



Inside

Merseytravel and Mersey Ferries



A Vocational Education Pack for Key Stage 4

Teachers' Notes



Promoting Business and Enterprise Education



Merseytravel: a Business Organisation case study

Unit 1: Investigating Business <i>This unit considers what kind of organisation Merseytravel is and where its services are located.</i>		Portfolio Work	Completed
1.	Ownership		
2.	Aims and Objectives		
3.	Business Location		
4.	The Merseytravel organisation		
5.	The Personnel Division		
6.	The Operations Directorate		
7.	Customer Service		
8.	The information Services Division		
Unit 2: People and Business <i>This unit describes the range of people who are involved with Merseytravel and how they interact with the organisation.</i>		Portfolio Work	Completed
9.	Stakeholders		
10.	Rights and responsibilities		
11.	Investigating job roles		
12.	Working arrangements		
13.	Training and development		
14.	Resolving disagreements		
15.	Recruitment and induction		
16.	Researching community views		
Unit 3: Business Finance <i>This unit considers how Merseytravel uses its finance and maintains its records.</i>		Portfolio Work	Completed
17.	The flow of financial documents		
18.	Methods of making payments		
19.	Using a Revenue Budget		
20.	Breaking Even		
21.	Calculating profit or loss		
22.	Understanding a balance sheet		
23.	Financial planning		
24.	Sources of Finance		

Mersey Ferries: a Leisure and Tourism case stud

Unit 1: Investigating Leisure & Tourism <i>This unit shows the popularity of Mersey Ferries and its importance in the regional economy.</i>		Portfolio Work	Completed
1.	Welcome to Mersey Ferries		
2.	Mersey Ferries' visitors		
3.	The customer passenger profile		
4.	The Business Plan		
5.	Mersey Ferries - a tourist attraction		
6.	Employment opportunities		
7.	Mersey Ferries and the local economy		
8.	Social, economic and environmental impact		
Unit 2: Marketing in Leisure & Tourism <i>This unit introduces a variety of marketing methods used by Mersey Ferries to promote its business.</i>		Portfolio Work	Completed
9.	The marketing plan		
10.	Products offered by Mersey Ferries		
11.	Price		
12.	Place is vital to Mersey Ferries		
13.	Promoting Mersey Ferries		
14.	Mersey Ferries uses SWOT analysis		
15.	Marketing research		
16.	Promotional campaigns		
Unit 3: Customer Service in Leisure & Tourism <i>This unit describes different types of Mersey Ferries' customers and explains why they are important.</i>		Portfolio Work	Completed
17.	The role of customer service		
18.	Meeting customers' needs		
19.	External and internal customers		
20.	Providing good service		
21.	Communicating with customers		
22.	High presentation standards		
23.	Handling complaints		
24.	Keeping customer records		

Teachers' Notes

- 'Inside Merseytravel' is a vocational educational pack supporting Business Studies and Leisure Studies for the 14 to 16 age range. It provides two case studies, a public business organisation and an important tourist attraction.
- Each page of the pack contains up-to-date data, photographs and activities about the leisure and travel industry. The tasks and activities support students putting together a portfolio of coursework for specific examinations.
- Students are encouraged to use the Merseytravel and Mersey Ferries websites and services to gain extra information. Both organisations have excellent links with schools in the region and have a range of publications to supplement this pack.
- Schools are encouraged to contact the Community Links and Access Team within Merseytravel for support. Mersey Ferries believes a group cruise combined with a Spaceport visit shows at first hand, the company at work.

The Community Links Access Team

- Works in partnership with local people and involves them in transport issues that affect their lives.
- Recognises everybody using public transport in Merseyside should have a say in its future development.
- Provides information about how the community can get involved in Merseytravel activities.
- Encourages local people to be involved in community transport initiatives and events.
- Works with people through its Young People's Education initiative

Please contact the Community Links Access Team




tel. 0151 330 1200 or write to:
Community Links Access Team
24 Hatton Garden, Liverpool, L3 2AN
www.merseytravel.gov.uk

and

Please contact Mersey Ferries

Victoria Place, Seacombe, Wallasey, Wirral, Merseyside CH44 6QY
tel. 0151 330 1444 or email
info@merseyferries.co.uk
www.merseyferries.co.uk

1. Ownership

-  Merseytravel serves the public transport needs of local communities on Merseyside. Its aim is to improve the quality of life of local people in terms of transport safety, convenience and accessibility. Merseytravel encourages local people to have their say.
-  Merseytravel co-ordinates public transport through working with bus and rail operators. It aims to deliver a fully integrated and environmentally friendly public transport network. Protecting the environment is an important consideration for Merseytravel.
-  Merseytravel is part funded by the five local authorities of Merseyside. Local councillors set public transport policy and decide how funds are to be spent to support and improve transport facilities for local people living within the area.

A. The main features of Merseytravel:

• Merseytravel provides some subsidized transport community services.

• Ticket and pass fares help support Merseytravel's operation.

• Local councillors set policy and paid officers deliver the objectives.

• A public sector business is not usually expected to make a profit.


• Council taxes and government grants support Merseytravel.

• Merseytravel tends to provide secure employment opportunities.



B. Merseytravel PTA represented by councillors






-  Good public transport is essential if local people are able to benefit from growth opportunities in the local economy. Their quality of life will improve if they are linked with jobs, education centres, healthcare and leisure facilities. It is the job of the 18 democratically elected councillors representing the 5 local councils to meet the ongoing challenge of providing high class transport services.

Activities

1. Define a public sector business.
2. Describe the essential functions of Merseytravel.
3. List 6 features of a public transport authority.
4. Describe the control and ownership of Merseytravel.

2. Aims and Objectives

-  Working with others is important when providing local transport services. Merseytravel's mission statement is 'to co-ordinate and promote high quality passenger travel services and facilities in Merseyside through effective partnerships'.
-  Merseytravel set out its aims and objectives within its 'Best Value Performance Plan' each year. The plan lists the activities that will be completed within budget limits during the period. Monitoring objectives is an important part of making progress.
-  A public transport authority like Merseytravel makes a significant contribution to the 'Local Transport Plan'. Pooling expertise and resources to improve transport services is the major feature of this plan. Merseytravel values all its stakeholders.

A. The Local Transport Plan 2006-2011 contains:

• ideas from community groups, transport operators and the public



• responses to transport problems noted by the public

• ways to promote environmentally friendly forms of transport

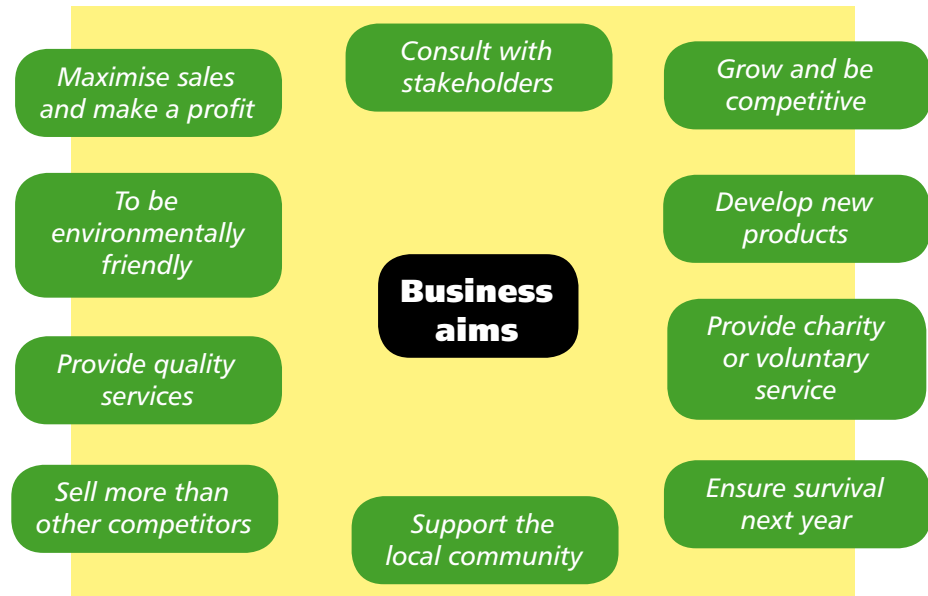
• changes to improve the role of transport in the local economy


• suggestions to slow the growth of car use

• ways in which the five local councils work in partnership



B. There are many different types of business aims.






-  A large business sets out its work in terms of its aims and objectives. Business aims are long-term goals or challenges the organisation wishes to achieve. Aims will vary according to the size and nature of the businesses. Objectives are specific targets or actions pursued to achieve the aims. Public sector organisations have to review, evaluate and report on their achievements each year.

