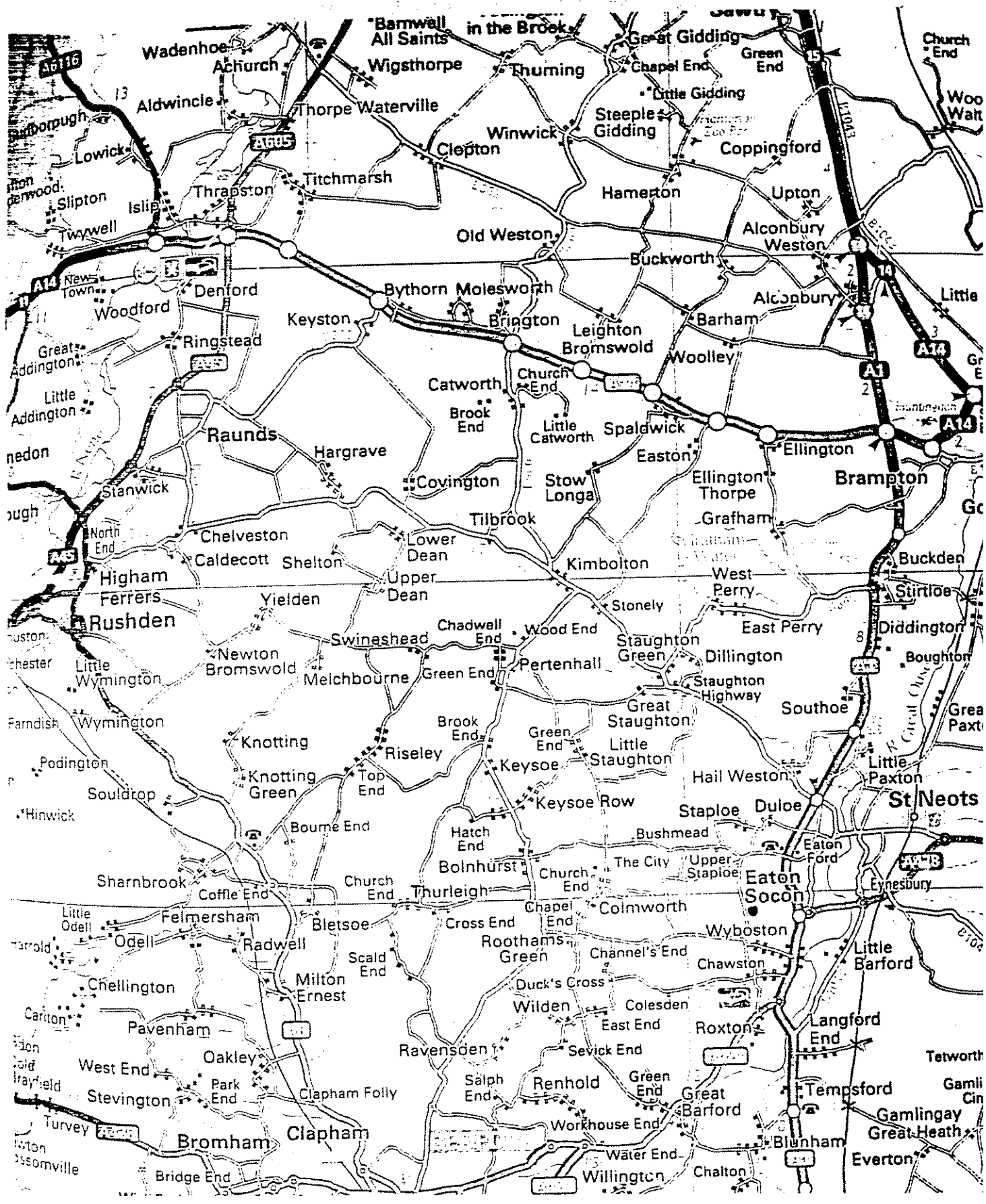
Avenue Fisheries relocated to its present address in 1990. It is now situated in the small hamlet of Wyboston in Bedfordshire. Wyboston is only a few miles away from Sandy. It is just off the A1 and is easily accessible. Being so close to the A1 is very convenient for Steve as this makes travelling into London for the airports (approximately 50 miles away) straightforward and reasonably quick.

Customers often travel long distances to visit Avenue Fisheries and throughout the season various members of the Koi Society arrange coach trips to the business. Some customers obviously come from the local area but visitors are not restricted to the local areas as national advertising brings in customers looking for a specialised business. As Avenue Fisheries is situated only a short distance from such a major road the business is very accessible for visitors. The business is signposted on the A1, shortly before the Wyboston turnoff. Avenue Fisheries does not rely on passing trade but having a signpost may well bring in unexpected visitors.

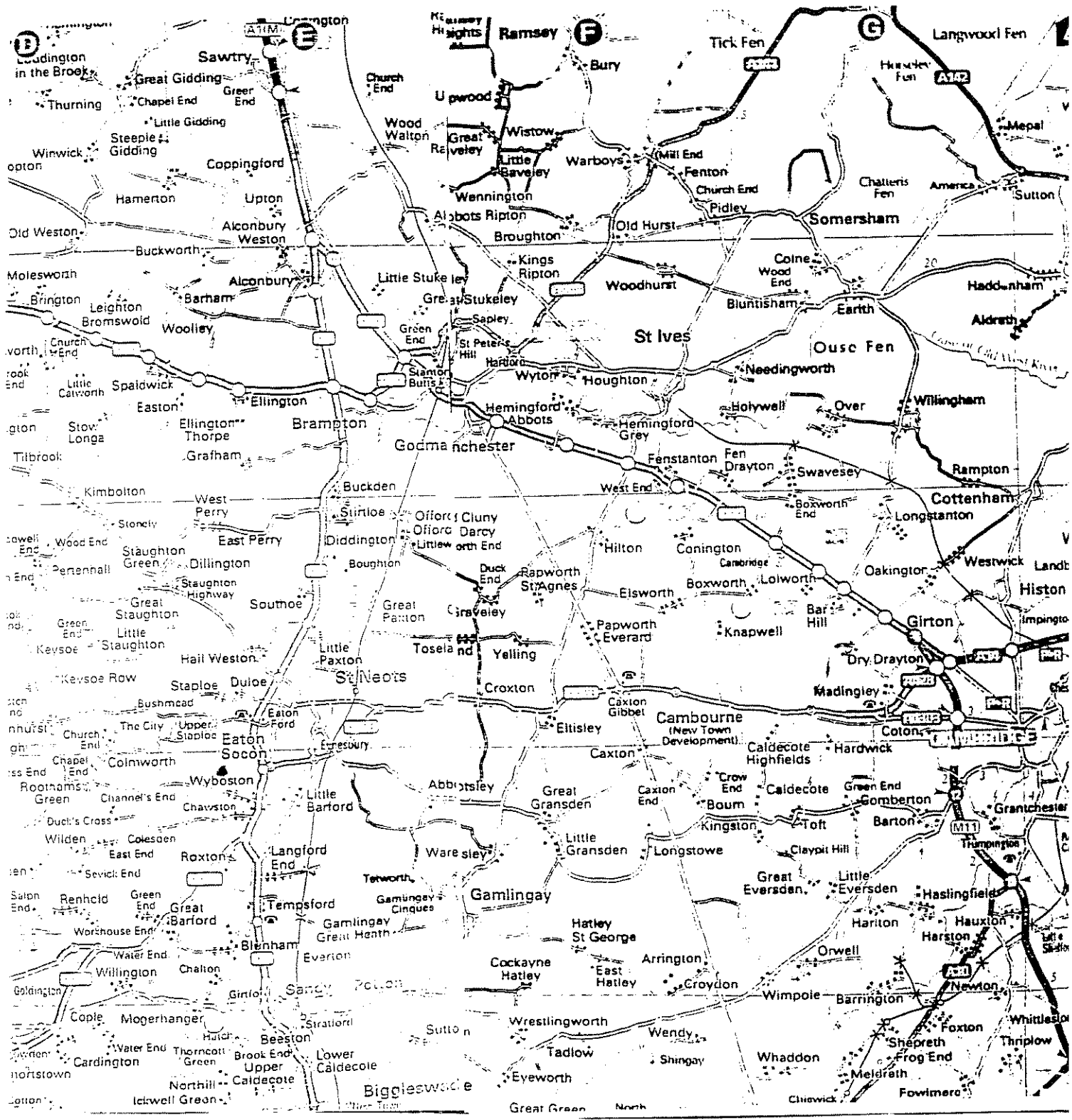
Avenue Fisheries is about 12 miles from the large town of Bedford and only 20 miles from the city of Cambridge. When Avenue Fisheries began in Sandy, and even when it moved to Wyboston, there were very few businesses offering competition to Steve, in the local area. Therefore, when Steve decided to relocate to Wyboston, he did not have to consider, too seriously, the location of competitors. The competition at the time was only coming from garden centres offering small amounts of Koi. It was not necessary for Steve to avoid locating close to these garden centres as they were not offering a specialist Koi service or anywhere near the quality and experience of Avenue Fisheries. It was more important for the location to be near the major A1 road to increase accessibility. However, in more recent years a Company calling itself The Japanese Koi Company Ltd. has set up in Henlow, Bedfordshire. This is a large concern not too far from Avenue Fisheries and is therefore a strong competitor. As Avenue Fisheries was established first, The Japanese Koi Company Ltd. had obviously no influence on the choosing of a location for Avenue Fisheries. Later on in the portfolio, the effects of competition from other businesses are discussed.

The biggest reason for the move to Wyboston was the need for more space. The current premises has four acres of land with it. This means that it has its own, off road car parking and plenty of space for future expansion of the fish area. As stated previously, Steve is committed to providing his fish with the best possible conditions and providing customers with a pleasant environment to shop in. This requires large amounts of space. Within these four acres are Steve's family home and private gardens. Many years ago, the houses along Steve's road were owned by the Ministry of Agriculture and Fisheries and the land was used for growing crops. All the houses are privately owned now and many have been extended. Not many owners still use their land for growing. However, before purchasing the premises, Steve had to check on the activities of his immediate neighbours. He had to check if anybody carried out commercial crop spraying on a large scale, as many pesticides and fertilisers can kill fish. Fortunately, any crop growing was either done on a very small basis for personal use or without the use of commercial spraying machinery, so there was no chance of the sprays travelling in the wind towards the fish ponds.

The following pages contain maps showing the location of Avenue Fisheries.



• Avenue Fisheries



• Avenue Fisheries

# **SIMILARITIES AND DIFFERENCES BETWEEN CENTER PARCS (UK) GROUP PLC AND AVENUE FISHERIES**

## **OWNERSHIP**

The ownership of these two businesses is mostly very different. One similarity is that they are both private sector businesses and as such are owned by individuals or groups of individuals. They are not owned by local councils or the government. Avenue Fisheries is owned by one individual and Center Parcs UK is owned by a number of different individuals. They are both in the private sector with the aim of making a profit from the services they provide.

The owners (shareholders) of Center Parcs UK elect directors to manage the company on their behalf. Avenue Fisheries has only one owner who is responsible for all the decisions of the business. The owners of Center Parcs UK have the protection of limited liability. This means if Center Parcs UK should run up massive debts or become bankrupt, the shareholders only stand to lose the amount of money that they invested in the business; they would not lose their personal possessions as the shareholders and the company are legally separate. Avenue Fisheries is an example of a sole trader and as such has unlimited liability. This means that should Avenue Fisheries fall into debt or become bankrupt then the owner (Steve) would be personally liable for those debts and could be forced to sell his home and other possessions in order to repay those debts. Avenue Fisheries is therefore an example of an unincorporated business and Center Parcs UK is an example of an incorporated business. Center Parcs UK is registered with Companies House and had to complete a Memorandum of Association and Articles of Association. This does not apply to Avenue Fisheries, as sole traders do not need to go through this process before they can start to trade. Center Parcs UK can be referred to as a company as it has two or more owners with the protection of limited liability. Avenue Fisheries is a business, rather than a company as it is a sole trader with unlimited liability and is therefore not legally separate from its one owner.

Companies benefit from continuity, as if a shareholder dies then the shares can be sold to someone else and the Company can carry on. Obviously, if Steve should die then the business would cease to trade anymore. Another advantage of a limited company compared to a sole trader is in connection with the raising of capital. Steve had to and continues to have to raise all the capital for the business, whereas with Center Parcs UK, the capital needed is provided by several individuals or groups of shareholders. Most of the shareholders of Center Parcs UK are other businesses.

As Center Parcs UK is a public limited company, its shares can be bought and sold on the Stock Exchange. This means that a shareholder could sell their shares in this way and the purchaser of those shares would become a part owner of the company. The ownership of the company is therefore subject to change far more than the ownership of Avenue Fisheries.

## **ACTIVITY**

Both of the two businesses provide a service to the general public. Both provide a service which can be considered as a luxury and for recreation. This means that they are not essential services like food retailing etc. and as such can be affected more heavily by changes in the economy. If consumers have less money to spend or if there is consumer uncertainty due to an unstable economy, people generally spend less on holidays or luxury items like expensive fish and birds.

Center Parcs UK does have various shops on site where they sell gifts, toys and clothing. However, their main 'product' is the holiday experience which is intangible and guests leave with memories rather than an actual tangible product. Avenue Fisheries, on the other hand, sells tangible products, in the form of fish, fish food, pumps, filter systems and birds etc.

Over the course of a year, Center Parcs UK has more customers than Avenue Fisheries but they have similarities in that they both have a high percentage of return customers. They both target previous customers through mailing lists and offering discounts etc.

A less well known activity of Center Parcs UK is environmental management and protection of the environment. As stated previously, Center Parcs UK is committed to not only conserving the environment but also enhancing it. The company strives to create habitats that encourage indigenous flora and fauna and strives to protect and enhance existing wildlife. Avenue Fisheries' environmental management is on a much smaller scale but the environment of Steve's livestock is important to him. The fish are kept in large ponds surrounded by numerous plants and trees. The idea is to recreate a natural looking environment. Avenue Fisheries uses many gallons of water and like Center Parcs UK it has a system to recycle water to prevent waste.

Center Parcs UK provides holidays for customers and Avenue Fisheries sells Japanese Koi carp and designs, builds and constructs ponds.

## AIMS AND OBJECTIVES

As both businesses are in the private sector they share the common aim of making a profit. They both have SMART objectives to help them achieve their aims. Center Parcs UK has five aims whereas Avenue Fisheries has only two. Center Parcs UK has an aim to remain the preferred short break resort in the UK and Avenue Fisheries has an aim to become the preferred choice for Japanese Koi carp in the UK.

Both businesses have annual objectives and this helps them to review the success of their objectives closely. Many of the objectives will be carried forward each year. Customer satisfaction is very important to both businesses and both monitor this in various ways. Both businesses have targeted marketing and offer incentives for customers to return. The two businesses must have competitive pricing structures and both have objectives to maintain high standards of quality and service.

Center Parcs UK has an aim to grow and expand. Avenue Fisheries' expansion took place when it relocated 14 years ago. Avenue Fisheries is not in a financial position to expand further (in terms of land purchase) in the near future. Center Parcs UK is obviously in a much greater financial position as it is a public limited company and is a much bigger organisation. This strong financial position enabled them to acquire Oasis Whinfall Forest to add to their list of holiday villages.

Center Parcs UK has an aim to be environmentally friendly and remain world leaders in ecological and environmental issues. Avenue Fisheries is not in a position to have such an aim due to the nature of its business and its size. However, one of the objectives Center Parcs UK has to help it achieve its environmental aim is to protect, maintain and where possible and practical, improve the environment of its villages. On a much smaller scale, Avenue Fisheries is also aware of the environment it provides for its livestock and its customers and seeks to maintain and if possible improve its environment.

It is beneficial when a business includes its staff in its aims, as more often than not the right staff members are essential to a business. Center Parcs UK has an aim to have a well trained and

motivated workforce. Center Parcs UK employs around four thousand staff so this is an ongoing process and one that needs constant review. Avenue Fisheries has one full time worker, who is in fact the owner of the business. Any part time employees are personally chosen by the owner (Steve) and are known to him. They have been chosen because they are efficient, knowledgeable, trustworthy and reliable. Unlike the staff of Center Parcs UK. Steve's temporary, part time staff are not formally monitored, appraised or reviewed. For a sole trader, the motivation to work hard is driven by the desire to succeed, survive and make a profit.