Activities

1. Give two reasons why a business may have a mission statement.
2. Using A, list some of the areas Merseytravel will set aims for.
3. What is the difference between a business aim and objective?
4. Look at B, and list the aims a public sector business will put forward.

3. Business Location


-  Merseytravel's headquarters is located in Liverpool city centre. Local people and employees can easily get to it from all over Merseyside. The city centre is the most accessible place in the region by road, rail, air and ferry services.
-  Merseytravel's stations and travel centres are usually located in the town centre. Stations are sited where it is easy to link with other types of transport. Passengers can then choose the best way to travel from the range of transport services available.
-  There are 1800 Merseytravel bus stops within Merseyside. They are the most common local public transport facility. They are usually located along main roads, close to local landmarks and next to important services such as shopping and medical centres.

A. Considerations for the location of a bus station in a city centre.



B. Merseytravel city centre facilities






-  No one consideration influences where a transport facility is established. Many stations now act as transport interchanges where local people are encouraged to use the park and ride services to cut down traffic congestion.

Activities

1. Look at A. Explain the importance of each location decision when building a bus station in a town or city centre.
2. Create a 'concept map' of the location factors to consider when building a new transport Interchange outside a town or city centre.
3. Look at B. What evidence is there on the map to show that there is a balance between good car access, (including taxi access) for those who require it and encouragement for people to use public transport in Liverpool's city centre?
4. Investigate why 'Park and Ride' schemes and 'Car Clubs' continue to make the city centre a popular site for new business locations.

4. The organisation structure of Merseytravel

-  'Merseytravel' is the collective name for two organisations which are jointly responsible for co-ordinating passenger transport on Merseyside. The two organisations are the Merseyside Passenger Transport Authority and the Merseyside Passenger Transport Executive.
-  The Passenger Transport Authority (MPTA) sets local public transport policy and the Passenger Transport Executive (MPTE) implements that policy. Executive Directors run the (MPTE). They have been appointed by the (MPTA) which is made up of local councillors.
-  The Passenger Transport Executive is organised into three Director-led functional areas. Each Director provides advice to the MPTA, as well as the development and implementation of policy. The organisational chart shows that Directors have one or more Department Heads reporting to them.

A. Key terms to understand organisation charts

The functional organisation structure

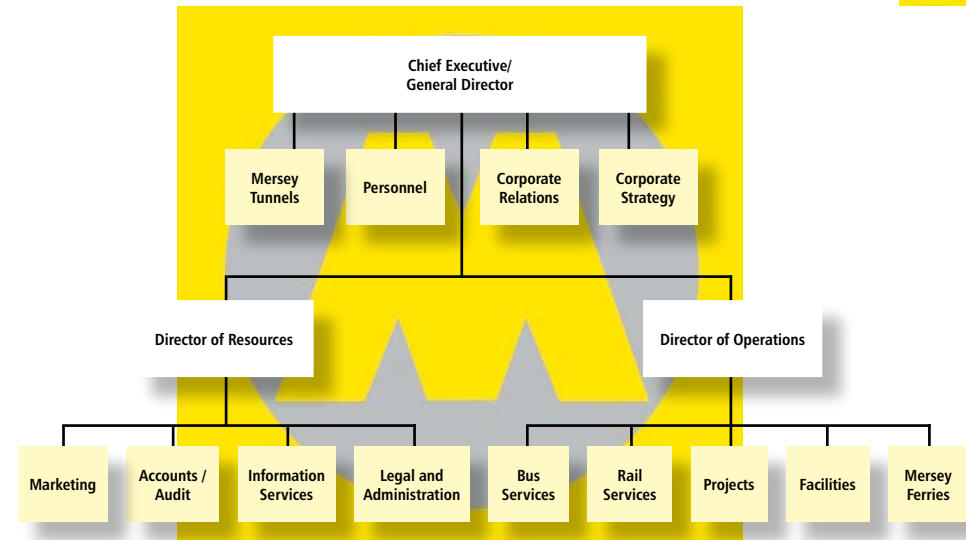
A hierarchy of responsibility


Chain of command

Span of control

- the number of employees one person has responsibilities for.
- the way decisions are passed down, or up, from one level to the next.
- the levels of responsibility within the organisation.
- the make up of the Directives and their Departments.

B. The Merseytravel organisation chart.






-  The Merseytravel organisational chart shows the level of management and the division of work responsibilities within the business. It can show the team each employee belongs to, their line manager and who reports to whom. Each Merseytravel department has a particular function. This organisation chart structure shows how departments relate to one another

Activities

1. Describe the working relationship between the two organisations that make up Merseytravel as a public sector business.
2. Research the key terms in A that describe the Merseytravel organisation and match each term with its correct definition.
3. Look at B and describe the span of control of the Chief Executive.
4. Why does Merseytravel encourage teamwork at all levels within the organisation?

5. The Personnel Division

-  Merseytravel has a large workforce of around 950 people working in different departments. The Personnel Department ensures that matters relating to employee needs are managed and responded to correctly. Its key task is to advise managers on conditions of employment.
-  The Personnel Department is linked to other departments within the Merseytravel organisation. Personnel support the recruitment of staff and in exceptional cases staff dismissal. The Department ensures that staff and managers follow appropriate employment law.
-  Personnel Department staff provides support and training to update employee skills. They also provide opportunities to motivate staff to do their best and Merseytravel's key objectives. This department works closely with trade unions on such matters as health and safety issues.

A. The Personnel Department at work

• training development, promotion and support

• employee working conditions and pensions

• health and safety in the workplace

• recruitment, retention and dismissal of staff

• employee relations and Unions



B. The Merseylearn Agreement within Merseytravel




A framework for developing a comprehensive learning culture throughout the organisation agreed with unions and management.

The 'Merseylearn Agreement' is backed by the TUC; it aims to encourage employees to participate in workforce development.

A joint Learning Forum, comprising employer and union representatives who evaluate and make recommendations for future learning provision.

Gives details of the programmes of learning available and the contact numbers of the Learning and Development Team for help and advice.


Access to learning centres and learning programmes including ICT activities.


-  The transport industry changes quickly and staff need to be flexible and adaptable in the workplace. Merseytravel continually invests in staff development and continues to seek external kite marks to set itself the highest standards in human resource development. This includes Mersey Tunnels successfully achieving the National Investors in People Award.


Activities

1. Why does the Personnel Department support all other departments within Merseytravel?
2. Look at Figure A. List five activities the Personnel Department supports when working with Merseytravel employees.
3. Look at Figure B. What are the main features of the 'Merseylearn Agreement'?
4. Why do large organisations like Merseytravel want to obtain external accreditation kitemarks like the Investors in People Award?

6. The Operations Directorate

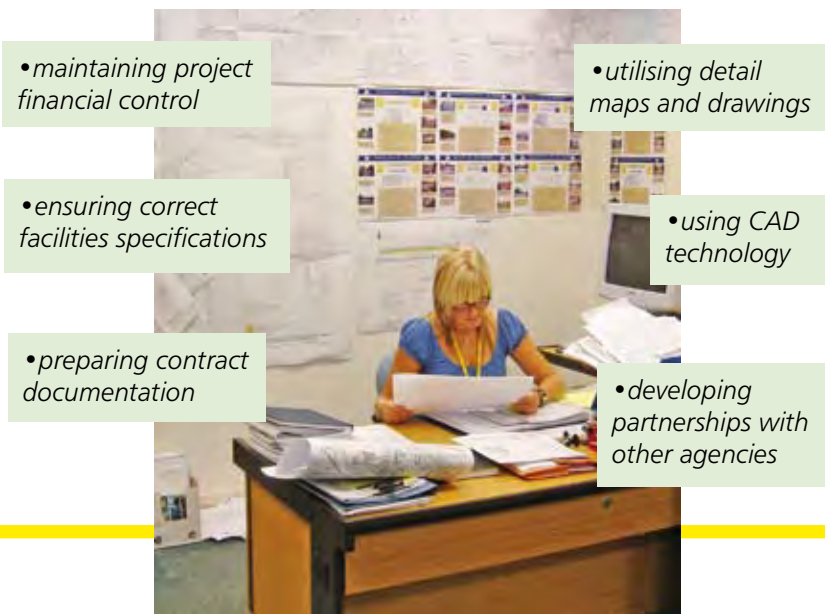
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The Operations Directorate is made up of 5 divisions. Each has specific functions and responsibilities. It includes the Facilities Division that manages Merseytravel's buildings and general operational equipment. The Rail Services division oversees the provision of services from the external franchise operators working the three rail lines.
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The Bus Services Division undertakes analysis of commercial bus services. It leads on tendering for subsidized and socially necessary bus services. It negotiates with external partners. It provides services based upon responsive public demand. It undertakes special bus related services. It is currently managing over 500 contracts and agreements
- 

The Projects Division covers three areas of management including major new transport schemes, bus route way corridors and maintaining property services. The remaining division within this Directorate is Mersey Ferries which is divided into four divisions including Operations, Works, Engineering and Administration.