## LOCATION

Both businesses are situated a short distance from major roads, making them easily accessible. Neither business relies on passing trade but both are signposted on the major roads to make locating them easier.

Center Parcs UK needs much more space than Avenue Fisheries. Their villages occupy around four hundred acres and are not located within residential areas. Avenue Fisheries is located in a small hamlet and is next to other privately owned properties. However, these properties also have four acres of land with them, so the houses are not tightly packed together. This means Avenue Fisheries can have its own large off-road car park. Center Parcs UK provides a huge amount of space for car parking within its four hundred acres.

It is beneficial for Avenue Fisheries to have good road links as previously explained. However, Center Parcs UK has to take other factors into consideration for its locations. All of its villages are located within a short distance from major towns or cities and this is important as Center Parcs UK draw many of their staff and supplies from the local area. The villages can not be too remote as the company would struggle to recruit staff as people may be unable or unwilling to travel great distances for work, particularly part time work. This issue is not a concern for Avenue Fisheries.

**SUGGEST AND JUSTIFY CHANGES THAT MIGHT MAKE THE  
TWO BUSINESSES MORE SUCCESSFUL.  
CONSIDER OWNERSHIP, ACTIVITY, AIMS AND OBJECTIVES,  
AND LOCATION.**

**CENTER PARCS (UK) GROUP PLC**

**OWNERSHIP**

Center Parcs UK is a very large organisation and as such is most suited to the ownership of being a public limited company. The company employs around four thousand staff, attracts over a million guests each year and has an annual turnover of over £160 million.

Center Parcs UK was a private limited company up until 11/12/03. The chairman of the company said, "We look forward to growing Center Parcs as a quoted company and delivering shareholder value in the future." The company became a public limited company to enable it to grow. One of the big advantages of becoming a public limited company is that more capital can be raised than by any other kind of business and this often helps a company to expand and/or diversify.

Center Parcs UK has appointed directors to manage the business and there are a number of shareholders, most of whom are other businesses. The largest individual shareholder is ISIS Asset Management PLC who has 15.11% of the shares. One of the advantages of being a public limited company is that shares can be sold freely on the Stock Exchange and this allows them to raise capital. However, this can also be a drawback as if an individual or a group of individuals are able to buy a huge amount of shares, it would be possible for them to take over the company and the running of it.

It is difficult to see how Center Parcs UK could change its ownership to make it more successful. It changed ownership in December 2003 for just this purpose and there is no other type of ownership more suited to it.

**ACTIVITY**

Center Parcs UK's main activity is to provide a holiday resort for people in the United Kingdom. They also provide conference facilities and team building activities. The company constantly reviews the activities offered by its villages to help it remain successful at attracting new and repeat guests.

The Action Company Challenge, with its high ropes and climbing towers etc. is a relatively recent introduction to some of the villages. The introduction of this activity meant that Center Parcs UK could include with its conference and meeting facilities, the activity of outside team building exercises. Outside team building courses have become very popular with many UK firms. Center Parcs UK would seem to have recognised this and taken the opportunity to install an appropriate activity to help increase its success by attracting greater numbers of businesses to their facilities.

One activity the company could expand more is the health farm side of the holiday. Center Parcs UK is mainly seen as a holiday resort and people do not automatically view it as a Health Farm.

**With advertising to highlight its excellent health farm facilities, it could increase its success by competing with the more traditional choices of health farm (Henlow Grange).**

Center Parcs UK is very aware of its culture and values and these play an important part in its choice and range of activities. The company's target market is professional couples and families. They do not issue day passes to the general public, only to a limited number of friends/families of guests. Issuing day passes to the general public would no doubt, initially, generate more income. However, Center Parcs UK is conscious that it must not overcrowd its villages or introduce policies which may have a detrimental effect on the enjoyment of its guests; reputation is everything to the company. Center Parcs UK has strict rules about groups of guests. It does not wish to become the new Butlins, which promotes day visits and allows large numbers of same sex groups to holiday there. Center Parcs UK states that there must be 'at least one capable and responsible adult over the age of 21 in every unit of accommodation'. They also stipulate that 'you may not have the majority of your party in any accommodation unit aged between 19 and 21, or have insufficient responsible adults over 21 in each accommodation unit'. All female and all male parties must apply in writing before a booking can be confirmed. Center Parcs UK feels that applying these rules encourages the 'right' type of holiday maker and that any lost revenue from this group of people and day only guests will be more than made up by guests appreciating the application of these rules.

To help increase guest numbers and therefore revenue, Center Parcs UK holds specialised long weekends. The attached pages from one of their brochures give details of the special weekends they hold throughout the year. Center Parcs UK must reach a balance with its organised weekends as it wants guests to feel free to do as little or as much as they wish.

To continue and improve upon its success, Center Parcs UK must constantly review and monitor its activities, making changes and additions to its activities and facilities, which are in keeping with the company's culture and values.

## AIMS AND OBJECTIVES

Center Parcs UK has very clear aims and objectives, all closely related to guest satisfaction. Their objectives are set on an annual basis so that any changes necessary, for increased success, can be acted upon swiftly.

Center Parcs UK has a targeted market of young professionals, as well as families and an aim of remaining the preferred short break holiday resort in the UK. It could combine these two aspects with a more specific aim. It could add to its aims, the aim of becoming the preferred short break holiday resort for 'professional bodies' in the UK. To do this the company could target its marketing directly at professional bodies, for example: it could offer good rates to all law society members or chartered accountants and insurers etc. This aim could also take into account the general aim of growth and expansion. All the villages have far more villas than apartments. Each village could increase its number of apartments (the apartments are not self catering). This would allow them to accommodate more professional couples, who perhaps do not wish to self cater. An increase in guests relying on and paying for hotel services, including restaurants, would bring an increase in revenue.

The aims of Center Parcs UK are very specific and their objectives are all SMART and designed to maintain or increase the success of the company. They have included in their aims, the well being of their staff, through training and motivation as they recognise the important contribution of staff to the success of the company. On this basis it is difficult to suggest any more changes to their aims and objectives, which might make the business more successful.



Center Parcs can be a different break every time you visit. Have fun on a **Fitness Motivation weekend**, or hit the **dance floor** with the **Dance Collection break**. And make the most of special events and special times of year.

**Now in its tenth year: Fitness Motivation 2004\***

Derrick Evans (Mr Motivator) and his team lead our very popular Fitness Weekends. Improve your wellbeing in many ways from the classes available. A fitness pass is included along with lifestyle and beauty presentations. A brochure is available on request, call Reservations. Please remember to book early.

**Dance Collection 2004\*** at Sherwood Forest

This novel and exciting weekend of dance is now in its third year and proving to be a favourite. It gives you the chance to get a taste of some of the new dance styles – from Salsa to Lindy Hop – Belly Dancing to Street Beat. It's huge fun. A brochure is available on request, call Reservations.

**Lapland Experience** at Oasis Whinfell Forest

Santa in his grotto, real reindeer, a twinkling wonderland in the village centre, horse and carriage rides and live shows in the Green Room. It's a magical experience for all the family.

**Music in the Forest** at Sherwood and Longleat Forest

Some of the country's most exciting and exhilarating performers will be playing in outdoor spaces that just beg to be used for live music. A treat for music lovers.

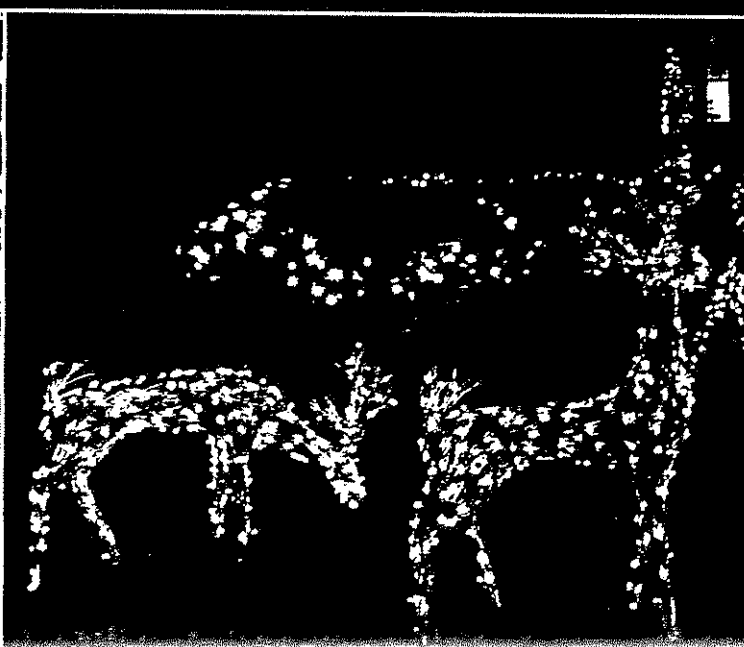
**Winter Wonderland** at Oasis Whinfell Forest

Get into shape with the wellbeing packages, including a spa session in the new Aqua Sana and a Personal Fitness Instructor assessment. Children can take part in a drama workshop followed by a performance in the 'Little Panto Stars' production. Enjoy a hog roast, and Bavarian beers in the centre as the village celebrates the beauty of crisp winter days.

**Resolutions\*** at Sherwood, Longleat and Evesham Forest

Make the most of those New Year Resolutions and kick-start 2004 off as you mean to go on. We're offering a choice of three different packages. There's 'Pamper with a Purpose', 'Fighting Fit' and 'Get Active'. For further information, call Reservations.

something special



## Time to Celebrate

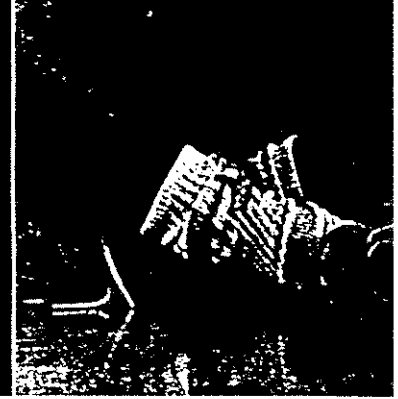
We can also cater for birthday anniversaries and all kinds of family celebrations and reunions. Why not book neighbouring villas so you can all be together. We can supply everything from flowers to cakes, and really make it an occasion to remember. Once you've made your booking, simply call our Events Co-ordinator, on

Sherwood 01623 827 479  
Elveden 01842 894 435  
Longleat 01985 848 322  
Oasis Whinfell 01768 893 000  
Ext 3129

to talk through any special preparations or arrangements you'd like us to make for you.



It's everyone having it in their diaries that's exciting. It makes you go for something in a really big way.



## Calendar of events

### Countdown to Christmas

The winter forest is the setting for Santa's Workshop, horse and carriage rides and a Christmas market.

From 8 December 2003  
From 6 December 2004  
*Sherwood, Elveden and Longleat Forest*

### Dance Collection\*

Weekend break 2 July 2004  
*Sherwood Forest*

### Fitness Motivation\*

Weekend break 12 September 2003  
Weekend break 26 September 2003  
Weekend break 23 April 2004  
Weekend break 10 September 2004  
*Sherwood Forest*  
Weekend break 5 March 2004  
*Longleat Forest*  
Weekend break 11 June 2004  
Weekend break 24 September 2004  
*Elveden Forest*

### July Firework Night

Celebrate with spectacular firework displays and a party atmosphere.

Midweek break 3 November 2003  
Midweek break 1 November 2004  
Weekend break 5 November 2004  
*All Villages*

### Halloween

Family fun in the forest on All Hallows Eve.  
Midweek break 27 October 2003  
Weekend break 31 October 2003  
Weekend break 29 October 2004  
*All Villages*

### Jack and Jill Experience

From 7 November 2003  
From 8 November 2004  
*Oasis Whinfell Forest*

### Mothers' Day

The perfect treat for mum, with lots of indulgence on her special day.  
Weekend break 19 March 2004  
*All Villages*

### Music in the Forest

Midweek breaks 7, 14 & 21 June 2004  
*Sherwood and Longleat Forest*

### Resolutions\*

5 January to midweek break beginning 9 February 2004  
*Sherwood, Elveden and Longleat Forest*

### Valentine's Celebrations

A romantic festival, with intimate dinners by candlelight, lively family parties and a special gift service delivered to your door.

Weekend break 13 February 2004  
*All Villages*

### Winter Wonderland

5 January to midweek break beginning 1 March 2004  
(excluding 13-20 February)  
*Oasis Whinfell Forest*

\*There is an additional charge for these breaks, please ask Reservations for details.

## LOCATION

The locations of the Center Parcs UK villages are obviously vital and at the very heart of the concept of the business. The current locations have been chosen with great care, taking into account many factors, including environmental concerns. Oasis Whinfell Forest was not an original Center Parcs UK site, but was already operating as a holiday resort under a different owner. Center Parcs UK acquired Oasis Whinfell Forest as it was in keeping with their ideals.

For their holiday resorts the company requires large areas of natural forest land so their choice of location is restricted in this way. As previously discussed, they also need a location with access to large amounts of staff.

The present locations of the existing villages cannot change and there is no reason for them to do so, as they are already operating on a very successful basis. Center Parcs UK can grow and expand by expanding/updating their existing sites or they can look to other areas of the country to acquire new land for developing, or as in the case of Oasis Whinfell Forest, look to take over an existing resort, which already meets their requirements.

Looking at a map of the United Kingdom, there are only limited areas that are suitable for another Center Parcs UK village and it is difficult to suggest a location that might help increase the Company's success. Many of the forest areas in the United Kingdom have been designated as National Parks and obviously it is not possible, without extensive research and correct authority, to be aware of any building restrictions placed on what would appear to be suitable locations. Center Parcs UK does not have any villages in Wales or Scotland. However, the forest area between Gloucester and Newport, known as the Forest of Dean, is relatively close to the site at Longleat in Bath. It would not make good business sense to open a village too near another site as they would be competing with each other and the market could be saturated. Wales does not really have any suitable sites for location on this basis. As far as Scotland is concerned, there are not too many options here either. There is Galloway Forest Park, in between Stranraer and Dumfries. However, this area is close to Oasis Whinfell Forest Village and again it would not make good business sense to have two villages within such close range of each other. The only possible suggestion in Scotland would be Tay Forest Park, north of Perth. Perth is big enough to provide the numbers of staff required and this location would allow Center Parcs UK to compete with the more traditional type of holiday on offer in Scotland. Targeting the Scottish market might help improve the Company's success.

A3

There are no suitable forest locations south west of Bath as any forest areas there are National Parks.

# AVENUE FISHERIES

## OWNERSHIP

Avenue Fisheries could become a partnership; if Steve Field could find a suitable candidate he could take on a partner. Partnerships have at least two owners, known as partners. The big advantage of becoming a partnership for Avenue Fisheries would be an injection of cash, as the new partner or partners would be required to contribute capital to the business. An increase in capital could mean more opportunity to grow or expand and therefore lead to more financial success.

Avenue Fisheries would also benefit from the extra 'hands', unless it took on a sleeping partner. As a sole trader, if Steve is unable to work, then the business does not receive any money. This makes taking a holiday difficult and also makes periods of illness difficult to cope with. If the business had an active partner, then there would be cover for holidays and sickness. A partner, rather than an employee, has an invested interest in the success of the business and is therefore likely to work harder for the success of that business. A3

Having partners can be less stressful than being a sole trader, as the responsibility of the success of the business can be shared. If Steve could find a partner with knowledge and experience, he could leave the retailing side of the business to his partner/partners and he could then concentrate on the landscaping/pond construction side of the business, on a more full time basis. This might help increase the profits of the business and therefore the success of the business. Partnerships normally find it easier to raise capital than sole traders do: there are more owners to invest money and banks may be more willing to lend to partnerships.

One of the disadvantages of a partnership is that any profit has to be shared, but the added help, responsibility and investment might be enough to increase the success of Avenue Fisheries. Steve could remain the more senior partner, retaining more control over the business. Partnerships are relatively easy to form, with a solicitor, drawing up a Deed of Partnership. This document states the amount of capital put in by each partner, the share of profits each partner should receive, how decisions should be taken and how any disagreements between partners might be settled. Another drawback of partnerships is unlimited liability, but as a sole trader, Steve has this at the moment anyway.