A. The Projects Division at work



• maintaining project financial control

• utilising detail maps and drawings

• ensuring correct facilities specifications

• using CAD technology

• preparing contract documentation

• developing partnerships with other agencies

B. Liverpool South Park Interchange project

situated in Garston, linked to John Lennon airport

easy interchange between cars, bus, train and bicycle


a revolutionary design with sustainable features

a passenger rest area with up-to-date information

convenient bus drop off points at the front entrance

accessibility between City and Northern train lines

a large car park including disabled parking bays


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The Liverpool South Parkway Interchange is an example of a design handled by the Projects Division. The design incorporates environmentally-friendly techniques and materials. Re-used slag has been used instead of cement and the roof is made of recycled aluminium. A rainwater harvesting system will save water and solar panels will cut electricity costs.


Activities

1. Name the five divisions making up the Operations Directorate.
2. Look at A. Describe the work of the Projects Division and list the employee skills needed to work there.
3. Look at B. List the 'costs' saved by the Project team interchange design?
4. How many Operation divisions were consulted on this South Parkway design?

7. Customer Service

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Passengers request information daily regarding the services that Merseytravel provides. There are a range of staff employed to provide customer service on demand within Merseytravel. One of the most widely used forms of customer service is the Information Unit which attends to hundreds of calls daily.
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Merseytravel's travel assistants are sometimes asked to seek passenger's views regarding services it is currently providing. These views and opinions are vital to judge how effective the organisation is. Focus groups including young people at school, women, and people with disabilities are regularly interviewed.
- 

Merseytravel wishes to co-ordinate public transport effectively. It provides questionnaires in travel information centres to seek out the views of its passengers, before investing in a major new facility or service. Public opinion on how well existing services are running is also needed. Merseytravel wants value for money when meeting local needs.

A. Merseytravel employees contribute to customer service by:

• helping passengers search for travel information

• assisting passengers to weigh up the travel options

• asking passengers to review their transport experiences



• providing information about transport services

• making helpful comments when dealing with enquiries

• seeking how well passengers were treated when using services

B. Customer service research helps provide ideas and insights into:



• new technology investment


• new methods of ticketing

• future spending priorities

• improved information signage

• increased service reliability

• better accessibility to facilities

- 

Merseytravel acknowledges that customer service is an important way of building up the relationship between passengers and the organisation. Training in customer care is a regular part of annual staff development programmes. Good customer relations, based on listening to what the customer wants, allow essential travel priorities to be planned for in the future.

Activities

1. Name three places where customer care is evident within Merseytravel.
2. Look at A. Which three customer care services are important to you?
3. Look at B and explain how customer service research helps Merseytravel.
4. How does Merseytravel keep customer care a top priority?

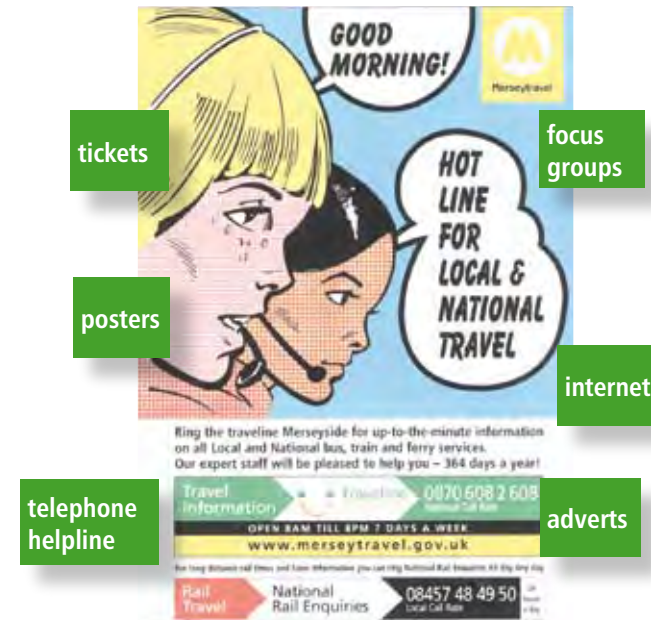
8. The Information Services Division

- High quality communication is vital for Merseytravel in order to achieve its objectives. As most employees work in teams and talk to one another about work, the most common method of communication is by informal 'word of mouth'. It is essential that all who work in Merseytravel communicate messages accurately.
- Within Merseytravel it is the Information Services Division's role to provide effective internal communication and to pass information between departments to ensure they operate effectively. Telephone and e-mails are the common internal methods of communication. Electronic communication is used to link and give feedback to the travelling public.
- The Information Services Division maintains and supports the PTE information service infrastructure, systems and telecommunications. It links with external partners to provide basic public transport data that is used throughout Merseytravel. It provides daily operational support within the organisation for a range of computer applications.

A. Methods of internal communication used within Merseytravel



B. External methods of communication.






- Merseytravel relies on external communication to inform passengers of its services and has a telephone information helpline. The website enables the public access timetables, reports, brochures, up-to-date information. External suppliers use the established internal addresses and contact points to maintain links and provide services.

Activities

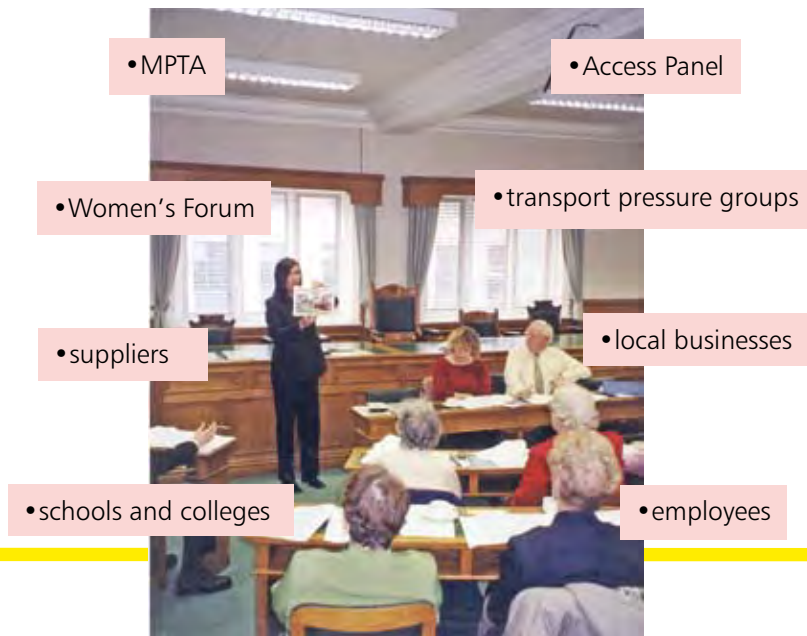
1. Why is effective 'word of mouth' communication important to Merseytravel?
2. Using A, group the methods of communication shown into 'electronic' and 'paper'.
3. Look at B, and explain why Merseytravel often places adverts in local papers.
4. Explain why the internet will be the most popular communication method in the future.



9. Stakeholders

-  As a public organisation there are a number of interested groups who want their say on how Merseytravel should be run. These groups might manage, work or use the services co-ordinated by Merseytravel. Together these groups form the stakeholders of the public sector organisation. Usually their views are in agreement but sometimes they're not.
-  The principle stakeholder is the Public Transport Authority made up of elected councillors representing the 5 local councils. In turn they represent the people of Merseyside who use the services and facilities of Merseytravel. Other stakeholder groups include people with disabilities, women, schools and colleges.
-  Merseytravel stakeholders include the employees themselves. Recently individual members of the public and pressure groups voiced their opinions regarding transport issues. Interest in transport issues is growing due to the increased costs of motoring and concerns relating to global warming and environmental protection.

A. Merseytravel Stakeholders



•MPTA

•Access Panel

•Women's Forum

•transport pressure groups

•suppliers

•local businesses

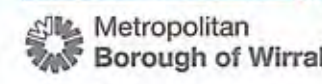
•schools and colleges

•employees

B. Merseytravel Government Stakeholders


Local Government

- *Permission to use fares payments*
- *Council Tax revenue*
- *Project investment funding*



National Government




- *Department of Transport grants*
- *Treasury Department investment loans*
- *European Union Funds*

-  The government at national and local level is required to take a strategic responsibility for the provision of public transport. As a public transport authority Merseytravel publishes its Local Transport Plan that outlines its plans and activities for the next five years. The commitments contained in the LTP act as an agreed stakeholders' statement.

Activities

1. *In what way are the stakeholders of a public organisation different from those of a private company?*
2. *Look at A. Can you find the names of two local community stakeholder groups.*
3. *Look at B. Identify three sources of government funding available to Merseytravel.*
4. *Give two important purposes for having a Local Transport Plan that covers Merseyside.*

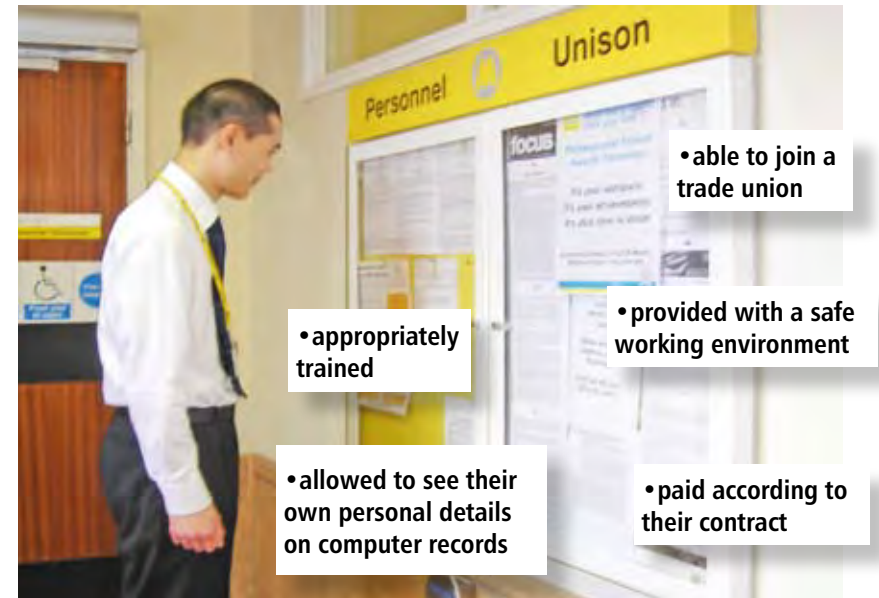
10. Rights and responsibilities of employers and employees


-  Merseytravel as an employer wishes to develop good working relationships with its employees because working together will ensure the organisation will meet its objectives. Staffing costs account for a significant part of the Merseytravel budget so it is important not to lose competent workers. Staff who feel valued perform their duties well.
-  Merseytravel is mindful of employment law and ensures it does not discriminate against employees. It complies stringently with legislation associated with any form of unfair discrimination. It works closely with the national organisations that promote opportunities in the workplace for all employees irrespective of disability, gender and race.
-  Merseytravel supports a system of collective bargaining in every way and believes in the principle of solving employee relations' problems by discussion and agreement. Employees are encouraged to be members of a Trade Union so that an appropriate national body can negotiate their conditions of service and interests.

A. Some expectations of Merseytravel employees



B. Employees expect to be:




-  One significant benefit Merseytravel provides its employees with, is the automatic membership of a final salary Local Government Pension Scheme. Employees do have the right to choose their own pension arrangements by either being a member of State Earnings Related Pension Scheme or through an approved personal pension.

Activities

1. Provide three reasons why Merseytravel wants good employee relations.
2. Look at A and explain fully the reasoning for each employer expectation.
3. Look at B and explain the relevance of each employee expectation.
4. Investigate the UNISON Trade Union under the headings: benefits, legal services and fees.

11. Investigating job roles

 Merseytravel has a line management structure. Employees are paid according to the responsibility they have, as set out in their job descriptions. Typically, each Directorate has Managers on different salary grades reporting to a Director. The Managers are responsible for the next grade, the Officers. Usually Assistants and support staff are supervised by Officers.

A. Job description: **The Compliance Manager**
Responsible to: Franchise Manager, Merseytravel
Supervises: Performance and Payments Officer

Principal duties include:

To monitor the performance of the Merseyrail franchise, identifying non-performance and advise remedial action.

There are 7 accountable Key Results Areas:

- compliance management
- integration with other Merseytravel elements
- quality management
- communications,
- strategic development
- contract management
- people management

Activities

1. *Why do employees need job descriptions?*
2. *Look at A and explain what the Key Results Areas are.*
3. *Look at B. Why does this post have duties, not Key Results Areas?*
4. *Using the information in each job description draw the line relationship in this departmental structure.*

B. Job description: **The Performance & Payments Officer**
Responsible to: Compliance Manager, Merseytravel
Supervises: Performance and Payments Assistant and Compliance Administration Assistant

There are 28 specific duties including:


- assist the Compliance Manager
- monitor train operator compliance with Franchise Plan
- assist with audit monitoring
- collect, maintain and analyse data
- assist with business plan preparation
- represent Merseyrail at meetings
- provide IT support to rail services


C. Job description: **The Performance & Payments Assistant**
Responsible to: The Performance and Payments Officer
Supervises: No-one


There are 16 Principal duties including:

- assist the Performance and Payments Officer
- assist with monitoring the Train Operator/Network rail incentives scheme
- organise and attend contract meetings
- assist with periodic reviews
- assist with maintenance of records
- assist with the Passenger Transport Information System
- undertake other duties as appropriate

12. Working arrangements

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When an employee is appointed to Merseytravel, the organisation is obliged to provide a contract of employment within 8 weeks of taking up the post. A contract of employment is an agreement; it sets out the agreed terms made jointly between the new employee and Merseytravel. The contract has to be signed by both parties to be legal.
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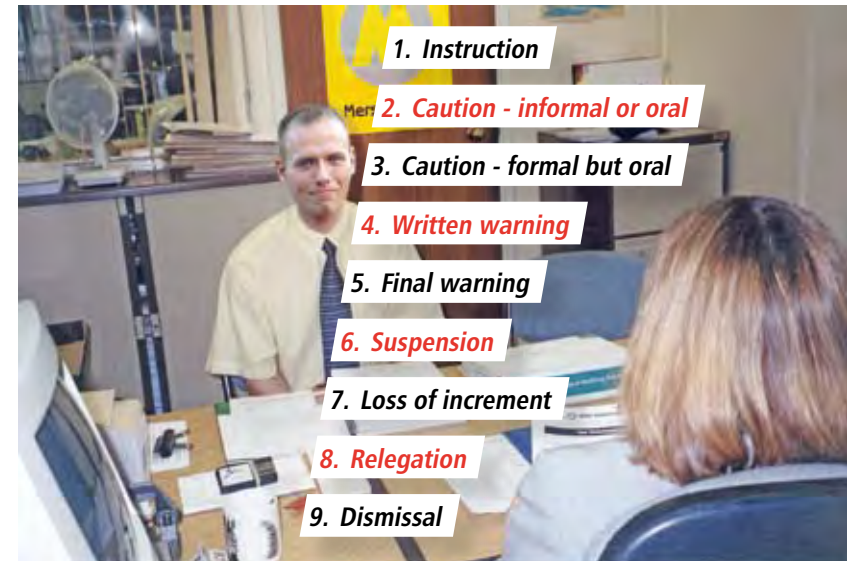
The Merseytravel contract of employment is based upon the Employment Rights Act 1996. The contract provides clarity; it helps reduce the possibilities for any misunderstanding that could lead to industrial disputes. The main areas of the contract are: the nature of the job, conditions of service, hours, pay, place of work, benefits, grievance and disciplinary procedures.
- 


Merseytravel offers a range of benefits to employees as part of their contract. These benefits are given based on the nature of the transport related work and the need to be frequently out of the work place. For instance, electronic hand-held data equipment may need to be charged at home and so a small annual allowance is given in recognition.