Another change in ownership that Steve could make, that might make the business more successful, is to become a private limited company. Being a private limited company eliminates the problem of unlimited liability, which comes with a partnership, and it also means that individuals are not responsible for other partners' financial mistakes. Steve would need to take on another owner of the business, as a company must have at least two owners (shareholders). The fact that the business would be limited may well make the business seem more attractive to interested parties. The owners of a limited company (which would include Steve if he chose to become a private limited company) do not put at risk their personal possessions such as their houses. If the company fails, the owners lose only the money that has been invested. Owners (shareholders) and the company are legally separate: shareholders are not responsible for all the debts of the business. Reducing the risk to shareholders often makes it easier for the company to raise capital. Companies benefit from continuity; if a shareholder dies, then the shares can be sold to somebody else and the business can carry on. By becoming a limited company, Steve would reduce the risk of losing all of his money and possibly personal possessions.

The disadvantage of Steve changing his business to a private limited company would be the expense. A company must produce a Memorandum of Association, Articles of Association,

register with Companies House and obtain a Certificate of Incorporation. This process can be expensive as it often involves using solicitors and accountants. The company's accounts have to be sent to Companies House every year and this means that the financial affairs of the company are no longer private. The accounts have to be audited by an accountant and the general public would have access to the accounts of Avenue Fisheries for a small fee paid to Companies House.

Avenue Fisheries could not become a public limited company as it does not have the funds required to launch itself on the Stock Exchange.

## ACTIVITY

It is difficult to suggest changes in the activities of Avenue Fisheries, which might make the business more successful. As Steve is the main worker at Avenue Fisheries, the business' activities must be tailored towards his capabilities and skills. He has already diversified into pond construction and landscaping to provide him with an all year round income. He is also looking into expanding his retailing of birds.

## AIMS AND OBJECTIVES

Avenue Fisheries has clear aims and objectives. Its objectives are constantly reviewed so that any changes necessary, for increased success, can be acted upon swiftly.

The aims of Avenue Fisheries are specific and its objectives are all SMART and designed to maintain or increase the success of the company. On this basis it is difficult to suggest any more changes to Avenue Fisheries' aims and objectives, which might make the business more successful. However, Avenue Fisheries' aims and objectives do not take into account or consider the experience or training of any temporary/part time employees.

During the time from December to March, Avenue Fisheries is only open at weekends or by appointment. This is because adverse weather conditions can kill fish during transportation from Steve's ponds to the customer's pond. During these months, the fish retreat to the bottom of the ponds and eat less. Therefore, the shop is only open to sell dry goods and pond equipment. As previously discussed, this allows Steve to work on pond construction and landscaping during the week. Avenue Fisheries opens on a full time basis around Easter time and opens with a promotional weekend, with discounts, raffle prizes and new stock. To cope with the huge influx of customers, many of whom travel with organised parties from all over the country, Steve enlists the help of other people, as well as family members. These temporary 'staff' are always well known to Steve and have some experience in Koi keeping. However, they are not given any formal training or instruction and are often unaware of prices and practices. During the weekend, a great deal of referring to Steve is carried out and this means customers are kept waiting and this can lead to frustration and even loss of sales. This first weekend is very important to Avenue Fisheries and Steve should include a brief training/information session with these 'staff members' in his list of objectives. Adding this objective would better prepare the temporary staff and could therefore increase the success of the business by making more sales and preventing loss of sales via frustrated and impatient customers. This objective would further Steve toward his aims of making more profits and becoming the UK's number one for Koi carp.

(A3)

## LOCATION

Avenue Fisheries moved to its present location as part of an expansion plan. The business itself occupies only part of the four acre premises. This means that the area designated for the business could be expanded without further acquisition of property. Steve's house and private garden are also situated within the four acres. This is essential, as livestock require constant supervision; if anything goes wrong, Steve needs to be there to prevent loss of livestock.

The current location of Avenue Fisheries was chosen with great care, taking into account many factors as discussed previously. At the time of location there was no major competitor within the local area. However, as previously stated, a new Company called The Japanese Koi Company Ltd. has set up within 15 miles of Avenue Fisheries. Although this Company offers direct competition to Avenue Fisheries, it is not possible, particularly financially, for Steve to relocate to avoid this competition.

A3

## DESCRIBE THE TYPES OF WORK CARRIED OUT BY THREE FUNCTIONAL AREAS IN ONE OF THE CHOSEN BUSINESSES.

### CENTER PARCS (UK) GROUP PLC

#### MARKETING AND SALES

Marketing and Sales is one of the main functional areas of Center Parcs UK. Marketing and Sales are vital for the survival of any business. This area handles Market Research, Promotion, and achievement targets for sales (i.e: % occupancy, % return visits, retail sales from shops on site etc).

Marketing has been defined by the Chartered Institute of Marketing as:

‘The anticipation, identification and fulfilment of a consumer need – at a profit.’

Marketing must always bear in mind, product, price, place and promotion. Center Parcs UK must provide a service product that customers want at value for money, it must be promoted to increase customer awareness and must be available in a place customers will find convenient. B (

Within the management structure of Center Parcs UK there is a Sales and Marketing Director. The name of this Director is Jennie Ayres and she is ultimately responsible for the managing of this important functional area and must report directly to the Managing Director and Chairman. Naturally, the number of people employed in marketing and sales is quite large and unfortunately the exact structure and names of line managers and senior managers within the Marketing and Sales Department were not made available to me. However, although Jennie Ayres has overall responsibility for Marketing and Sales it is safe to assume that she has at least two direct reports, one from Marketing and one from Sales. Center Parcs UK’s marketing department’s main aim is ‘to identify and satisfy guests’ needs and demands for their short break holiday’. Guest questionnaires are provided in each villa to provide valuable feedback on their total product offering. It includes questions on: service in restaurants, facilities, retail shops within the centre, staff helpfulness and politeness, and it also includes a suggestion and comments section. This form of market research is important as it allows the managers ‘to assess the success of the village operations and consequently to plan developments and marketing activities at each Village with an integrated approach to enhance the Center Parcs UK brand’.

If Center Parcs UK is to reach its target for percentage occupancy and percentage return visits, then it must know what customers want and like or dislike about its villages. Fulfilment of a consumer need will hopefully lead to increased profits. Market research is therefore crucial to this process and an essential element of the Marketing and Sales functional area.

The Marketing and Sales department have to decide how and when to promote Center Parcs UK. Promotion is another crucial element in the work of the Marketing and Sales department. The Center Parcs UK experience is marketed and promoted via an annual brochure, television advertising and information on teletext. The television campaign is timed to support the brochure mailing in September. All visitors are registered on a mailing list so that they automatically receive the new brochure. The marketing department increase the television advertising campaign in January, as this is a key period for planning holidays. The company has its own in-house Reservations department which deals with both bookings and brochure requests. Customers can even book on-line ([www.centerparcs.co.uk](http://www.centerparcs.co.uk)). Center Parcs UK provides three different telephone numbers, one for reservations and brochures, one for group bookings and one for guests with

disabilities. Each number is manned with informed and trained staff to help with any enquiries. The computerised system can handle up to five thousand calls per day.

It is the job of the marketing department to target and reach potential customers. Direct Marketing is becoming increasingly important to Center Parcs UK as more and more of their guests are repeat visitors. The Company has a database with information on all visitors and it is the job of the marketing department to study and use this information for the purposes of promotion and achieving sales targets. The department analyses areas such as areas of residence, customer lifetime values, number of family members etc. This helps with targeted marketing. A professional couple with no children will have different needs to a couple with young children. Knowing this means that the marketing department can send out details of different promotions to different customers; it increases marketing precision. The marketing department has to identify their market and promote accordingly.

Marketing and Sales are responsible for communicating with customers and they do this via booking incentives during off-peak periods, informing guests of Village improvements and encouraging repeat bookings. This is on top of the mailing of the annual brochure. Another job of the Marketing and Sales department is to keep an eye on the competition. They must study the performance and prices of their competitors and make sure that Center Parcs UK is competitive and offering good value for money. This is particularly important as Center Parcs UK has an aim of remaining the UK's number one choice for short break holidays. Many of the targets of Center Parcs UK are the responsibility of the Marketing and Sales department and they have to make sure that sales targets are achieved.

The Marketing and Sales department make decisions on whether to put on particular events at all or some of its villages, and if so, to organise and promote these events. For example, Center Parcs UK is often popular with families with older children around June/July time, before the official end of Summer Term. These groups are often made up of teenagers who have finished exams, on a break with their parents. At the end of the week Center Parcs UK organises a 'Party in the Park' with a live band. There is a charge for this event. Naturally, the family element is strong and all ages are welcome. However, it is an event that appeals to young people and it is usually fully booked. Events like this bring in more revenue. The venue is situated away from the villas and the centre and so is not a disturbance to guests who do not wish to attend.

Marketing and Sales have to work closely with Finance as they are set a budget to work within. Marketing and Sales have to be cost effective to achieve maximum exposure for the group and potential bookings or business.

It can be seen that Marketing and Sales is a main functional area of Center Parcs UK as attracting and keeping customers is essential.

## FINANCE

The Finance department of Center Parcs UK manages the money for the business. The department has the responsibility of obtaining, recording, controlling and analysing the Company's funds. Its efficient operation is vital to the survival of Center Parcs UK.

The Finance department has to keep records of all its activities in order to calculate whether the business is profitable, to assess how much tax the business will have to pay and to help Managers to take the correct decisions. It is the Finance department that sets the budget for the other areas of the business and it also helps Senior Managers to make major decisions concerning Company



strategy. The Finance department places orders and pays bills on behalf of other functional areas within the business.

Companies are legally obliged to publish detailed accounts. The Finance department of Center Parcs UK has to produce a balance sheet stating what the business owns and its debts, and also a profit and loss account for each year. These accounts are important for the Inland Revenue who decide how much tax the Company should pay. Suppliers can check the accounts to see whether the business can pay its debts and shareholders can decide whether or not to invest in the business. Center Parcs UK, as well as having its own Finance department, employs the services of financial advisors, Colins Stewart Ltd. Center Parcs UK also employ the accountants PricewaterhouseCoopers LLP.

Paying wages and salaries involves the Finance department in a number of activities. The Company has to deduct income tax and national insurance from employees' pay. They also have to operate the staff pension scheme. The Finance department has to keep detailed and accurate records of wages and salaries.

The Finance Director of Center Parcs UK is Simon Lane. He is ultimately responsible for the efficient running of the Company's finances and must report directly to the Managing Director and Chairman. Simon Lane has four appointed senior managers beneath him who are responsible for various financial areas. Colin Pierpoint is the manager responsible for the Tax and Treasury aspects of the Finance department. David Goodridge is the UK's Purchasing Manager and is obviously responsible for controlling what the Company purchases. The Company Secretary is Mary Edgerton and she is responsible for collecting and analysing Company records. Within this level of management, Center Parcs UK also has a Financial Controller (Phil Rudman) and it is his job to monitor and control the finances of each of the individual Center Parcs UK Villages.

Each Center Parcs UK Village has its own Finance department where they keep records of all purchases, salaries, wages, and also a record of their income and any losses. For example, the Finance department at Elveden Forest includes a Cash Office which is responsible for handling and processing all of the money collected and received on site. They have a Payroll department which is responsible for paying wages and salaries solely at Elveden Forest and accurately recording this. Each Village has their own Purchase Ledger Section and an Income Auditing Section. Therefore, each Village has its own Finance department, with its own budget, which records every financial transaction that takes place within that particular Village. All this information is passed on to senior managers who must then report to Simon Lane. In this way, the Finance Director can monitor the performance of each individual Village and of the Group as a whole. This ensures that senior managers can make certain that their strategies and targets are being achieved, and if not, they can make appropriate changes and plans.

From the above it can be seen that the Finance department is a key functional area within Center Parcs UK.

## OPERATIONS

The Operations department is another main functional area of Center Parcs UK. The Operations department is concerned with bringing together all the resources needed to produce the Company's services. Resources include people, materials, equipment, buildings, and land. The Operations department has to make sure that each Village has what it needs to run efficiently (including good management and staff) and according to the Center Parcs UK values and culture.

The Operations department involves quality control checks on the Villages to ensure that they are providing what is expected from them, in terms of service and facilities. Operations look at ways to improve quality within the Villages. They also make sure each Village has enough equipment like cars, vans, computers, shops, trained staff, facilities, accommodation etc – everything a village needs to operate effectively but at a profit. Naturally, Operations, like Marketing, has to work within a budget and must also communicate with Finance.

BC

Center Parcs UK has an Operations Director: Graham White. He has four direct reports, these being the General Managers from each operational Village in the UK: Wayne Matton (Longleat), Karen Wilshire (Sherwood), Chris Ruston (Oasis Whinfall Forest), Steve Mullins (Elveden). In this way, the Operations Director receives information on the operating of all the Villages individually but is able to gain an overall view of the general operations of the Group. The Operations Director advises the Board, including the Chairman, on the funding and priorities for training/development and must take account of the overall goals and financial position of the company. Along with the Director of Human Resources, the Operations Director (Graham White) allocates Annual Training Budgets to each site to support individuals training and development needs, which includes limited funds for professional and technical training to reach specific qualifications. Training managers are responsible for controlling the delegated training budget. The training managers at each site report to their general manager who in turn reports to the Operations Director (Graham White). The Operations Director needs to be aware of the resources of each Village to assess whether these resources are being used most cost-effectively and beneficially. By finding out about the operation of each individual Village from his direct reports, the Operations Director can identify any strengths and/or weaknesses at particular Villages, and seek to address them. Sometimes this can be done by pooling resources.

Operations also monitor the Villages to see if they are reaching their targets. With all the General Managers reporting to the Operations Director, the operating of the Villages is co-ordinated.

It is down to Operations to make sure that Center Parcs UK is able to deliver what it claims it can and that all the Villages are operating effectively, efficiently and providing a good quality service. Operations must make sure that targets are being reached and that the Villages are all being managed correctly by the General Managers. The Finance department allocates annual budgets to each site for the various departments within each Village. The General Managers of each village report to the Operations Director and it is the job of the Operations Director to advise the Board of Directors on funding and priorities, taking into account the overall goals and financial position of the Company.

Again, Operations is another vital functional area of Center Parcs UK.

**EXPLAIN, USING EXAMPLES, HOW AT LEAST THREE  
FUNCTIONAL AREAS OF ONE OF THE CHOSEN BUSINESSES  
WORK TOGETHER TO SUPPORT THE BUSINESS ACTIVITY**

**CENTER PARCS (UK) GROUP PLC**

The three functional areas I have chosen – Marketing and Sales, Finance and Operations – are all vital to the successful running of Center Parcs UK. However, what is also vital is the cooperation and communication between these areas. Just from the description of the type of work carried out by each area it can be seen that these areas are all closely linked and cannot exist alone without cross-reference to the other functional areas.

Marketing and Sales could have some wonderful ideas on how to promote Center Parcs UK and make many claims about the activity and standards of each Village. However, if the Operations department was not performing or communicating with Marketing, many of these claims could be inaccurate. The Operations department has to be able to deliver what Marketing claims to offer. On top of this, Finance must be involved to keep Marketing within a sensible budget. Finance has to set budgets for all the functional areas of the business and Marketing cannot be given a free reign as one of the main aims of Center Parcs UK is to make a profit.

Center Parcs UK's business activities include the successful running of their holiday accommodation and facilities, and offering Conference and Meeting facilities to other businesses. Their aims are to make a profit, remain the UK's number one choice for short break holidays, to grow and expand, to be environmentally friendly at all times, and to produce a well trained and motivated workforce. The cooperation of all three functional areas is important if Center Parcs UK are to achieve their aims and objectives. (B2)

Although it is the Finance department who monitor and control the budgets of the other functional areas, the budgets have been set by consultation with all functional areas. At the start of each financial year, the Board of Directors meet. After the Chairman and Managing Director, Center Parcs UK has a Development and Engineering Director, a Director of Human Resources, Director of IT and, as we have seen, an Operations Director, Finance Director and Sales and Marketing Director. At this meeting, what each area needs to do to help Center Parcs UK achieve its aims and objectives is discussed. A budget for each area is set, always keeping in mind the aims and objectives of the Group as a whole. Once the budgets have been agreed upon, it is up to the Finance department to monitor each area's spending and to make sure that they operate within their set budget. So right from the beginning of each financial year, the three functional areas I have chosen to highlight can be seen to be working together, with a common aim of improving the success of the Center Parcs UK business.