A. Other employment contract benefits could include:



B. Outcomes of a disciplinary interview



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New employees are also provided with details of the Disciplinary Rules and Disciplinary Procedure operating within Merseytravel. These have been agreed with Trade Unions. It is considered mutually beneficial to follow these stepped procedures as they help all parties to feel secure and adherence to them should enable speedy, fair and consistent action to be taken.

Activities

1. List the headings of the Merseytravel Contract of Employment based upon The Employment Rights Act 1996.
2. Look at A. Provide a reason to explain why each benefit is given.
3. Look at B and state the possible outcomes of a disciplinary interview.
4. Why should new employees fully understand how to follow the Disciplinary Rules and Disciplinary Procedure?



13. Training and development

-  Merseytravel believes that to improve the performance of employees, it needs to invest in staff development. The organisation is continually developing new and ambitious plans. Each division of Merseytravel will have its own training needs and it is the responsibility of the manager working with the learning and developing team to meet these needs, arranging either 'in house' or external training.
-  Merseytravel employees need to be knowledgeable of Health and Safety regulations. Their implementation is a daily routine. Ensuring the avoidance of accidents and safety protection of employees, passengers and the general public is central to the efficient functioning of Merseytravel. Regular training in this area of work is always on-going.
-  Another aspect of staff development at Merseytravel is employee performance and development reviews. Annually each employee meets with their line manager to review the previous year's work and set a range of personal objectives for the next year. At this interview the strengths and areas for development of the employee are discussed. The outcome is an action plan for career development.

A. Merseytravel award-winning training methods



- skill instruction workshops
- case study analysis
- using ICT e-learning
- Role-play activities
- attending training courses
- group demonstrations

B. A training day programme by an external provider

Course objectives: Merseytravel staff will be able to:

describe the provisions of the Disability Discrimination Act related to Merseytravel

identify access barriers to the use of Merseytravel premises and services


describe acceptable and unacceptable ways of approaching people with disabilities

be able to explain the difference between 'special needs' provision and an inclusive approach

describe the difference between the medical and the social model of disability when applied to Merseytravel activities

give examples of communication problems that might arise when dealing with passengers who have disabilities



-  Merseytravel has established 'Learning Centres' in a number of the key buildings making up the organisation. These centres are equipped with the latest technology for individuals or groups to undertake employment related study and work to appropriate qualifications. Employees are acknowledged and recognised for their success at the Annual Merseytravel Staff Awards Ceremony.

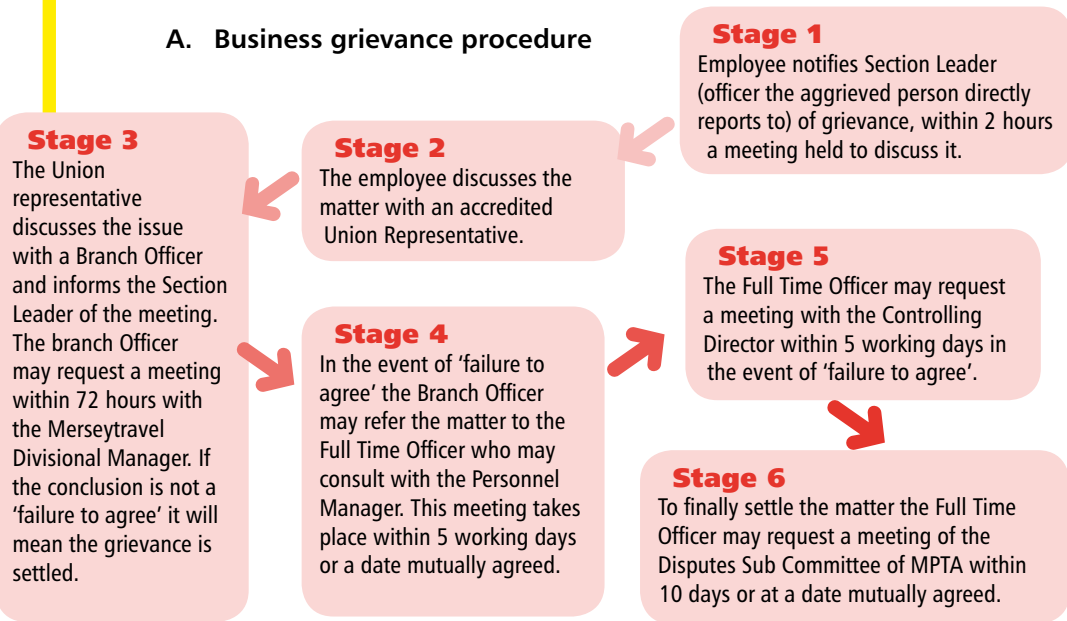
Activities

1. *Why is training and staff development seen as vital to Merseytravel's success in the future?*
2. *Look at A. Can you think of two other training methods Merseytravel might use to train its staff?*
3. *Study B. Describe how an employee attending this course will have their knowledge and skills increased.*
4. *Suggest three advantages of having work-based learning centres in Merseytravel's major buildings.*

14. Resolving Disagreements

M Disagreements at work can occur over the treatment of individual employees or groups of employees. Merseytravel acknowledges that employees have the right to express that they have a grievance against the organisation. In such circumstances there is an accepted grievance procedure for all parties involved to follow.

A. Business grievance procedure



M Like other large organisations Merseytravel has had experience of industrial disputes. There have been times when agreement between employees and management cannot be reached, usually over pay and working conditions. Trade Unions may suggest to employers that industrial action will be taken unless the matter is resolved in their favour.

M If a dispute is long-running, unions and management may wish to approach the Advisory, Conciliation and Arbitration Service (ACAS). They provide both sides with experts who help solve the dispute by listening to both arguments, mediating proposals and offering suggestions.

B. 24-hour rail strike tomorrow: 1st November 2000

The guards union RMT want better safety for its members.

The company say they will talk at any time to avert the 24-hour strike.

Merseyrail hopes to staff its emergency timetable by switching former guards who have retrained as drivers to their previous duties.

Guards voted to take strike action after attacks by passengers and an alleged assault by a Merseyrail manager.

Merseyrail aims to run half of its scheduled services during the first of three 24-hour strikes by train guards.

More transport police are needed to be employed on trains.

Activities

1. **What are common causes over which disputes in the workplace occur?**
2. **Look at A. Make a flowchart of the Merseytravel Grievance Procedure.**
3. **What kind of support would ACAS offer Merseytravel or a Trade Union during a long-running dispute?**
4. **Look at B. Summarise the strike under headings: What, When, How, Why and Improve.**



15. Recruitment and Induction

- The Personnel Division working with managers recruits staff in Merseytravel. Employees may be recruited internally through development or promotion. Internal recruitment motivates employees and allows a faster job induction due to familiarity of the organisation. This procedure saves advertising costs.
- All posts within Merseytravel are advertised externally by placing advertisements in the local papers across Merseyside or on its website. Vacancies are identified by line managers within the various divisions. Agreement is reached within the division that the new post is within budget and the go-ahead is given to start the recruitment process.
- Recruitment advice is provided by the Personnel Division when assisting other division managers to make a new appointment. It is acknowledged that the correct appointment will be a person meeting the specific skills-set of that Merseytravel division and satisfying any legal requirements that may be needed by the job.

A. The external recruitment application process

1. Produce a job description.
2. Draw up a person specification.
3. Advertise the job.
4. Shortlist the candidate.
5. Interview the candidate.
6. Select the best applicant and take references.
7. Send a letter to confirm appointment.
8. Provide an induction pack.

B. The structure of Merseytravel's Employment Record




- Aims and objectives of Merseytravel
- Details of the Merseytravel structure
- General terms and conditions of service
- Bullying Contact Officer Numbers
- Conditions of Occupational Sick Pay
- Leave of Absence Statement
- Disciplinary rules and procedures
- Family Friendly Policies

When a new employee starts work at Merseytravel they are given an Employment Record as part of their induction programme. They are encouraged to keep evidence of any training or briefings attended in their Record. A good induction helps the employee to settle in with confidence and encourages a sense of loyalty to the organisation.

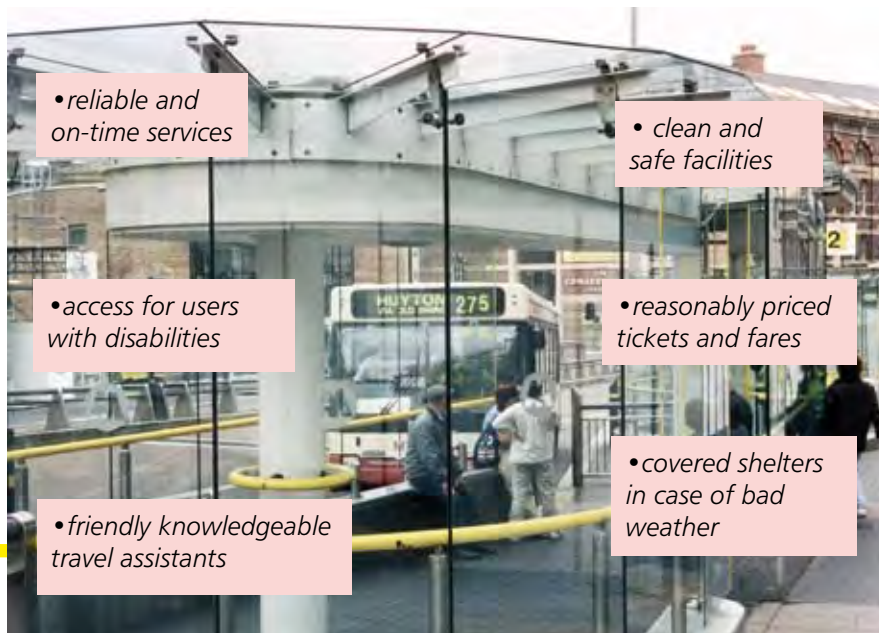
Activities

1. Why does the Personnel Division assist other divisions with their appointments?
2. Look at A and redraw it as a flow chart of the recruitment process
3. Look at B and state what other information could be kept in the Employment Record.
4. Draft a General Induction Day programme for an employee new to Merseytravel.

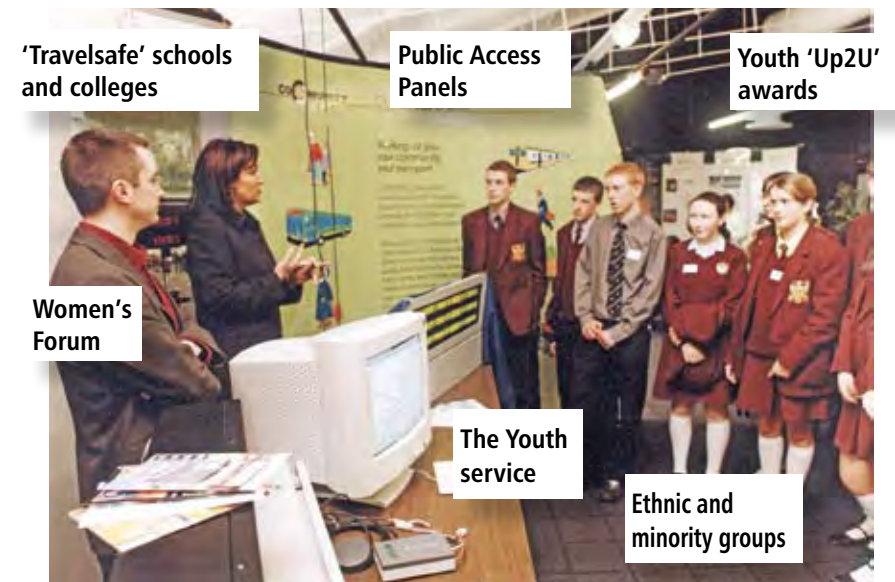
16. Researching community views


-  Merseytravel wants new passengers and promotes public transport as an alternative to the car. Regular monthly monitoring and evaluation of passenger numbers using the services gives an insight on passenger usage trends. Frequent passenger surveys provide feedback on passenger satisfaction - an essential feature of the business.
-  As part of the Local Transport Plan, Merseytravel consults with the public and business community before any major transport policy recommendation is implemented. Holding local briefings and displays on new and improved public transport proposals allows local people to voice their opinions and make comments.
-  The Merseytravel Community Links Access Team was established to work in partnership with community groups including schools and colleges, to involve them in transport issues that affect their lives. The team provides information and grants that will encourage community transport initiatives to improve the daily lives of local people.

A. Passenger requirements from public transport



B. The Community Links Access Team workers and partners






-  A large number of households on Merseyside do not have a car so public transport provides the essential alternative for getting around. Promoting inclusive travel opportunities and getting ideas for service development are always on the agenda at the 5 regular District Access Panel meetings.

Activities

1. **Why is consulting with the passengers an essential feature of customer service?**
2. **Look at A. Put the needs of the travelling public in your order of priority.**
3. **Look at B. Make a list of the target groups the Community Links Access Team works with.**
4. **Explain why public transport is vital to many people living in Merseyside?**

17. The flow of financial documents


-  Financial documents are needed to track the buying and selling of goods or services. Each Merseytravel division or section produces and receives many kinds of financial documents from other businesses and when dealing with members of the public. It is now common practice to produce financial documents electronically and to be able access financial statements on-line.
-  Merseytravel has to ensure that its financial documentation is kept accurately and is monitored for mistakes. The finance department requests that individual divisions keep their accounts in the same way so they are easy to identify and audit. This approach allows goods, especially those ordered from external suppliers, to be checked, recorded and paid for quickly.
-  The amount of financial documentation generated within Merseytravel will depend on what is being purchased. If you buy a travel pass from Merseytravel at a newsagent, the only piece of paper generated is a till receipt, given in exchange for the money payment. If the Bus Services Division buys ten personal computers then the paper work produced is considerable.

A. Documents used to make a purchase by Merseytravel

1. The Bus Services Division identifies the computers it wants in a supplier catalogue.
2. Each supplier has a unique reference number on Merseytravel's database.
3. The order details are entered on a **Requisition Sheet** with the correct finance code.
4. The **Requisition Sheet** is sent to the authorised budget-holder for his/her signature.
5. The budget holder checks and signs, checking enough money is in the budget.
6. The **Requisition Sheet** is forwarded it to the relevant finance section.
7. The finance section raises the official **Purchase Order** and sends it to the supplier.
8. Merseytravel receives the computers and checks the **Delivery Note**.
9. The supplier is sent a **Goods Received Note** if shortages or damage have occurred.
10. Payment is by **cheque** or direct to the supplier's bank account with **Remittance Advice Slip**.

B. Documents used by Merseytravel's Supplier

- A. The Purchase Order is received by the supplier and a **delivery note** is sent with the goods.
- B. Later a **Invoice** is prepared, it has its on unique number and is sent to Merseytravel.
- C. The invoice shows the Purchase Order number, the cost of the good and any **VAT** due.
- D. A **Credit Note** is sent to Merseytravel if the order had damaged or missing items.
- E. Later a **Statement of Account** is produced by the supplier and sent to Merseytravel.
- F. A **Receipt** is issued by the supplier if the payment is made in cash by Merseytravel.

-  Each stage involved in either a purchase or sale can only move forward to the next if there is an order number. This unique number allows the financial documentation to be linked up to take the order forward. The order number is a basis for purchase orders, delivery notes, goods received notes, invoices, statements, remittance advice notes, cheques and receipts.