An example of all three areas working together is in determining the annual price list, finding a balance between profit, achievement of targets, occupancy levels and competitiveness. The three areas work together in the production of the annual brochure, which gives details of all the Villages, including villa accommodation, sports facilities and shops on site etc. In order to do this, Marketing and Sales must consult with Finance to check on the budget allowed for the design and printing of such a brochure. Finance must approve the amount of money being taken out of the Marketing and Sales budget for this venture. Marketing and Sales will also have to consult with Operations, who are in direct contact with all the General Managers at the Villages. This is to check on the facilities at each Village and to make sure that their brochure is up to date and accurate. This would have been particularly important at the Elveden Village, which suffered a devastating fire in April 2002. Following this, the Centre at Elveden was changed and new shops

and facilities were added. Operations would have been involved in the equipping of the new facilities and they would have had to keep Marketing and Sales informed and up to date with progress, to allow them to send out the correct information to customers. Just before Elveden reopened in July 2003, Marketing and Sales sent out notices to all guests on the mailing list, informing them of the opening date and giving details of the new additions. This could not have been done without first consulting Operations, to check if work was on target and Finance, to check on the availability of additional funds, over and above the annual brochure mailing. The fire at Elveden was a testing time for Center Parcs UK and required a great deal of cooperation between the functional areas to support the business activity.

Another example of the three functional areas working together is in the organising and running of the 'Party in the Park' events at the Villages. This starts with Operations and Marketing consulting Finance to ensure that a 'Party in the Park' event is economically viable. Once this is decided, Operations and Marketing coordinate to agree on a date and time for the event. Operations then have to make sure that they have enough staff on hand to organise and supervise the event. They then have to check with Finance to see if the budget will allow for the payment of additional staff or extended working hours. Operations also have to choose an appropriate location within the Center Parcs UK Village and ensure that entertainment can be booked (live band, DJs etc). Marketing and Sales first decide on the type of entertainment, taking into account promotion ability, desirability, and profitability. Finance, again, has to be consulted to ensure that the desired entertainment is affordable.

There is a charge for entrance to these events and holidaymakers at the Village have to purchase a ticket from the reception area. This involves the Finance department at the Village, who are responsible for collecting the revenue from the event and recording it in the accounts. Obviously, Finance is involved in the paying of the entertainment and any additional staff required to manage the event. A price for a ticket to the event is decided upon by Finance and Marketing. One of Center Parcs UK's main aims from the event is to make a profit so a marketable and profitable price has to be decided upon.

Marketing has to produce promotional leaflets which are handed to holidaymakers as they arrive at the Village. Before a leaflet can be made, Marketing has to finally consult with Operations to ensure that everything advertised in the leaflet is available. Marketing also has to check with Operations to make sure that the leaflets have arrived at the Village and are being distributed according to plan.

Center Parcs UK are very particular about health and safety for their staff and their guests and this is another area where the three functional areas have to work together and communicate with each other. Each individual area has a responsibility for Health and Safety and all the areas have to work **together** to form a unified approach to ensure that the Company's Health and Safety Policy and procedures are followed and adhered to. The Operations Director is accountable to the Managing Director for the purposes of Health and Safety and is responsible for all Health and Safety and Operational Fire Safety matters on the Villages. The General Managers of the Villages are accountable to the Director of Operations and have full responsibility for all Health and Safety matters within their Village. Operations must work with Marketing and Sales with regard to current practices, as the Marketing and Sales Director is also accountable to the Managing Director for the purposes of Health and Safety. The Center Parcs UK manual states that the Marketing Director is:

'Responsible for ensuring that all marketing and public relations activity reflects and supports the standard of health and safety being achieved throughout the Company. In particular she will ensure that all promotional literature and audio/visual images regarding the Company conform to the health and safety standards in force throughout the organisation.'

At Head Office level, within Center Parcs UK, the overall responsibility for Health and Safety lies with the Finance Director. Center Parcs UK could not exist without a Health and Safety policy that conforms to legal requirements and is workable and maintainable on an everyday basis. So, once again, it is important that the three functional areas of Finance, Operations and Marketing and Sales work together to create and implement a policy which supports the business activity.

It is clear from the above paragraphs that Marketing and Sales, Finance, and Operations all work together to support the business activity of Center Parcs UK, which ultimately helps the Company to achieve its aims and objectives. The ways and methods of communication used between the functional areas are looked at later on in the portfolio.

**EVALUATE HOW EFFECTIVELY AT LEAST THREE  
FUNCTIONAL AREAS OF ONE OF THE CHOSEN BUSINESSES  
WORK TOGETHER TO ACHIEVE THE AIMS AND OBJECTIVES  
OF THE BUSINESS**

**CENTER PARCS (UK) GROUP PLC**

Center Parcs UK has the aim of increasing profit and success, thereby providing value for shareholders. To help it achieve this aim it has the annual objective of maintaining a minimum of and increasing upon 90% occupancy and 65% repeat bookings. The fact that Center Parcs UK repeatedly reaches its target of 90% occupancy in its Villages is evidence of how effectively Finance, Operations, and Marketing and Sales work together. So too is the fact that 65% of their holidaymakers return.

Pages 12, 13 and 14 of the portfolio detailed the aims and objectives of Center Parcs UK and column 3 of the tables actually explains how these aims and objectives can be achieved. A study of column 3 of the tables reveals how Operations, Finance and Marketing and Sales are involved together to achieve these aims and objectives. In fact these functional areas are really the main influence on the Group's success. For example, under the **aim of increasing profit**, column 3 lists: Guest satisfaction, constant monitoring and review of all services on site, helpful, motivated and well-trained staff – these things are the responsibility of Operations, who have direct contact with the Managers of the Villages, to make sure that each Village and every department within that Village is running efficiently and correctly. Many of the other ways listed to achieve the aims and objectives are the responsibility of Marketing: competitive marketing structure, targeted marketing, satisfaction questionnaires. Operations are involved in the continual development of sites and assessment of accommodation offered and identifying any necessary renovations. The maintaining of high standards of both facilities and environment is ultimately the responsibility of Operations who must make sure that their Villages reach these standards, through their quality control measures. Column 3 of the table, under **aim 1**, lists a number of ways in which the Company can achieve its objectives. None of these things can be achieved without the backing of the Finance department. As has been shown previously, without an effective Finance department, Operations and Marketing cannot be effective either. Once areas of improvement have been identified, it is up to the Finance department to assess the possibility of putting these improvements into practice. The fact that Center Parcs UK has been able to maintain such high levels of occupancy and return visitors for many years now is clear evidence of the effective cooperation of the three functional areas, in helping the business achieve its aim of making a profit.

The aim to **remain the UK's preferred short break resort** is also dependent on the performance of Marketing and Sales, Operations and Finance. People will not return to a holiday resort unless they are completely satisfied with the service and facilities provided. Center Parcs UK has SMART objectives and it is probably unrealistic to hope to achieve 100% of their holidaymakers booking a return visit. This is not necessarily a reflection on their performance, as people's circumstances change from year to year and many people prefer to visit a variety of holiday locations, inside and outside of the UK. However, an improvement on the occupancy figures is realistic and the three functional areas must work very hard together to improve on the figure of 90%.

Center Parcs UK is a successful business, with a turnover of £166 million in the financial year 2001/2002. This figure is a clear indication that the functional areas of the business work effectively together. Earlier, it was shown how the functional areas work together. The measure of

the effectiveness of this cooperation is in the facts and figures detailing the success of the Company.

The tables on pages 12, 13 and 14 list the five aims of Center Parcs UK and also the objectives put into place to help the Company achieve its aims. Another aim of Center Parcs UK is to **grow and expand**. Achievement of this aim again highlights the effectiveness of the three functional areas working together. In September 2001, Center Parcs UK acquired Oasis Whinfell Forest. This would not have been possible if the Company did not have access to the finances to purchase this site. Financial success stems from the successful operation of the existing Villages, which deeply involves Marketing and Sales, Operations and, of course, Finance. It is up to Finance to invest wisely in the Villages, Marketing to promote the Villages and Operations to deliver the service.

Even achieving the **aim of being environmentally friendly** (detailed on page 13), involves Marketing and Sales, Finance, and Operations in working together. Finance has to set and decide upon a budget for environmental matters and make sure there are enough finances to pay the wages of the necessary experts and that there is enough finance for the long term management of the environment of its Villages. It is the job of Marketing to communicate the environmental policy to guests and the wider community. Center Parcs UK use the environment of their Villages extensively in their Marketing and Sales. Operations controls and monitors the success of each Village in the managing of its environment. Many of the Villages source their materials and services locally and it is up to Operations to make sure that these services and materials are environmentally friendly and conform to Center Parcs UK standards and requirements. Operations have to make sure that each Village uses safe sprays and organic feeds. The effectiveness of the functional areas working together to achieve the aims and objectives concerning being environmentally friendly is evident in the number of industry awards Center Parcs UK has received. Center Parcs UK holds the ISO 14001 Environment Certificate. It was awarded the Landscape Institute Award for Landscape Management in 1999 and has also been awarded the Corporate Ecologist of the year. Center Parcs UK prides itself of being a world leader on ecological and environmental issues. (B3)

Center Parcs UK has a fifth aim of having a **well trained and motivated workforce**. Its objectives for this are detailed on page 14. To achieve these things all three functional areas must work together. It is the job of Finance to set a realistic budget for employment of staff. Good wages attract good employees and enable a Company to compete with other similar employers. To be successful, Companies must have good managers and this means that there must be an adequate budget to attract the right sort of manager. Employees must be well trained and for this, each Village has its own training department. The Villages offer training and development schemes for all levels of employee. Although this is the responsibility of the training department, the training department is accountable to the General Manager of the Village, who is in turn accountable to the Operations Director. Operations have to monitor the standards of staff training and performance. It is the job of Operations to make the best use of their staff and to get the best performance from them. To motivate staff, Center Parcs UK operates reward systems, such as the Star performers scheme, Bright ideas suggestion scheme and Management Bonus scheme. All these schemes involve financial payments to staff and are obviously set by the Finance department. It is up to the Operations department to monitor the training and performance of staff to make sure there are appropriate candidates being produced. Center Parcs UK recognises the importance and contribution of trained and motivated staff to the achievement of its aims and objectives. Marketing and Sales also play a part in attracting the correct staff. Operations and Finance inform Marketing and Sales about the staff required and the wages to be paid and Marketing and Sales must also advertise the jobs available in a way which will attract the desired applicants. We have already seen how all three functional areas are involved with Health and Safety and this is important also in providing staff with a properly regulated and resourced office. (B3)

The appearance and manner of staff at the Villages is vital to the success of the business. Center Parcs UK acknowledges that much of its success stems from guest satisfaction. The efficiency of

the workforce at each Village contributes greatly to this guest satisfaction, from the cleaning staff, sports and leisure staff up to the general management. Although exact information is not available due to its private nature, Center Parcs UK does not normally have a problem attracting or retaining staff and this would suggest that the three functional areas work effectively together for this aim and the objectives attached to it. The repeat booking figures are also evidence of a well trained and motivated workforce. If the staff were sloppy, rude, unhelpful and uninformed then guests would not return. An increase in the repeat booking figures could be linked to a number of factors and staff performance could be one of them. Marketing and Sales, Finance and Operations must continue to work together effectively if the repeat booking figures are to be maintained and even improved upon.

Center Parcs UK has SMART objectives and part of this means that the objectives are measurable. It has been shown how vital the three functional areas are and how important it is that they work together. All three areas play a major part in the success or failure of Center Parcs UK. Center Parcs UK's profit figures, occupancy figures, repeat booking figures, percentage of market share figures, retention of good staff, questionnaire responses and receipt of industry awards are all evidence of the functional areas within the Company working effectively together. However, no Company can afford to become complacent and Center Parcs UK must strive to maintain their standards and improve upon their performances each year to allow them to keep up with or ahead of the competition.

It can be seen from the above that the three functional areas of Finance, Marketing and Sales and Operations work effectively together to achieve the aims and objectives of the business.



**FOR ONE OF THE CHOSEN BUSINESSES, DESCRIBE THE  
DIFFERENT METHODS OF ORAL AND WRITTEN  
COMMUNICATION USED AND DESCRIBE, WITH EXAMPLES,  
HOW THE BUSINESS USES ICT TO COMMUNICATE AND  
OPERATE**

**CENTER PARCS (UK) GROUP PLC**

Center Parcs UK is a large organisation. It must have effective communication methods within the Management Structure of the whole Group and also effective communication methods within each individual Village. Center Parcs UK uses a variety of oral and written communication methods and ICT is very important in communication and the operating of the Company. Below is a list of the methods used by Center Parcs UK to communicate.

- Telephone
- E-mail
- Letters
- Reports
- Website
- Fax
- Newsletters
- Notice boards
- Briefings
- Working Groups
- Meetings
- Employee Councils
- Suggestion schemes
- Brochure
- TV Adverts
- Memos
- Employee Handbook
- Mobile Phones
- Leaflets
- Posters
- Computer Database
- Intranet
- Walkie Talkies
- Face to Face
- Induction and 'Bridge the Gap' programmes

ICT stands for Information and Communication Technology and is the use of electronic equipment (such as computers) for storing and exchanging information. ICT allows businesses to communicate immediately and to keep permanent records. The use of ICT is vital to the successful operating of Center Parcs UK.

One form of **written communication**, which involves the use of **ICT**, is **e-mail**. This form of communication is used between functional areas and inside the functional areas of Center Parcs UK. E-mail can be sent any distance within a few seconds. The combination of speed and written or visual information is very valuable. E-mail has an advantage over telephone use in that it provides a permanent record of any 'conversation' and is cheaper. Center Parcs UK recognises the benefit of using e-mail as a form of communication but it is also aware of its disadvantages. The **Employee Handbook** (a form of **written communication** between employer and staff), contains a section on the use of computers, E-mail and internet facilities. It advises on the wise use of e-mail to avoid the cluttering up of the system and it warns against sending confidential Company

information via e-mails over the internet. E-mail is a type of internal communication used by Center Parcs UK and is not often used for external communications.

Another way in which staff members communicate is by use of the telephone. Center Parcs UK is an advocate of **oral communication** via the telephone and in its Employee Handbook, under the section titled 'Professionalism in the use of E-mail', it states that, 'E-mail is not the only method of communication! Remember that a telephone call with a pleasant voice can often achieve greater results than a written message'. Telephone communication is a more personal, direct form of communication than e-mail and is more suited to effective one to one discussion, whereas e-mail is often suited to a situation where several people need to receive the same information at the same time.

Center Parcs UK also uses the telephone to communicate with its customers. Center Parcs UK has its own Reservation department with three separate phone numbers to contact to either book a holiday, request a brochure or for more general information. The telephone lines are not open 24 hours but they are personally manned and this means that the customer can speak directly to a Center Parcs UK employee who has extensive knowledge of the Villages and their operating procedures. If necessary, the customer can obtain the direct telephone number of any of the Villages to discuss any special arrangements needed for their holiday. This form of communication provides the personal touch for holidaymakers. (7)

Center Parcs UK uses oral, written and visual methods of communication with its existing and potential customers. It uses **oral and visual communication** through its TV advertising campaigns and **written and visual communication** through its annual brochure and various supplementary information leaflets, mailed to its customers. Center Parcs UK's mailing campaign operates through the use of ICT. Center Parcs UK has a huge database containing details of all visitors to their Villages and brochures are automatically sent out to everybody on the list. If a person had to check the list and send out the brochures by hand, the job would be massive and extremely time consuming.

When the holidaymaker initially arrives at their chosen Village, the **written and visual communication** continues as the holidaymaker is provided with a **handbook** giving full details of the Village, including a map and any additional leaflets from the Marketing and Sales department.

Center Parcs UK places great importance on effective communication and involvement of staff and it uses a variety of ways to keep staff informed of matters affecting their Village and the Company in general. **Meetings and briefings** are often used as a means of **two way oral communication**. Departmental briefings are frequent and pass information across the Company to staff and also allow for feedback by staff to senior managers. Occasionally, special task groups of managers and staff are set up with an aim of exploring problems or improving ways of doing things. These groups draw upon a cross-section of staff with relevant experience so that the practical issues and solutions can be examined in detail.

Meetings are a method of oral communication but can include written communication with the handing out of documents backing up the contents of the meeting. As well as departmental briefings within each Village, there are also meetings held between the General Manager of the Village and the Heads of Department within that Village. Performance, targets, complaints, and training needs are just some of the items discussed at these meetings.

All of the departments at Elveden hold their own regular (weekly) briefings, and the Heads of these Departments, in turn, report and meet with the General Manager. Center Parcs UK employs over 4,000 full and part time staff so it is not possible for everyone to meet at the same time. Therefore, meetings are broken down into teams of staff to reduce the audience size. They are an important method of oral communication.