Activities

1. **Name the forms of financial documentation within Merseytravel.**
2. **Look at A. Write one sentence to explain the purpose of each term in bold.**
3. **Look at B. Write one sentence to explain the purpose of each term in bold.**
4. **Why is it important to check the delivery note when the goods are received?**

18. Methods of making payments

- Merseytravel uses many different ways to make payment to its suppliers and collect monies from its customers. A wide range of payment methods can be found operating within the Merseytravel organisation. The method most widely used by passengers is using cash to pay individual fares.
- Passengers are able to use debit cards to purchase travel passes like Solo and Trio. These travel passes cover a period of time and offer unlimited use in the set period. They are more expensive to buy at first but offer great savings to the regular user. The overall cost is cheaper than the cost of individual journeys. They can be paid for by cash, cheque or debit card.
- Merseytravel usually pays its suppliers' invoices by using bank credit transfers. These are electronic payments between Merseytravel's bank and the bank accounts of the approved suppliers. No money is handled and when a transaction has taken place Merseytravel sends the supplier a Remittance Advice note to say the bill has been paid.

A. Methods of payments

- Cash
- Credit card
- Credit transfer
- Cheque
- Debit card
- Direct debit

Instruction to your Bank or Building Society to pay Direct Debits

Please fill in the whole form including official use box using a ball point pen and send it to:

Mersey Tunnels
 Georges Dock Building
 Pier Head
 Liverpool L3 1DD

Bank Building Society account number: _____
 Branch Sort Code: _____

Name and full postal address of your Bank/Building Society:
 To: The Manager, Bank/Building Society
 Address: _____
 Post Code: _____

Reference Number: **MT AVI** _____

Banks and Building Societies may not accept Direct Debit instructions for some types of account

B. Toll booth collection



- Mersey Tunnels use a range of payment methods. It collects cash tolls at the tunnel booths. It also offers a saving to motorists who use Fast Tag. Motorists set up an account with Mersey Tunnels' bank and pay a direct debit monthly from their bank. The account is debited each time they show their electronic FastTag using the tunnel.

Activities

1. Why is using cash a popular payment method with passengers?
2. Look at A. Explain why credit cards are rarely accepted for payment by Merseytravel.
3. Look at B. Make a list of what is needed to complete the direct debit form.
4. Why do you think Merseytravel offers a reduction for using Fast Tag and not cash at the Tunnel Booth?



19. Using a Revenue Budget

- Merseytravel produces a Revenue Budget each year that shows how much money will be allocated to each of its service areas. Internally directors and managers will produce detailed finance budgets to run their particular areas of operation based upon their Revenue Budget allocation. The Revenue Budget shows the financing levy contribution from each council.
- Merseytravel uses its Revenue Budget to set targets in each of its Divisions. Directors and managers can then check their budget to decide if their Division is meeting its targets and if it can spend money. Service budgets run over the year but are profiled monthly in order to forecast their short-term expenditures and revenues.
- As a public sector business it is primarily concerned with giving value for money to the public and not with maximising sales. The MPTA regularly receive reports from directors and managers in order to monitor spending and savings made. Expenditure trends are examined, especially against the previous year.

Activities

1. *What is the purpose of the Merseytravel Revenue Budget?*
2. *What do Directors and Managers do when they receive their revenue budget allocation?*
3. *How do Directors check the performance of their revenue budget allocation?*
4. *How is the Merseytravel Revenue Budget monitored during the year by the MPTA?*
5. *Look at A, and explain why the figures for 2005/6 are included in the 2006/7 budget.*
6. *Explain why Merseytravel shows the savings likely to be made in each category of spending on the Revenue Budget 2006/7.*

A.

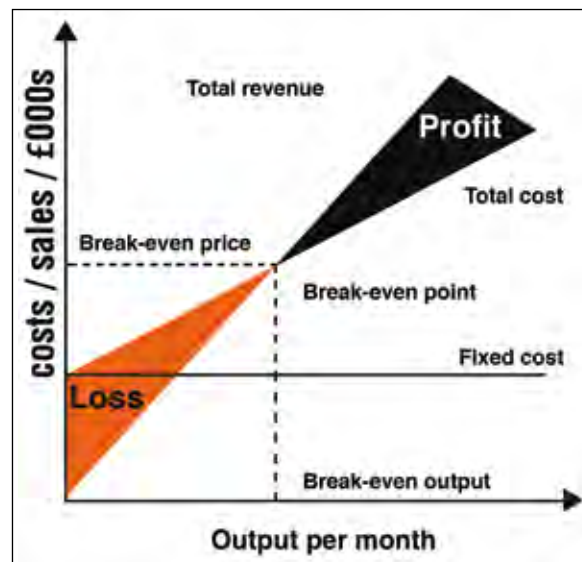
2005/2006		MERSEYSIDE PASSENGER TRANSPORT AUTHORITY / EXECUTIVE REVENUE BUDGET	2006/2007		
Approved Budget £000	Revised Budget £000		Base Estimate £000	Growth/ (Savings) £000	Draft Budget £000
		Service Details			
SERVICE SPENDING					
20,013	20,926	Bus Services	22,911	(4,127)	18,784
1,516	1,652	Rail Services	1,616	(24)	1,592
41,256	42,196	Travel Concessions	43,592	(74)	43,518
13,026	11,740	Facilities & Promotions	14,384	(1,778)	12,606
6,073	5,975	Corporate Policy, Planning & Projects	6,784	(505)	6,279
-	-	Support Services	-	-	-
21,167	20,409	Funds Management	20,144	(603)	19,541
2,419	2,610	Mersey Ferries	2,923	(494)	2,429
(2,963)	(2,963)	Mersey Tunnels	(2,963)	-	(2,963)
102,507	102,545	Net Expenditure	109,391	(7,605)	101,786
FINANCING RESOURCES					
Levy:					
10,778	10,778	Knowsley	11,997	(834)	11,163
31,698	31,698	Liverpool	35,599	(2,475)	33,124
12,679	12,679	St Helens	14,151	(984)	13,167
20,201	20,201	Sefton	22,569	(1,569)	21,000
22,516	22,516	Wirral	25,075	(1,743)	23,332
97,872	97,872	Sub-Total	109,391	(7,605)	101,786
Working Balances					
4,635	4,673	Brought Forward	-	-	-
-	-	Carried Forward	-	-	-
102,507	102,545	TOTAL RESOURCES	109,391	(7,605)	101,786

20. Breaking Even

- It is important for a business to know the costs of its operation and to be able to have an idea of the price it can charge for the services it offers. If a business knows both of these costs it can work out how many 'items' it needs to sell in order to cover its costs. The minimum number is its break-even point.
- To work out the break-even point a business will need to know its fixed costs, the variable business costs, and the revenue the business makes. Using these costs it is possible to graph each and identify a break-even point for the business.
- The funding of the operation of Mersey Ferries is complex. Its fixed costs are broadly the same every year. Its variable costs rise and fall depending on the number of services it provides each year. Revenue is generated through sales of tickets, goods and services; together these provide the company turnover.

A. A simple break-even chart

- The fixed costs are always the same.
- The break even point is where the Total Revenue line meets the Total Cost line.
- Profit is being made when Total Revenue is above Total Cost.
- A loss is made when total costs exceed total revenue.



B. A summary of Mersey Ferries Trading Account March 2005

Turnover	+ 2,101,000
Costs	- 5,397,000
Operating loss	- 3,296,000
Exceptional Items Revenue	+ 750,000
Revenue Support Grant	+ 2,550,000






- Currently Mersey Ferries makes an operating loss not a profit on its services overall. The business has more costs to cover than it has money coming in. However, the company receives an annual Revenue Grant from the local councils and this allows it to continue to operate its services for the public.

Activities

- Why is it important to be able to identify a break-even point for the business?
- Look at A. Explain why the Fixed cost line is straight.
- Look at B. In simple terms explain why Mersey Ferries does not break even each year.
- Why is a Revenue Support Grant given to Mersey Ferries each year?

21. Calculating profit or loss

-  Merseytravel, unlike a private sector business, gets most of its income in the form of grants. Its aim is to use public finance effectively. Each division uses expenditure and revenue accounts to monitor its operation. The principles of the 'profit and loss account' are also applied to keep costs low and achieve value for money.
-  A 'profit and loss account' shows how much money the business has raised and how much it has spent at any time. This account details credits, debits and expenses that are regularly considered during financial planning. Applying these financial tools ensures the organisation stays within its spending limits.
-  The 'profit and loss account' structure helps Merseytravel monitor trends over time. Each piece of information in the account can be compared with another. Every year Merseytravel can easily see the differences and can see how well the organisation is doing financially.