A key means of communication and consulting with staff about the performance and future plans of the Company is through the **Employee Councils at each Village**. The Councils have been set up as a forum in which managers and staff can exchange ideas and concerns. They are the main body through which Managers consult formally with staff about proposed development and changes that are of interest to or affect staff in general – for example, policies, organisation structures and safety arrangements. Each Council consists of two managers, usually the General Manager and Personnel Manager and about eight elected staff representatives from the Village. The Councils meet regularly and publish their decisions and discussions to all staff. The Council is a method of **oral and written communication** used by Center Parcs UK to communicate with its staff. Meeting times and dates are communicated using the telephone, e-mail or staff handouts.

**Face to Face** falls under the category of meetings, really, but is usually referring to communication on a one to one basis. Center Parcs UK uses this form of oral communication when confidentiality is required – for example, employee appraisals and progress summaries. It may also be used as circumstances arise as and when employee privacy is necessary. Face to Face produces direct results with the added benefit of body language.

Center Parcs UK only occasionally sends letters addressed to every member of staff as this is time consuming and costly. **Faxes and Memos** are forms of **written communication** used within and between functional areas. Meetings are used throughout the Company, at all levels, with Directors meeting with Senior Management to discuss Company progress and Company budgets etc.

A very useful and essential method of **oral communication** used between staff at Center Parcs UK Villages is the **Walkie Talkie**. All staff members who have interaction with guests or have safety responsibilities are issued with a Walkie Talkie so that quick, long distance communication can be made instantly. Walkie Talkies are cheaper than using mobile phones as there is no monthly fee for a Walkie Talkie. Mobile phones also have patchy or unreliable coverage, particularly in a dense forest environment. Walkie Talkies can also prove life saving when used between lifeguards in the vast swimming area.

**Computer software and ICT** have greatly helped to improve business productivity. Writing to customers is now quicker and easier thanks to word processing and desktop publishing software. Templates can be kept of standard letters and old letters can be retrieved and edited to create updated versions. Mail-merge routines can send personalised letters to selected people on the business' database. Calculating costs, producing invoices, keeping accounting records and the production of profit and loss and balance sheets can all be done using standard software programs.

Center Parcs UK relies heavily on the use of **ICT** in the operation of its business. Center Parcs UK has a **huge database** where it records as much information about its guests as possible. Staff who have access to information on guests are given rules to obey about confidentiality, data protection and preserving the privacy of the Company as well as that of the guest. All staff have an individual password, which they are not allowed to divulge to anyone. Every transaction a holidaymaker makes whilst at a Center Parcs UK Village is recorded on a computer: from booking a tennis court to buying a bag of fries you are required to give your villa number. This helps the **Marketing and Sales** department to analyse the spending patterns and interests of Center Parcs UK's customers. This in turn helps with targeted marketing and the distribution of discounts or special offers. As has been shown earlier, Marketing and Sales is a vital functional area of Center Parcs UK and the use of ICT is essential to its effective running. This is the same database which provides Center Parcs UK with the names and addresses of guests for **automatic brochure mailing**. The Center Parcs UK database is also linked to the **reservations department**, which enables them to keep a record of the occupancy of all the Villages right down to the villa numbers. The reservations department then know the location and the type of accommodation available when speaking to potential holidaymakers wishing to book a holiday. Without the computer network and the use of ICT, Center Parcs UK would not be able to operate effectively and efficiently.

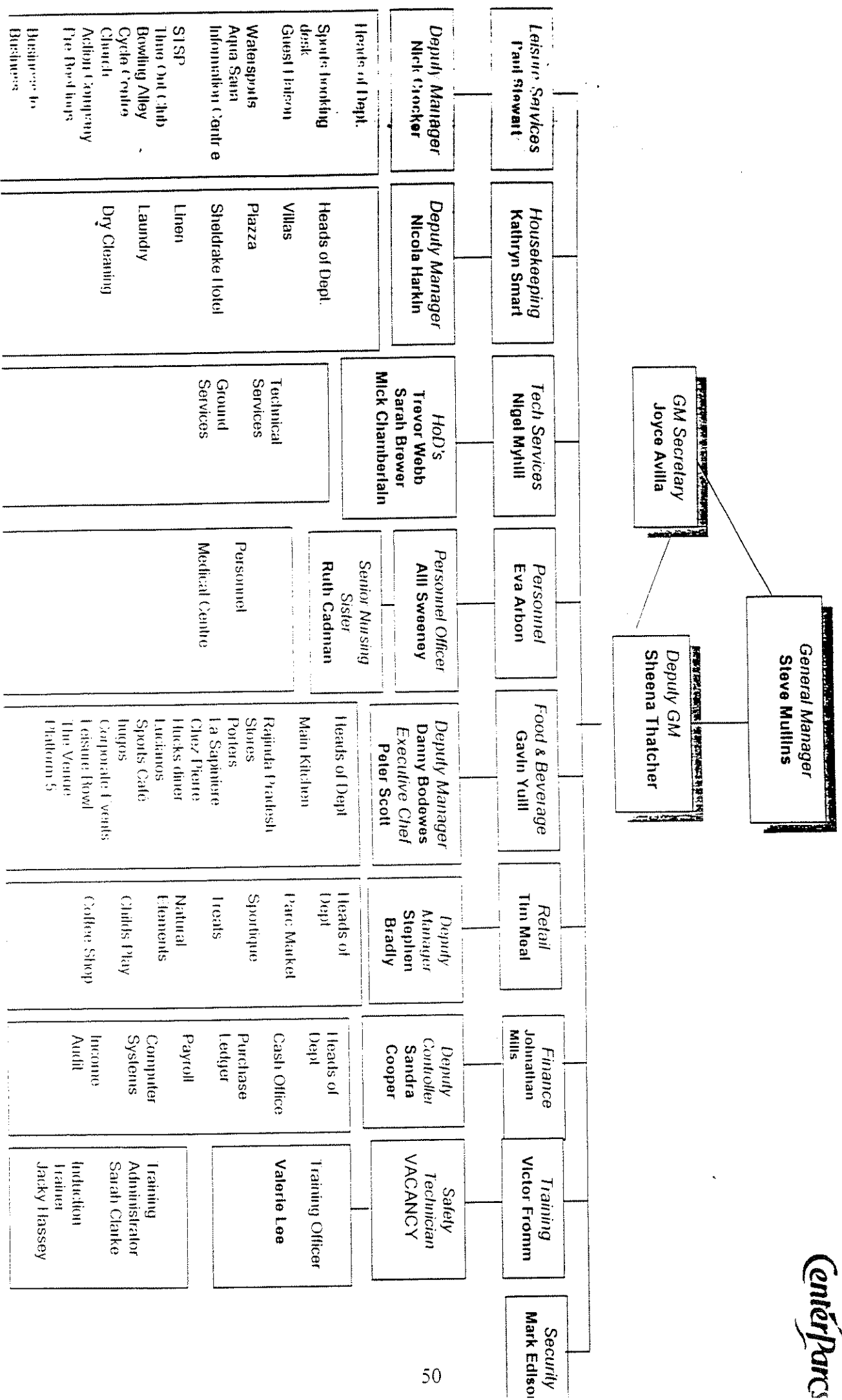
Throughout the Center Parcs UK complex there are several booking areas. This is where guests can book and/or reserve any number of activities throughout their holiday. Every booking station has a number of computers and ICT is responsible for the automated booking system. The system uses 'Real-time Technology' which instantly updates the whole network. As the computers at all the booking stations are linked, this avoids double bookings and ensures a smooth customer-focused process.

ICT is used throughout all the retail outlets at Center Parcs UK Villages. Every item is bar coded and the retail outlets all have **bar code scanners**. This provides the Purchase department with up to date information on stock and enables adequate and targeted re-stocking of the outlets. This recorded stock information also helps the Marketing and Sales department who can analyse the information to see what sells and what doesn't. Center Parcs UK produce many own-brand items eg: souvenirs, baseball caps, sweatshirts, t-shirts, fleeces. Details on the sales figures of these items can help Marketing and Sales analyse, review and, if necessary, update their marketing strategy.

It can be seen from the above paragraphs how important ICT is for Center Parcs UK to communicate and operate.

A copy of the Elveden Forest Organisation Chart is attached on the following page and this shows the various departments within Elveden.

# Elveden Forest Organisation Chart



**ANALYSE THE EFFECTIVENESS OF THE COMMUNICATION METHODS, OF ONE OF THE CHOSEN BUSINESSES, USED INSIDE FUNCTIONAL AREAS, BETWEEN FUNCTIONAL AREAS, AND WITH PEOPLE AND ORGANISATIONS OUTSIDE THE BUSINESS**

**CENTER PARCS (UK) GROUP PLC**

Good communication is essential for the effective running of a business. Without it, employees do not know what they are supposed to do and managers will not know what customers want. Good communication means that the right people get the right information at the right time.

Center Parcs UK is a huge organisation and for it to operate efficiently it must have effective communication methods inside functional areas, between functional areas and with people and organisations outside the business. The effectiveness and the interdependence of the functional areas of Marketing and Sales, Finance and Operations have already been demonstrated. This effectiveness would not exist if communication methods **between** the functional areas were ineffective. From this it follows that communication methods used **within** the functional areas must also be effective.

**INSIDE FUNCTIONAL AREAS**

Functional areas have a number of communication methods available to them. They have computer systems/software, e-mail, faxes, memos, telephones, notice boards, briefings and meetings, Walkie Talkies, face to face, newsletters, diagrams, charts, and reports. Each Village also has its own Employee Council. The most appropriate method of communication will depend upon the circumstances/situation.

With regard to Finance, each Center Parcs UK Village has its own finance department and there is the main finance department at Head Office in Nottingham. Within the Village departments, communication depends on the situation. Much of the communication inside the department is done face to face as the offices are not particularly large. The departments have regular team briefings and this is where the department is broken down into smaller sections to reduce the audience size at meetings. Within the Finance department at each Village there is a payroll section, a purchase ledger section, cash office, and an income audit section. All of these sections have team briefings where they are updated about matters relevant to their section and the finance department as a whole. The Head of Department meets with the team leaders and they in turn meet with the other members of the team, through these team briefings. Team briefings and face to face are effective methods of communication as they are instant. Body language and tone of voice can reinforce the message and feedback can be easily obtained. A disadvantage of meetings like this is that sometimes people forget what they have been told. However, to prevent this, the meetings can be backed up by written evidence and information leaflets for the staff.

Within the Finance departments they also use e-mail as this provides a quick and effective method of communication, with a permanent record of any 'conversation'. It is also useful when the information needs to be seen by more than one person and saves time, rather than a member of staff walking around the office, repeating the information several times. E-mail can also be more effective than a meeting in that it is less time consuming. It gets information to people without

having to remove them from their workplace or telephone duties. An obvious disadvantage is that they may not open their e-mails within an appropriate time scale.

Communication with Head Office Finance, which is the same functional area but on a different site, is usually done via e-mail, telephone and through computer software/systems. All the information input at Village level is automatically recorded on the Head Office computer system, so Head Office has access to the relevant performance of each site. This use of ICT is very effective as there is no time delay in information reaching Head Office as a central computer contains all the necessary information. The various Heads of Finance at each Village meet and speak regularly with Head Office Finance, where the Finance Director is based.

Marketing and Sales are based mainly at Head Office and use similar methods of communication within their teams i.e. e-mail, telephone, team briefings, meetings, face to face, notice boards etc.

Operations is a functional area which is an umbrella for a number of departments and teams of people. The General Managers of the Villages are accountable to the Operations Director and must show that they are running an efficient, customer friendly and customer focused Village. For this reason the communication methods used are more varied within this functional area. This is because some of the staff within Operations are office based and some are not. E-mail is not an effective communication to use for a member of staff who does not have frequent access to a computer. Telephone is not effective either as a means of contacting many of the leisure/sports staff. Many of the every day internal communications take place via a Walkie Talkie or face to face. Each Village is very large and particularly when there are safety concerns at stake, communication must be instant and Walkie Talkies provide this for non-office based staff. Meetings, face to face, team briefings, memos and circulars are all used within this functional area to ensure effective communication. There are notice boards, newsletters and staff procedure documents used within all functional areas.

Poor internal communication can result in poor decisions being made and low morale in staff. No system can be perfect and there is always room for improvement and Center Parcs UK cannot afford to be complacent. However, it is reasonable to assume that if it can be proved that the functional areas work together effectively to achieve the aims and objectives of the Company, then these functional areas must have effective communication methods in place inside them. It has also been shown earlier in the portfolio that Center Parcs UK do not have a problem with attracting or retaining staff and this is evidence of an effective communication process between staff and management. The fact that Center Parcs UK uses a wide range of methods of communication is evidence that they realise the importance of effective communication.

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## **BETWEEN FUNCTIONAL AREAS**

A range of communication methods are used between the functional areas, including oral, written and ICT. As with inside functional areas, the method of communication used will depend upon the circumstances and situation.

On a day to day basis there will not be a great deal of face to face communication between Marketing and Sales, Finance and Operations as these functional areas are not always situated near each other. However, senior managers within these functional areas do meet to discuss budgets and progress. All the senior managers of these functional areas meet annually with the other senior managers of the other functional areas and the Directors, including the Managing Director and the Chairman, to discuss Company strategies, finances and budgets etc.

**It has been shown that these functional areas are all interdependent and that they work effectively together to achieve the aims and objectives of the business. Functional areas can only work effectively together if they communicate effectively.**

As soon as a holidaymaker telephones the Reservations department to make a holiday booking, the communication between Finance, Marketing and Sales, and Operations must begin. Center Parcs UK is very effective at collecting payment for holidays and makes sure that a holiday is fully paid for and that the payment has been honoured/cleared. When booking on-line, full payment is required immediately via credit or debit card. If payment is being made by cheque (following a telephone booking), the holidaymaker has to pay within seventeen days of booking their holiday. However, Center Parcs UK requires immediate payment via credit or debit card, over the telephone, if the holiday is only twenty one days or less away. Credit or debit card payments are much quicker than payment by cheque and Center Parcs UK can be sure that the holidaymaker has sufficient funds to pay for their holiday. Once the Finance department has received full payment for the holiday, they send confirmation of payment and booking to the holidaymaker. This information must also be communicated to Marketing and Sales, and Operations at the Village where the holiday is booked at.

Effective communication ensures the smooth entrance of the holidaymaker to the Village. At the entrance the holidaymaker has to produce their confirmation of booking. A member of staff (Operations) checks this confirmation of booking on a computer and this computer screen, at the same time, notifies the member of staff what discount/offer vouchers (Marketing and Sales) to hand to the holidaymaker. The holidaymaker is then given a welcome pack containing relevant information and any discounts. This demonstrates that the use of ICT linking and sharing information between functional areas is vital. If this communication process was not effective the delays on holidaymakers entering the Village would be great. An efficient ICT system provides Center Parcs UK with a combination of speed and written or visual information. This is extremely valuable for communication between functional areas.

My evidence to support the effectiveness of this process is my own personal experience. My family and I have holidayed several times at various Center Parcs UK Villages and have found entry to the Villages smooth, proving that Finance must have communicated effectively with Operations (giving permission to allow our entry), and that Finance must also have communicated effectively with Marketing and Sales as the relevant information and discounts have always been made available to us.

Other methods of communication used between the functional areas include telephone, e-mail, faxes, and internal mail. The success of Center Parcs UK and the achievement of its aims and objectives, not least the profit made by the Company, are all evidence of effective communication between functional areas.

## **WITH PEOPLE AND ORGANISATIONS OUTSIDE THE BUSINESS**

External communication is the exchange of information with individuals or groups outside of the business. External communication is vital for a business; it is a major influence on how the business is viewed by customers, suppliers and the general public. Techniques commonly used include the internet and E-mail, telephone, letters, the Company annual report, advertisements and faxes, all of which are used by Center Parcs UK.

Center Parcs UK's TV advertising campaign is a perfect example of effective communication with a wide audience outside the business. The TV advert includes the telephone number of the Reservations department and following a TV advertising campaign there is evidence to show an



increase in telephone enquiries and/or requests for brochures. Center Parcs UK time their TV adverts to coincide with the issuing of the new annual brochure (September). Studies have revealed that many holidays are booked in the month of January and based on this Center Parcs UK also increase their TV advertising campaign at this time of year. This shows effective use of external communication to maximise bookings and sales. Proof of an effective advertising campaign is reflected in the occupancy figures at the Center Parcs UK Villages. On average, all the Villages have 90% occupancy throughout the year which is strong evidence that the advertising campaign is an effective form of external communication.

Center Parcs UK also communicates with every holidaymaker who has attended a Center Parcs UK Village. They do this through supplementary brochures, giving details of any additional facilities, activities etc. at the Villages. They also offer discounts on various things. This communication is also obviously effective as the repeat bookings for Center Parcs UK Villages is usually around 65%.

Center Parcs UK also has its own website where people can access information about the Company and the Villages. You can also book online. This is an effective form of communication as it is quick and easy for the customer and can be done at any time of the day.

As soon as the holidaymaker arrives at a Center Parcs Village, the communication continues. Right from the start, the holidaymaker is handed a welcome pack, which is a form of written and visual communication, giving details of all the facilities, amenities, and booking arrangements. The television inside the villa has its own channel (channel 6) dedicated to information on the Center Parcs UK Village. If you chose not to read the information pack about the facilities of the Village, you can watch channel 6 instead. In providing this TV channel, Center Parcs UK increase their chances of communicating with their guests. During their time at a Center Parcs Village the guests communicate with Center Parcs UK employees face to face and staff are numerous, so there is always someone on hand to help. If guests found the communication between staff and themselves to be ineffective and unproductive, then the repeat booking figures would not be as high. Direct interaction with staff means that any complaints can be dealt with swiftly. Poor external communications result in customers losing confidence in a business and this would result in fewer people returning to Center Parcs UK. The fact that Center Parcs UK has received industry awards, including Hospitality Assured Accreditation and a Tommy's Campaign Award for being parent friendly is evidence of effective communication with guests. The Company must have effective communication to find out what guests want and to listen to the needs of its guests. A breakdown in communication would result in an inefficient organisation unable to be customer focused. 42

The retail outlets at a Center Parcs UK Village are very well stocked. This is evidence of good external communication with suppliers. ICT is used throughout all the retail outlets at Center Parcs UK Villages. Every item is bar coded and the retail outlets all have bar code scanners. This provides the Purchase department with up to date information on stock and enables adequate and targeted re-stocking of the outlets. Well stocked and correctly stocked shops are evidence of an effective communication process between Purchasing and suppliers. This communication takes various forms including letters, faxes, order forms, receipts, statements of account (often computer generated and automatically printed), telephone and e-mail. Telephone, fax and e-mail provide a quick form of communication, which is good for urgent orders.

The Company's annual report is one form of external communication produced by the Finance department, who also have to communicate with investors and government agencies, like Inland Revenue and Customs and Excise. The annual report and accounts of a limited company must be sent, by law, to all of its shareholders. A Company's existence and financial standing is closely regulated and Center Parcs UK has been operating successfully within the UK since 1987 and this is evidence of effective communication with the necessary organisations.

Center Parcs UK uses many methods of communication inside functional areas, between functional areas and outside the business. They use oral, written, visual and ICT forms of communication. All of these examples given demonstrate the effectiveness of the communication methods used by Center Parcs UK.

**SUGGEST AND JUSTIFY ALTERNATIVE OR IMPROVED  
METHODS OF COMMUNICATION INSIDE FUNCTIONAL AREAS,  
BETWEEN FUNCTIONAL AREAS AND WITH PEOPLE AND  
ORGANISATIONS OUTSIDE THE BUSINESS**

**CENTER PARCS (UK) GROUP PLC**

**INSIDE FUNCTIONAL AREAS**

Center Parcs UK has a wide range of methods of communication open to it, particularly as it can rely quite heavily on an efficient ICT system. Inside functional areas, much of the communication is done face to face or with team meetings/briefings. These methods have the advantage of making staff feel included in the every day running of a department and the Center Parcs UK Employee Handbook does in fact state that e-mail is not the only form of communication. However, a big disadvantage of face to face communication is the potential loss of employee time. Face to face communication has the potential to develop into a long conversation, not necessarily concerned with work. Team briefings, if not strictly monitored, can overrun and remove several members of staff from their work station at a time. If a member of staff is away from their desk, then another employee may well be called upon to answer the telephone of the absent staff member. If not properly monitored, face to face and team briefings/meetings can actually cause more tension between staff as people are constantly required to fill in for absent parties. It may be more time effective to rely more heavily on E-mail inside functional areas, with a team leader overseeing the members of staff to ensure that E-mails are regularly opened and dealt with. E-mail also has the added advantage of providing written confirmation of what has been said and can be referred back to more easily.

Staff inside functional areas could rely more on using the internal telephone system. Although this doesn't provide a written record of the conversation and is also open to abuse, staff remain at their desks and this can be less distracting than people walking about the office.

As stated in the previous section, the communication methods used inside the functional areas at Center Parcs UK are effective and so there is a limit to improvement. C3

**BETWEEN FUNCTIONAL AREAS**

As with communication inside the functional areas, Center Parcs UK has such a wide variety of methods of communication available that it is not easy to suggest alternative methods of communication which would provide improvements. The key is to choose and use the correct, appropriate and most effective method of communication and find the balance between personal, informal and formal communication methods.

One suggestion would be an increase in social events, outside of the work environment, for the employees of Center Parcs UK. This would allow the team members within the three functional areas to meet their colleagues and build a rapport. This could assist the business in improving communications between team members, rather than just managers and senior staff. Social events often break down barriers that can exist between departments and can improve an individual's willingness to communicate outside their functional area. A simple event like a quiz night where C4

teams are made up of members from each functional area, rather than separate functional areas competing, could bring about increased team spirit and improved communications. Social events inside functional areas can also be beneficial.

## WITH PEOPLE AND ORGANISATIONS OUTSIDE THE BUSINESS

Again, Center Parcs UK's communication methods with people and organisations outside the business have been shown to be effective in the previous section. However, no business can afford to be complacent.

One form of communication between Center Parcs UK and people and organisations outside the business is through their television advertisements. One improvement here could be the content of the advertisements. TV advertising is very expensive and the Company only has a short time to portray their image. Center Parcs UK tend to focus their adverts on the environment and the relaxing nature of the holiday – visual images of lakes, wildlife, forestry etc. Not many of the actual activities available at Center Parcs UK Villages are portrayed in their advertisements. C3

Center Parcs UK do not want to be seen in the same light as a Butlins or a Haven holiday camp, however, their adverts may appear 'boring' to younger family members. Center Parcs UK Villages cater very well for families with children of all ages and indeed their targeted customers are families as well as professional couples. Center Parcs UK Villages have lots of exciting activities that appeal to boys, girls and people of all ages – swimming pool, wave machines, water rapids and flumes, tennis, badminton, bowls, golf, archery, adventure playgrounds, action challenge assault courses, abseiling and many more. Yet these activities are very rarely shown in the television advertisements.

Obviously the Center Parcs UK brochure gives full details of all available activities. Center Parcs UK claim that theirs is the holiday where you can do as little or as much as you like, but their television advertisements come down heavily on the side of relaxation and little to do. Perhaps a more exciting advert would grab the attention of younger children who might pressurise their parents to make enquiries and find out more about this exciting holiday centre. The ideal solution would be for Center Parcs UK to vary their advertisements, having one portraying the relaxing holiday in a superb environment and one portraying more of the active holiday. If time and money permitted, a longer advert combining the two would be ideal: this would probably be a fairer reflection of the whole Center Parcs UK experience. C3

**IDENTIFY THE MAIN EXTERNAL INFLUENCES ON THE TWO  
CHOSEN BUSINESSES, INCLUDING REFERENCE TO  
COMPETITORS, ECONOMIC CONDITIONS AND  
ENVIRONMENTAL CONSTRAINTS**

**CENTER PARCS (UK) GROUP PLC**

**COMPETITORS**

Center Parcs UK faces, national, international and, to a limited degree, local competition.

Local competition refers to rival businesses existing within a few kilometres radius, offering customers an opportunity to switch from one business to another. Many traditional holiday resorts in the UK are situated in or around the coast. This does not apply to any of the Center Parcs UK locations. Therefore, Center Parcs UK's local competition is fairly limited. For example: Elveden Forest is situated near Thetford, which is not known for its tourist industry. The locations of the Center Parcs UK Villages and the holidays they offer are quite unique and in this regard they do not face heavy local competition. However, Oasis Whinfell Forest is situated in the Lake District, a popular tourist area. In this area there is no other business offering exactly the same as Center Parcs UK, but there are numerous other holiday alternatives (hotels, bed and breakfast etc) which provide some form of local competition. D/

National competition refers to any other business in other parts of the UK competing for the same customers. In this regard Center Parcs UK has many competitors, from hotels to other holiday chains, like Butlins, Hoseasons and Haven, that offer self catering holidays. Anybody in the holiday industry in the UK is potentially a competitor to Center Parcs UK. However, the larger holiday chains, offering entertainment and on site activities, offer more competition to Center Parcs UK. The Center Parcs UK Villages and environments are extremely different to a Butlins or Haven holiday camp and Center Parcs UK chooses to highlight this. However, Center Parcs UK must use its targeted marketing to good effect and continue to provide a high quality holiday accommodation and environment whilst still remaining price competitive.

International competition is competition from businesses providing the same service or product anywhere in the world. On this level, Center Parcs UK faces competition from any business offering a holiday experience anywhere in the world. Ignoring the effects of the September 11<sup>th</sup> terrorist attacks, more and more people take their holidays abroad. This is largely because of the weather. Aware of this, Center Parcs UK often refer to themselves as providing the holiday that the British weather cannot spoil. With cheap air flights, particularly over the internet, holidays abroad provide real and direct competition to Center Parcs UK. The Center Parcs Organisation does in fact have five Villages in Holland, two in Belgium, two in France and one in Germany and this helps them to compete with holiday businesses providing holidays abroad.

In the face of all this competition, Center Parcs UK must consistently achieve its objectives, remain price competitive and continue to provide high quality holidays. This section is to identify the main external influences on Center Parcs UK and the **impact** of these influences is discussed in more detail later on.

## ECONOMIC CONDITIONS

Even a very well managed business, like Center Parcs UK, can experience problems because of changes in the economy as a whole. The economy is made up of millions of individuals, thousands of businesses, and governments who take decisions on spending and producing. Changes in interest rates, inflation, or exchange rates can have significant effects on all businesses.

The government and the Bank of England use fiscal and monetary policies to manage the economy. Fiscal policy is the use of rates of taxation and levels of government spending to control the economy. Monetary policy is the use of interest rates to manage the economy. D /

A fiscal policy which reduces taxes has the same effect as increasing government spending. The only difference is that when you reduce taxes, the extra spending is done by individuals. Governments will do this if they want to reduce unemployment – the extra spending will increase demand for products which businesses will meet by hiring more workers. This is called an expansionary fiscal policy. Higher employment is good for Center Parcs UK as more people will have money to spend on a holiday. A problem with an expansionary fiscal policy is that inflation might increase.

If the government wishes to increase inflation it might increase taxes or reduce spending – a contractionary fiscal policy. There will be less spending and unemployment might increase. This is bad for Center Parcs UK as they might lose business and their profits will fall.

As stated previously, a monetary policy is the use of interest rates to manage the economy. When the interest rate is lowered, it's cheaper to borrow money but you get less interest when you put money in the bank. So, both businesses and consumers borrow and spend more, and save less. This increases spending just like a cut in taxes, with the same results – bigger company profits, reduced unemployment but the risk of inflation. A lower interest rate is good for Center Parcs UK as customers will feel free to spend more on luxury items.

Increases in interest rates have the opposite effect – it is better to save than borrow, so both businesses and consumers spend less. This helps cut inflation but causes unemployment. It's also bad news for businesses which have borrowed a lot of money to help them invest – they are going to have to pay more back in interest. An increase in interest rates is not good for Center Parcs UK as consumers spend less and may not take a holiday, and if the Company has outstanding loans, they will be paying more back.

Governments don't like using fiscal policy to reduce inflation – tax rises and cuts in spending are very unpopular with voters. They prefer to use monetary policy instead. The trouble is that higher interest rates are unpopular with voters as well. So in 1997 the Labour government gave the Bank of England control over the setting of interest rates for the UK to help the government achieve its economic aims and to avoid the blame and backlash.

Monetary policy also affects the exchange rate between the £ and other currencies. Higher interest rates in the UK result in savers from abroad putting their money in UK banks. To do this they need to buy £s and this makes the £ more expensive. This makes it more expensive for foreign consumers to buy goods exported from the UK and cheaper for UK consumers to buy imports. UK manufacturing businesses can suffer from this as they become uncompetitive.

### Interest Rates

Interest rates represent both the cost of borrowing money and the reward for saving it. They are expressed as a percentage of the sum of money in question. This means that an interest rate of 5%

would mean that a business borrowing £1,000 would be charged £50 each year in interest by the lender of the money. Each month the Bank of England sets the rate of interest, known as the base rate. The base rate affects the rates set by all the other UK banks. The rate of interest as of 6<sup>th</sup> of May 2004 is 4.25%. The Bank of England made this increase in an attempt to put the lid on inflation as economic growth picks up.

Raising or lowering the interest rate can help control the economy, by making it more expensive or less expensive for businesses to borrow money. Using this control contributes to creating a stable economy, which in the long run benefits both businesses and consumers.

Changes in the interest rates are one of the economic external influences on Center Parcs UK. When interest rates are high, consumers often have less money to spend on luxury items such as a holiday. A business will also have less money to spend as they too will have to pay more for their borrowings. On the other hand, low interest rates often mean that consumers spend more, particularly on luxury items such as holidays. Businesses may also have more money to invest in growth and expansion.

### Inflation

Inflation is a continued rise in the general level of prices and a fall in the value of money. A rise in the prices of products can be caused by things like employees demanding higher wages, raw materials increasing in price, and higher interest rates. Inflation is another economic external influence on Center Parcs UK. During times of high inflation, consumers often save more and spend less, particularly on luxury items like holidays. During times of high inflation, businesses can find it difficult to be competitive as rising costs may force them to raise their own prices or to accept lower profits. The current rate of inflation is just under 2%.

### Exchange Rates

An exchange rate is simply the price at which one currency can be traded for another. Exchange rates are influenced by demand and supply. In order to buy one currency you have to sell your pounds in exchange. The effect of selling pounds and buying another currency is to make the pound cheaper compared to the other currency – in other words the value of the pound has fallen, it has depreciated in value. If people from another country want to buy pounds, for example to buy a British export, the value of the pound will increase – it will appreciate in value.

A strong (increasing in value) pound is bad for exporters and good for importers. With a strong pound, British exports are more expensive abroad, resulting in fewer sales and fewer profits for companies exporting abroad. It is good news though for companies who use imported raw materials, as these are cheaper. The result is that Britain will have fewer exports and more imports. A weak (falling in value) pound is good for exporters and bad for importers.

Exchange rates are important for businesses who sell their products in foreign countries and for those who purchase raw materials and goods from other countries. An increase in the exchange rate can help a business who imports raw materials or goods, as these become cheaper. However, an exporter would suffer, as prices of their products in overseas markets would rise. Conversely, a decrease in the exchange rate would make imported goods dearer but exports cheaper.

The exchange rates can be said to be another economic external influence on Center Parcs UK. However, the impact is very little compared to interest rates and inflation. Some of the items which are sold in the shops at Center Parcs UK are made in foreign countries. These will have been imported therefore either directly by Center Parcs UK or by their suppliers. As has been shown, the exchange rates between countries have a bearing on imported goods and any changes

are nearly always reflected in the retail prices. If the cost of importing goods rises, this normally results in suppliers increasing their own prices to maintain their profit margins. If Center Parcs UK has to raise its prices in its shops, then they may not be as competitive and sales may fall.

The other way Center Parcs UK may be affected by exchange rates is if holidaymakers are tempted to holiday abroad, because of favourable exchange rates. Many people comment on the fact that in some countries you get more value for money. Some people may be tempted to go abroad for a spending spree and to bring tangible items home with them eg. trainers, jeans, DVDs, alcohol etc.

The existence of Center Parcs UK Villages has a positive economic impact on the local community. Center Parcs UK's villages at Sherwood Forest and Elveden Forest were the basis of a report produced by the Rural Development Commission in 1991, which highlighted Center Parcs UK's benefit to the local economy, through staffing, using local suppliers and guest spending in the locality. Some of the findings are below:

- Over £4 million per annum is injected into the local economy of the villages through wages and salaries paid to Center Parcs UK employees – this in turn supports another 38 jobs locally.
- £2 million is spent annually on goods and services supplied by local companies, with another £2 million spent with local depots of national companies based in the area. This supports another 148 jobs in local businesses.
- Center Parcs UK guests spent £2 million each year in the locality, supporting another 65 jobs.
- Including the above and taking into account the multiplier effect of the additional jobs created through increased activity, the total income per annum for the local area of each village is £14 million (1991 figures).

Any external economic influence affecting Center Parcs UK will naturally impact on the local economy also.

This section is to identify the external influences on Center Parcs UK and the **impact** of these external influences is discussed in more detail later on in the portfolio.

## ENVIRONMENTAL CONSTRAINTS

Many businesses can pollute the environment in a number of ways, including air pollution, noise pollution, water pollution, and the wasteful use of resources and energy. To help reduce pollution in the UK, over the years various governments have introduced laws to protect the environment. Some of the most important laws passed are the Clean Air Acts, the Environmental Protection Act 1991, and the Pollution Prevention and Control Act 2000. As a business operating in the UK, Center Parcs UK must comply with all the regulations and standards set by these Acts. D

Concern for the environment is fundamental to Center Parcs UK's whole philosophy and plays a major role even before a site is selected for a Center Parcs UK Village. Center Parcs UK select the least environmentally sensitive sites for any proposed new Village. A team of ecologists and landscape architects, together with Center Parcs UK's specialists, first make a detailed inventory and appraisal of a potential site and in consultation with both law making and non-statutory bodies, identify environmental constraints and opportunities for each potential location. Landscape Architects carry out visual appraisals, tree surveys, topographical and vegetation analysis, and ecologists survey the potential site and surrounding areas to ensure its relatively low existing ecological value and identify any habitats of value which will require protection. Engineers appraise traffic and highway arrangements to ensure minimal disruption to the site and its surrounding area.



The criteria for a new site include that it should be medium aged conifer woodland, for several reasons. The mature trees provide screening during both construction and operation, and provide a green backdrop all year round. The age of the trees allows them to be selectively thinned and interplanted with younger trees and more diverse species. Conifer plantations also have a comparatively poor diversity of indigenous plant and animal life, but considerable potential for enhancement. A detailed environmental statement is prepared, bringing together the various studies carried out and consultations take place with local authorities, the local community, Countryside Commission, English Nature, and any other interested bodies.

Concern for the environment doesn't stop at the end of construction for the Village. Center Parcs UK has its own team of Forest Rangers, Ecology Managers, and Chartered Landscape Architects. Center Parcs UK has implemented the Landscape Management Plan and the Forest Management Plan. They work closely with the Forestry Commission, English Nature, and local Wildlife Trusts. The Villages are traffic free, with guests' cars only allowed further than the car park to unload on arrival and load again on departure. At other times, guests' cars are left in the provided car park.

In May 1999, The Center Parcs Group achieved the ISO 14001 certificate, which is an internationally recognised standard in environmental protection. The certificate for effective environmental management systems applies to thirteen of its fourteen Villages, including Sherwood Forest, Elveden Forest, and Longleat Forest in the UK. Oasis Whinfall Forest joined the Center Parcs Group after ISO 14001 was achieved, but is working towards the same standard. The Company was the first in the leisure sector to be awarded the ISO 14001 certificate.

The Center Parcs UK Villages do not cause air pollution. They do not cause noise pollution as they are situated on huge sites with no immediate neighbours who could be affected. The Center Parcs UK Environmental Management System ensures minimal wasteful use of resources and energy. For example, the Company recycles glass, paper and aluminium, low energy light bulbs are used in all buildings, all central building rain water and surface water collection leads into all waterways, and air handling systems in the Subtropical Swimming Paradise clean and recycle heated air. At Longleat Forest, there is a unique adaptation of a Reverse Osmosis, which recycles back wash filter swimming pool water back into the main pool system. This saves over 15,000 metres<sup>3</sup> per year of water, which would normally be lost into main sewerage.

One of the aims of Center Parcs UK is to be environmentally friendly at all times and remain world leaders on ecological/environmental issues. Center Parcs UK must therefore comply fully with any Environmental Protection Laws and in fact place extra environmental constraints on themselves in order to continue to achieve this aim.

# AVENUE FISHERIES

## COMPETITORS

Avenue Fisheries faces local and national competition. Avenue Fisheries is far too small a concern to compete in the international market.

Of course there are other Koi retailers throughout the UK and many of these advertise in the same magazines as Avenue Fisheries. However, in more recent years, the local competition to Avenue Fisheries has increased. Initially, the local competition consisted of local garden centres selling small numbers of Koi. One of the garden centres, Willington Garden Centre, now offers quite a good range of Koi carp. A garden centre offering a good range of Koi can be strong competition and the advantage the garden centre has over Avenue Fisheries is that garden centres are popular places with a wide selection of people and customers may go to the garden centre for trees, plants etc and when they see these brightly coloured fish, may be tempted to purchase some, particularly the smaller and cheaper ones to put in their garden pond. These customers may not have been looking to purchase Koi or know anything about them. Avenue Fisheries prides itself on its specialisation but this may well mean it misses the off chance purchasers like the garden centre visitors. Avenue Fisheries has nothing else but Koi and related items to draw customers in. So in some ways specialisation has its disadvantages and can sometimes reduce the customer base. There is also Deepdale Aquatics, who are located in Potton, only a few miles away from Avenue Fisheries. Deepdale Aquatics have also expanded in recent years, offering more realistic competition.

Avenue Fisheries' main competition comes from a recently set up business, The Japanese Koi Company Ltd., located in Henlow, Bedfordshire, a location within 15 miles of Avenue Fisheries. This Company operates on a much larger scale than Avenue Fisheries and claims to be 'possibly one of the largest retail holding facilities in the UK'. As well as Koi carp, they sell every accessory necessary for pond construction along with many different types of Koi food. They have a very large shop and have at least ten members of staff. The Japanese Koi Company Ltd. has a website address. On this site there are pictures of their premises, Koi food, pond pumps and accessories, and of the individual fish. They also give advice on keeping Koi healthy. In contrast, Avenue Fisheries does not have a website and therefore does not compete in this area. The Japanese Koi Company Ltd. also sells birds and other pet accessories, lifestyle CD's and other gifts. The arrival of The Japanese Koi Company Ltd. has provided very strong competition to Avenue Fisheries. Although The Japanese Koi Company Ltd. does sell other things, their very name provides a threat to Avenue Fisheries. Previously, Avenue Fisheries has used the fact that it only specialises in Japanese Koi carp to attract customers. This has attracted customers to Steve's business and away from garden centres as people feel that they are getting better knowledge and experience. The name The Japanese Koi Company Ltd. immediately implies that it is a specialist Company and is a large organisation. This alone is enough to get people to visit the business. Avenue Fisheries has relied quite heavily in the past on its reputation as a friendly, family run business with expert knowledge. It has many loyal customers and good word of mouth publicity. However, even loyal customers can only buy a limited number of fish in keeping with the size of their gardens and ponds. Avenue Fisheries needs to attract new customers as well. Avenue Fisheries offer good quality at good prices and must rise to the challenge by making sure they can continue to compete with this new Company.

The purpose of this section is to identify competitors and as the arrival of The Japanese Koi Company Ltd. is fairly recent, its impact on Avenue Fisheries and how Avenue Fisheries can respond is discussed in more detail later on in the portfolio.

## **ECONOMIC FACTORS**

Avenue Fisheries is affected by economic factors. If interest rates rise then the cost of borrowing goes up. This means that Avenue Fisheries has to pay more back on its borrowing. This means that unless the business raises its prices then its profits will be less. Higher interest rates also mean that people often spend less money, particularly on hobbies and luxury items.

Exchange rates also affect Avenue Fisheries as it imports some of the fish from Japan. An increase in the exchange between the pound and the yen can assist Avenue Fisheries as importing goods becomes cheaper. Conversely, a decrease in the exchange rate makes importing goods more expensive.

Increases in taxation, inflation and unemployment also affect Avenue Fisheries. All these factors could mean people have less money to spend on nonessential purchases. During the recession in the 1980's Avenue Fisheries continued to trade but times were hard. Avenue Fisheries, like all businesses benefits from a stable economy.

## **ENVIRONMENTAL CONSTRAINTS**

Like all businesses Avenue Fisheries has to comply with all current legislation to do with protecting the environment. In reality, these do not place constraints on the everyday running of Avenue Fisheries as the business does not cause any kind of pollution.

When Avenue Fisheries originally got planning permission to start trading from its site in Wyboston, it was a condition that the business provided its own off road car parking, to prevent nuisance and danger to neighbours. The houses along the road where Avenue Fisheries is located were once owned by The Ministry of Agriculture and Fisheries and are of a certain style. This had an impact when Steve wished to extend his house. All alterations and extensions had to be approved as being in keeping with the original character of the property. There is also a restriction on the building of property on Steve's land and on selling the land. Owners of these houses are not permitted to sell off parts of their land for the purposes of building. This position is constantly being challenged by the residents with the local council as many residents wish to raise capital by selling land.

Avenue Fisheries uses many gallons of water and to prevent the wasteful use of resources, the ponds all have filter systems to recycle water.

Around six years ago the Ramblers Association attempted to place a large environmental constraint upon Avenue Fisheries, which could have had a devastating effect on the business. At this time there was a campaign by the Ramblers Association to reopen old Public Footpaths. A member of this association approached Avenue Fisheries, claiming to have found that on an old map of the area, a Public Footpath was shown to be going through Steve's property. It was alleged that the footpath in question went through the middle of some of Avenue Fisheries' ponds and that these would have to be destroyed. Fortunately, for Avenue Fisheries, further research turned up contradicting maps and the issue was dropped.

A big environmental concern for Avenue Fisheries is the health of the fish. All new fish are quarantined to isolate them to prevent the spreading of disease. If there was an outbreak of disease this could have disastrous effects on Avenue Fisheries, with many of the fish dying. Livestock are always at risk of dying and dead fish mean loss of profit. Disease in the fish at his suppliers could

also affect Avenue Fisheries as Steve would not be able to import the fish and this could reduce sales and customers may chose to look elsewhere.

Another concern is the quality of the water. Koi are cold water fish but are not really suited to completely 'natural' garden ponds, with no filtration system. Steve actually checks the ph level of the water and it is possible with the increase in acid rain that the ph levels may be affected and this could adversely affect the health of the fish. A massive power failure could affect the pumps and filter system. These would shut down and if the power did not come back on for a few days or in extreme cases a few weeks the health of the Koi could also be affected as they are used to clean, clear and unpolluted water.

Koi are a good source of food for the heron bird. Avenue Fisheries has placed wires over its fish area to deter the birds from landing. This is mostly effective but some stock is still lost to the heron. The heron is a protected bird and can not be destroyed.

When choosing its location Avenue Fisheries had to check on whether its neighbours used artificial crop sprays or fertilisers. There is not a law against using these sprays and if one of Steve's neighbours did decide to use such fertilisers it could have disastrous effects, killing his fish.

The impact of these changes is looked at later on.

**EXPLAIN THE IMPACT ON THE TWO CHOSEN BUSINESSES OF  
CHANGES IN EXTERNAL INFLUENCES, INCLUDING  
REFERENCE TO COMPETITORS, ECONOMIC CONDITIONS AND  
ENVIRONMENTAL CONSTRAINTS**

**CENTER PARCS (UK) GROUP PLC**

**COMPETITORS**

The Center Parcs UK experience is fairly unique and for another Company to offer exactly the same environment would be difficult due to the limited forest areas available for development. However, if such a Company was able to exist they would provide real competition to Center Parcs UK.

If the cost of air travel continues to fall, Center Parcs UK could lose more and more guests to the foreign holiday market. However, the cost of air travel is falling because of increased competition and an increase in terrorist acts, so although the cost of flights may be considerably lower, people still may not choose to go abroad as the risk of possible terrorist acts has increased. So, in a way, terrorism in other countries may well have helped Center Parcs UK as more people may choose to holiday in their own country and not risk travelling abroad.

Butlins and Haven sites often occupy large areas of land. If these Companies decided to move away from caravan accommodation and two storey terrace chalets to provide more secluded accommodation within a more relaxing, natural environment, their holidays may provide more of an impact on Center Parcs UK's business as people may be tempted away, as long as the price was right.

**ECONOMIC CONDITIONS**

Center Parcs UK could be largely affected by changes in economic conditions.

If the interest rates rise then customers of Center Parcs UK will have to pay more money for their borrowings, so they may decide to save money by not spending on luxury items like a holiday. If people still decide to go on holiday at a Center Parcs UK Village, they may not spend as much on activities, restaurants, and souvenirs, meaning less profit for the Company. As explained earlier, the local area relies heavily on Center Parcs UK for their own business, and a fall in Center Parcs UK holidaymakers may trigger a fall in local business and loss of jobs. Also, Center Parcs UK may have to pay more for their own borrowings and this means that Center Parcs UK may have to increase their prices, thereby causing more inflation and maybe putting off more potential holidaymakers. If the occupancy figures dropped dramatically, then Center Parcs UK may have to make some of their staff redundant.

If the interest rates fall then sales of holidays are likely to increase as customers will spend more and save less. This could increase Center Parcs UK's sales of holidays as well as their sales of souvenirs and activities etc. More holidaymakers could also provide a better economy for the local businesses that rely on Center Parcs UK; more holidaymakers at a Center Parcs UK Village will mean potentially more business for the local businesses. A fall in interest rates could also have a

bad effect on Center Parcs UK as people may splash out on exotic foreign holidays and decide not to holiday with Center Parcs UK.

Also, if the interest rates fall, then Center Parcs UK may decide to spend money and invest in new resources, like improved and modernised villas, new attractions (like recently introduced bowling lanes), improved or new restaurants offering a wider variety of foods etc. As discussed previously, Center Parcs UK cannot really acquire another location, but in the past this could have been a consideration, like the acquisition of Oasis Whinfall Forest. But, expansion of the existing Villages is a possible consideration (more villas, more outdoor activities etc). This would require consultation with the environmental and ecological experts to see if the idea is in keeping with the aim of being environmentally friendly at all times and remaining world leaders on ecological/environmental issues.

The price of one currency expressed in terms of another currency is called the exchange rate. An increase in the exchange rates can assist a business that imports raw materials or components, as these become cheaper. This would help Center Parcs UK as some of its souvenirs and clothes (swimwear by American Companies) come from abroad. A decrease in the exchange rate would be bad for Center Parcs UK as the imports would become dearer. This would mean that they either wouldn't be able to stock them any more or they would have to accept less profit or raise prices which might put customers off.

The other way Center Parcs UK may be affected by exchange rates is if holidaymakers are tempted to holiday abroad, because of favourable exchange rates. Many people comment on the fact that in some countries you get more value for money. Some people may be tempted to go abroad for a spending spree and to bring tangible items home with them eg. trainers, jeans, DVDs, alcohol etc.

The Government's taxation policy would also have an impact on Center Parcs UK. In times of high taxation, people have less money to spend. This means that people may well cut back on luxury items like holidays or spend less whilst on holiday. In times of low taxation, people have more money to spend. This means that people will feel more able to go on holiday to a Center Parcs UK Village and when there, they will be able to spend more on activities and in shops and restaurants etc.

During times of high inflation, people have less money to spend on luxury items as everything costs more. If there is high inflation, then Center Parcs UK may lose guests and therefore income. If people still go on holiday, they may not spend as much money when they are there. During times of low inflation people will spend more confidently as they have less fear about the future.

The business of Center Parcs UK benefits from stable economic conditions. This means that inflation is low, interest rates are stable, the exchange rate between the pound and other currencies is stable, and that firms and the economy are growing steadily. The business will also benefit during times of low unemployment.

## ENVIRONMENTAL CONSTRAINTS

Center Parcs UK pride themselves on being at the forefront of environmental and ecological practices. They were the first business in the leisure industry to be awarded the ISO 14001 Environment Certificate. Center Parcs UK more than complies with all the current environmental legislation and it is difficult to see what additional constraints could be imposed upon Center Parcs UK which could negatively affect them. There is evidence to show that the presence of Center Parcs UK's Villages has improved and enhanced the environment.

If the laws on tree felling were changed so that fewer trees could be felled or that more trees were required per square metre in forestry areas Center Parcs UK would have to comply. This wouldn't have a great impact on Center Parcs UK as they have their own Forest Managers, the funds and the willingness to do this.

# AVENUE FISHERIES

## COMPETITORS

As stated previously, there has been a recent change in competitors to Avenue Fisheries. The presence of The Japanese Koi Company Ltd., situated only 15 miles away, has had quite an impact on Avenue Fisheries.

Avenue Fisheries could lose any local business and also business from travelling customers. Some of the Koi Societies may decide to run coach trips to The Japanese Koi Company Ltd. instead. The Japanese Koi Company Ltd. claims to be 'possibly one of the largest retail holding facilities in the UK' and people may be swayed by this statement. One of Avenue Fisheries' aims is to 'become the preferred choice for Japanese Koi carp in the UK' and the existence of The Japanese Koi Company Ltd. is a direct threat to the achievement of that aim. Avenue Fisheries has quite a loyal body of customers, but it is only natural for people to check out the competition, for comparison of prices, quality and service. With a large shop with many items to browse through, The Japanese Koi Company Ltd. has more to occupy family members who might not be so interested in the Koi. The website for The Japanese Koi Company Ltd. is informative and helpful and customers/potential customers may be tempted to try a Company who appear to be organised and professional. Avenue Fisheries lacks such a website and only has its name and address listed on the internet. d2

Although The Japanese Koi Company Ltd. provides all the equipment needed for building your own pond they do not offer such a service and this is where they do not have an impact on the construction side of Avenue Fisheries' business. However, customers could purchase all the equipment from The Japanese Koi Company Ltd. and still have Avenue Fisheries build the pond and this way Avenue Fisheries could lose out on profit made on the sale of the equipment.

Prior to the arrival of The Japanese Koi Company Ltd., local competition to Avenue Fisheries was relatively small with a low impact on Avenue Fisheries' sales. The main loss of sales was probably of the smaller size fish, which people purchased during a trip around the garden centre. Most serious Koi enthusiasts would prefer to purchase from a known dealer and specialist. The Japanese Koi Company Ltd. claims to be this. How Avenue Fisheries can respond to this competition is dealt with in the next section.

## ECONOMIC FACTORS

Avenue Fisheries could be largely affected by changes in economic conditions.

If the interest rates rise then customers of Avenue Fisheries will have to pay more money for their borrowings, so they may decide to save money by not spending on luxury items like expensive fish. Koi carp are not an essential item and high interest rates could affect the sales of Avenue Fisheries. If people have already got fish then they will still continue to feed them but the profit margin on bags of fish food is not enough to keep the business going. A shortage of money or people spending less money on non essential things may result in fewer people employing Avenue Fisheries to design and build their pond and landscape their garden. More people may decide to build their own ponds or put off the venture. High interest rates may result in loss of sales for Avenue Fisheries and a reduction in profit. Avenue Fisheries would also have to pay more on its own borrowing and this would further reduce profits. d?



If the interest rates fall then sales at Avenue Fisheries are likely to increase as customers will spend more and save less. Also, if the interest rates fall, then Avenue Fisheries may decide to spend money and expand to try and attract more customers.

The price of one currency expressed in terms of another currency is called the exchange rate. An increase in the exchange rates can assist a business that imports raw materials or components, as these become cheaper. This would help Avenue Fisheries as some of its Koi carp come from abroad. A decrease in the exchange rate would be bad for Avenue Fisheries as the imports would become dearer. This would mean that Avenue Fisheries would have to raise its prices to keep the same profits, or accept lower profits.

The Government's taxation policy would also have an impact on Avenue Fisheries. In times of high taxation, people have less money to spend. This means that people may well cut back on luxury items like Koi carp or spend less. In times of low taxation, people have more money to spend. This means that people will feel more able to spend money on hobbies such as keeping Koi carp.

During times of high inflation, people have less money to spend on luxury items as everything costs more. If there is high inflation, then Avenue Fisheries may lose customers and therefore income. During times of low inflation people will spend more confidently as they have less fear about the future.

The business of Avenue Fisheries benefits from stable economic conditions. This means that inflation is low, interest rates are stable, the exchange rate between the pound and other currencies is stable, and that firms and the economy are growing steadily. The business will also benefit during times of low unemployment. Low unemployment means more people have more money which they may decide to spend on Japanese Koi carp.

## ENVIRONMENTAL CONSTRAINTS

Like all businesses Avenue Fisheries has to comply with all current legislation to do with protecting the environment. In reality, these do not place constraints on the everyday running of Avenue Fisheries as the business does not cause any kind of pollution. d'2

Because of where the business is situated (on land previously owned by The Ministry of Agriculture and Fisheries) there are various planning constraints placed upon Avenue Fisheries. One of these restrictions is on the building of property on Steve's land and on selling the land. Steve is not permitted to sell off parts of his land for the purposes of building. This position is constantly being challenged by the residents (who face the same restrictions) with the local council as many residents wish to raise capital by selling land. Building land is expensive and if Avenue Fisheries was allowed to sell off some of its land, this would not affect the running of the business but could raise a lot of capital. This option would be favourable in a time of financial difficulty or if the business wanted to raise capital in order to expand: if Steve sold off one acre of land, he would still have enough space to expand Avenue Fisheries.

Another impact of environmental constraints would be if the Ramblers Association decided to revisit and pursue their claim of a public footpath through Avenue Fisheries. This is unlikely as the Ramblers Association dropped the case. However, if it did happen, this could be stressful to Steve and costly if he had to defend his case once again.

A big environmental concern for Avenue Fisheries is the health of the fish. All new fish are quarantined to isolate them to prevent the spreading of disease. If there was an outbreak of disease

this could have disastrous effects on Avenue Fisheries, with many of the fish dying. Livestock are always at risk of dying and dead fish mean loss of profit. Disease in the fish at his suppliers could also affect Avenue Fisheries as Steve would not be able to import the fish and this could reduce sales and customers may chose to look elsewhere. If it becomes public knowledge that there is a disease problem with Steve's fish, however short lived, people soon lose confidence and may look elsewhere for their Koi carp, never to return to Avenue Fisheries.

Another concern is the quality of the water. Koi are cold water fish but are not really suited to completely 'natural' garden ponds, with no filtration system. Steve actually checks the ph of the water and it is possible with the increase in acid rain that the ph levels may be affected and this could adversely affect the health of the fish. A massive power failure could affect the pumps and filter system. These would shut down and if the power did not come back on for a few days or in extreme cases a few weeks the health of the Koi could also be affected as they are used to clean, clear and unpolluted water. Any environmental factor that affects the health of the Koi carp can potentially have a huge impact on Avenue Fisheries; unhealthy fish are not fit for sale, nor are dead ones. Inability to sell fish results in a loss of profits and a loss of customer confidence in the business.

Koi are a good source of food for the heron bird. Avenue Fisheries has placed wires over its fish area to deter the birds from landing. This is mostly effective but some stock is still lost to the heron. The heron is a protected bird and cannot be destroyed. If the population of herons increased in the area, or if the herons became smarter and braver, then more herons may attempt to steal Steve's fish. A loss in fish will again result in a loss of profits. Because the heron is a protected bird this would be a difficult environmental constraint to combat.

When choosing its location Avenue Fisheries had to check on whether its neighbours used artificial crop sprays or fertilisers. There is not a law against using these sprays and if one of Steve's neighbours did decide to use such fertilisers it could have disastrous effects, killing his fish.

**HAVING FULLY EXPLORED CHANGES IN EXTERNAL  
INFLUENCES, INCLUDING REFERENCE TO COMPETITORS,  
ECONOMIC CONDITIONS AND ENVIRONMENTAL  
CONSTRAINTS, SUGGEST AND JUSTIFY WAYS IN WHICH THE  
TWO CHOSEN BUSINESSES COULD RESPOND TO THESE  
CHANGES**

**CENTER PARCS (UK) GROUP PLC**

**COMPETITORS**

Center Parcs UK could respond to an increase in competitors by stepping up their marketing campaign, highlighting the unique holiday experience they can provide and the difference between a Center Parcs UK holiday and the alternatives. As mentioned earlier in the portfolio, Center Parcs UK could change their television advertising campaign to show more elements of the holiday. This would help them appeal to more active families/couples who are not as intrigued by the usual adverts that seem to just offer a relaxing environment to holiday in. In the past, Center Parcs UK have claimed to be the one holiday that the British weather cannot spoil. In the face of increased competition in the UK, Center Parcs UK could go back to emphasising this point. This statement could also sway holidaymakers thinking of travelling abroad to choose Center Parcs UK instead. When holidaymakers book a holiday abroad, they are not always sure of the quality of the accommodation. Center Parcs UK could play on this and highlight their guaranteed quality of holiday and accommodation. d 3

Center Parcs UK could review their prices to make sure that they are competitive. They could choose to lower their prices to attract holidaymakers, or to keep their prices the same, justifying them by claiming they provide a better quality holiday experience and accommodation.

**ECONOMIC CONDITIONS**

If the interest rates rise then customers of Center Parcs UK will have to pay more money for their borrowings, so they may decide to save money by not spending on luxury items like a holiday. If people still decide to go on holiday at a Center Parcs UK Village, they may not spend as much on activities, restaurants, and souvenirs, meaning less profit for the Company. In response to a rise in interest rates, Center Parcs UK could lower their prices and offer more discounts. This would potentially attract holidaymakers and persuade them to take a holiday, but would mean less profit for Center Parcs UK. Center Parcs UK is a big enough and profitable enough organisation to be able to cope with a reduction in profits for a limited time. Directors and Managers are often awarded performance bonuses and these could be reduced or eliminated during difficult times to reduce Company costs. If interest rates rise, Center Parcs UK will have to pay more on any of their borrowings. It would not be in the Company's best interest however, to raise prices to account for this as increased prices may well put off potential holidaymakers (who already have less to spend on luxuries). Center Parcs UK must find a balance so that they are attracting holidaymakers and still making some profit, even if it is less than previously.

If the interest rates fall then sales of holidays are likely to increase as customers will spend more and save less. This could increase Center Parcs UK's sales of holidays as well as their sales of

souvenirs and activities etc. In response to this, Center Parcs UK could raise their prices, ensuring that the quality of the holiday experience is still there. By raising their prices, Center Parcs UK increase their profits which they can retain or invest, so that in a time of high interest rates, they have funds to fall back on.

A fall in interest rates could also have a bad effect on Center Parcs UK as people may splash out on exotic foreign holidays and decide not to holiday with Center Parcs UK. In response to this, Center Parcs UK could step up their marketing campaigns.

Center Parcs UK may also respond to a fall in interest rates by spending more money on and investing in new resources, like improved and modernised villas, new attractions (like recently introduced bowling lanes), improved or new restaurants offering a wider variety of foods etc. Backed up by appropriate marketing, this could attract more holidaymakers.

In response to an increase in the exchange rates, Center Parcs UK could import more items from abroad and make more profit by selling the items for more than they paid for them. Center Parcs UK could respond to a decrease in the exchange rate by not stocking the imports any more or by accepting less profit. d3

In times of high taxation and high inflation, Center Parcs UK could respond by stepping up their marketing, lowering prices and offering more discounts. Increased marketing and lowered prices will cost Center Parcs UK money, but overall, if the campaigns are successful, then they will cover their costs, hopefully make more than the initial costs and keep high occupancy.

## ENVIRONMENTAL CONSTRAINTS

Center Parcs UK pride themselves on being at the forefront of environmental and ecological practices. They were the first business in the leisure industry to be awarded the ISO 14001 Environment Certificate. Center Parcs UK more than complies with all the current environmental legislation and it is difficult to see what additional constraints could be imposed upon Center Parcs UK which could negatively affect them. There is evidence to show that the presence of Center Parcs UK's Villages has improved and enhanced the environment. d3

If the laws on tree felling were changed so that fewer trees could be felled or that more trees were required per square metre in forestry areas Center Parcs UK could simply respond by planting more trees and cutting less down. Center Parcs UK already have a policy of responsible felling and replanting.

# AVENUE FISHERIES

## COMPETITORS

Avenue Fisheries can respond to the competition of The Japanese Koi Company Ltd. in a number of ways. Firstly, Avenue Fisheries needs to set up its own website with as much information, if not more than The Japanese Koi Company Ltd.'s website. The internet is an increasing method of communication and Avenue Fisheries is loosing out by not using this medium.

Avenue Fisheries needs to make sure that its prices are competitive and that it is supplying superior quality stock and service. Once it has done this, Avenue Fisheries could respond with an aggressive marketing campaign, making direct comparisons between the two businesses, highlighting the advantages of shopping with Avenue Fisheries. ol:

Avenue Fisheries is not really in the financial position to expand greatly and to compete on the size aspect, so it must highlight its other strengths, such as expertise and quality of product, and rely on customer loyalty.

## ECONOMIC CONDITIONS

In response to rises in interest rates, inflation and taxation, Avenue Fisheries could respond in similar ways to Center Parcs UK, in that it could increase its advertising, lower prices and/or offer discounts. Avenue Fisheries would have to explore all methods of attracting and keeping customers as the business would not be able to survive long periods of reduced or no profits.

In response to falls in interest rates, inflation and taxation, Avenue Fisheries could raise its prices, but still be competitive, maybe keeping them slightly lower than that of The Japanese Koi Company Ltd. to maintain and gain customers. Avenue Fisheries would need to take advantage of these good times to help it survive the more difficult times and to put money away in reserve for possible expansion.

If the exchange rates increase, Avenue Fisheries' imports become cheaper. Avenue Fisheries can respond to this by importing more fish during this time. Avenue Fisheries could also take this opportunity to import previously too expensive fish (rare or extra large Koi). Avenue Fisheries could buy expensive and desired fish cheaply and sell them for a lot more than they were bought for - bigger profits.

If the exchange rates decrease, Avenue Fisheries' imports become more expensive. Avenue Fisheries can respond to this by importing less Koi directly from Japan and using UK wholesalers. There are a few large wholesalers who can import fish (including Koi) cheaper than Avenue Fisheries, because although affected by exchange rates, they can purchase higher quantities of fish and so receive bigger discounts: they have more 'buying power'. Avenue Fisheries could gather livestock from such wholesalers, but a big disadvantage of doing so is that Steve does not have a direct input of what is imported. This way the quality of the Koi may not be to Avenue Fisheries' standards and rather than accepting inferior fish, Steve would have to accept lower stock levels.

## ENVIRONMENTAL CONSTRAINTS

Like all businesses Avenue Fisheries has to comply with all current legislation to do with protecting the environment. In reality, these do not place constraints on the everyday running of Avenue Fisheries as the business does not cause any kind of pollution.

In response to not being able to sell off parts of his land, Steve could continue to campaign against this, along with the other residents of the road, putting more pressure on the local council to lift the restrictions.

If the Ramblers Association revisited its claim, the only response for Avenue Fisheries would be to obtain legal advice and hope common sense prevails.

Avenue Fisheries can respond to disease in fish by acting swiftly and isolating diseased fish from the other healthy livestock. Avenue Fisheries has a wealth of experience and is able to recognise and treat fish diseases appropriately. Avenue Fisheries has an effective and thorough quarantine process, and does not import diseased fish.

In the event of a massive power failure, Avenue Fisheries could use a standby battery charged generator to operate the pump system. This would only be effective short term and would be very expensive and probably unnecessary as ponds take a few days to get dirty and it is only in very rare cases that power failures last that long.

Koi are a good source of food for the heron bird. Avenue Fisheries has placed wires over its fish area to deter the birds from landing. This is mostly effective but some stock is still lost to the heron. The heron is a protected bird and cannot be destroyed. In response to an increase in the population of herons or an increase in their intelligence and bravery, Avenue Fisheries could place more wires over the fish area and cover the ponds at night. More wires and pond covers would intimidate the herons more and maybe put them off trying to steal fish. The heron is a difficult environmental constraint to battle as it occurs naturally and the bird cannot be killed by law.

When choosing its location Avenue Fisheries had to check on whether its neighbours used artificial crop sprays or fertilisers. There is not a law against using these sprays and if one of Steve's neighbours did decide to use such fertilisers it could have disastrous effects, killing his fish. The only way Avenue Fisheries can avoid the problem is to keep in with the neighbours. However, if the problem did occur Avenue Fisheries could do very little about it. Avenue Fisheries could respond by pleading with the neighbours to stop using artificial crop sprays or fertilisers, or by changing location. A change in location, however, is not financially possible for Avenue Fisheries so pleading with the neighbours would be the only possible response, but it may not be an effective one. A good feature for Avenue Fisheries is that most of the houses nearby have been bought by people for their own private residence and that the land is not used for commercial crop growing anymore.