A. Items on the Mersey Ferries Ltd trading account

Turnover

- Ferry services
- Catering
- Retail
- Aquarium/ playzone

Cost of sales

- Wages and salaries
- Vessel expenses
- Retail issues
- Aquarium supplies

Administrative expenses

- Management charge
- Salaries and wages
- Training
- Premises
- Supplies and services
- Consultants' fees
- Marketing



Exceptional items

- Merseytunnels compensation
- Capitalised salaries


Repairs and maintenance

- Terminals
- Vessels

B. Profit and loss account for Mersey Ferries Ltd, year ending 31 March 2003

2003/4		2004/5
£,000		£,000
2,184	Turnover	2,101
(2,763)	Cost of sales	(2,884)
(579)	Gross loss	(783)
(697)	Repairs and maintenance	(696)
(1,589)	Administrative expenses	(1,817)
700	Other operating income	751
(2,165)	Operating loss	(2,545)
2,165	Revenue support grant	2,545






-  Mersey Ferries is a subsidiary company of MPTE. It produces a profit and loss account for each financial year. Mersey Ferries' Turnover for the year ending 31st March 2003 was £2,101,000. This income came from the cross-river ferry services and associated catering, retail, aquarium /playzone services.

Activities

1. State three uses of a 'Profit and Loss Account' within Merseytravel.
2. Look at A. How many different items need to be considered in the Mersey Ferries Annual Trading Account?
3. Look at B. How is the annual financial loss balanced at the end of each year?
4. What opportunities should Mersey Ferries' managers be seeking to improve the financial health of the business?

22. Understanding a balance sheet

-  Different groups within Merseytravel have different needs for financial information. The Merseyside Passenger Transport Authority, the Merseyside Passenger Transport Executive and Mersey Ferries Ltd all require financial accounts to inform their decision making processes at different times throughout the financial year.
-  Balance sheets form an important part of financial information. Each balance sheet can record the assets and liabilities of Merseytravel. The annual balance sheet used by MPTE has a recognised structure. The top section of the balance sheet shows how the money is used and the bottom section, where the money comes from.
-  In simple terms the balance sheet shows the value of the business. It shows the relationship between the Fixed Assets (*items owned by MPTE*) plus Current Assets (*cash*) less Creditors - Current and Long Term Liabilities (*items that will need to be paid for now and in the future*). Taken together these costs will equal the reserves and balances held by MPTE.

Activities

1. Explain two purposes of a balance sheet.
2. Write a short definition of these terms used on a balance sheet.
 - a. Fixed assets
 - b. Current assets
 - c. Current liabilities
 - d. Reserves and balances
3. Look at A. Why are shareholders' funds not shown on this balance sheet?
4. Write a simple equation to express the structure of a balance sheet.

A. The M.P.T.E. Balance Sheet

As at 31/03/04			As at 31/03/05	
Executive £000	Consolidated £000		Executive £000	Consolidated £000
NET FIXED ASSETS:				
15,517	15,517	Freehold Property	27,604	27,604
19,842	19,842	Leasehold Property	19,566	19,566
6,588	6,588	Plant & Machinery	7,505	7,505
4,830	4,830	Vessels	6,210	6,210
-	-	Ancillary Vehicles	734	734
38	38	Non-Operational Assets	38	38
46,815	46,815	Total Long Term Assets:	61,657	61,657
CURRENT ASSETS:				
40	208	Consumable stores	46	203
6,616	6,744	Debtors	6905	7108
18,400	18,400	Investments	16904	16904
16	25	Petty Cash Imprests	16	27
2,535	2,535	Cash in hand	6877	6927
27,607	27,912		30748	31169
CREDITORS:				
(12,928)	(13,233)	Amounts due within one year	(19579)	(20,000)
(76)	(76)	Creditors falling due after one year	(718)	(718)
(276)	(276)	Provisions	(234)	(234)
(46,815)	(46,815)	Deferred Capital Grants	(62,404)	(62,404)
(60,095)	(60,400)	Total Creditors	(82,935)	(83,356)
14,327	14,327		9470	9470
RESERVES & BALANCES				
282	282	Grants Unapplied	-	-
463	463	Contributions/Receipts Unapplied	376	376
13,582	13,582	Reserves	9094	9094
14,327	14,327		9470	9470



23. Financial Planning

- Merseytravel is a multi-million pound business organisation. It has to invest a significant amount of time to deliver its core function, providing an integrated and co-ordinated public transport system for the people living on Merseyside. It needs to plan well into the future because building a transport infrastructure is costly and takes time. Extensive financial plans are needed to make good decisions.
- Financial plans used by Merseytravel come in many different forms. Each sets out what on-going work and what new projects have to be paid for and how they will be paid for. An important financial plan is the second Local Transport Plan covering 2006 to 2011. It is estimated that bids for up to £221 million will be put forward to further develop public transport in this period.
- Within the Local Transport Plan, Merseytravel publishes plans for spending on capital projects such as new bus stations and rail station renewals. Each new facility is placed within the capital programme and presented in the budget document section. The LTP is available to the public. It shows what projects have to be paid for and where the money is coming from to pay for them.

A. A section of the Merseytravel capital programme.

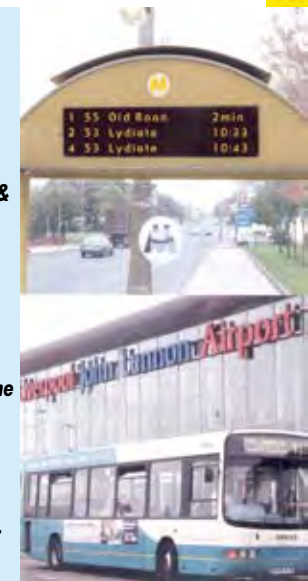
Service Details	TOTAL £000	Draft Estimate 2006-07 £000	Draft Estimate 2007-08 £000	Draft Estimate 2008-09 £000	Draft Estimate 2009-10 £000	Draft Estimate 2010-11 £000
FACILITIES & PROMOTIONS						
New Starts						
Bus Station Renewals	700	100	150	150	150	150
Electronic Kiosks	100	100	0	0	0	0
Emergency Responce	135	135	0	0	0	0
CCTV Improvements	50	50	0	0	0	0
CCTV/Black Box Technology	2,396	1,000	500	500	396	0
Headbolt Lane P&R	4,926	0	1,100	426	2,200	1,200
Southport Interchange	5,944	594	880	2,550	1,300	620
Kirby Bus Station Design & Works	4,495	4,000	495	0	0	0
Imformation Strategy	1,199	243	242	240	238	236
TOTAL FACILITIES & PROMOTIONS	19,945	6,222	3,367	3,866	4,284	2,206

B. Best Value Report 2006: Merseyrail

Merseyrail

The Merseyrail network covers 88 stations, with over 33 million passenger journeys being made on the network each year.

- Completed the refurbishment of all the rolling stock on the Northern and Wirral Lines
- Continued to deliver improved facilities and enhanced Park & Ride at stations as part of the Local Transport Plan.
- Installed automatic ticket gates at the 5 underground stations, as well as Southport and Conway Park stations.
- The Merseyrail Electrics network continue to be one of the best performing operators in mainland UK.
- Obtained Secure Station Status for 40% of the stations on the Northern and Wirral Lines.
- Ensure that at least 99.3% of scheduled journeys run.
- Increase the number of rail users by 1.3% each year.
- Open Liverpool South Parkway Interchange in summer 2006.
- Develop proposals to extend the electrified network.




- Merseytravel uses financial plans to get the best out of its resources. It publishes its plans and accounts on the internet, puts copies in local libraries for residents and businesses to inspect, to see how well public money is being spent. Every year, Merseytravel as a public transport authority, produces a Best Value statement to show how it is meeting particular government targets.


Activities


- 1 Why does Merseytravel invest so much time into considering the implications of financial plans?
- 2 Look at A. Suggest reasons why Merseytravel is likely to spend £400,000 on glazing and £290,000 on CCTV improvements.
- 3 Look at B, the Best Value statement for Merseyrail. What is the target for trains to keep to timetable over the next 5 years?
- 4 Name 3 ways in which Merseytravel makes use of its financial planning documents.



24. Sources of Finance

- 

The finance raised to enable Merseytravel to operate comes from different sources. Some finance is generated from within the business including fares, ticket and season passes. Collectively they are known as internal sources. Other sources of finance from outside the business are known as external sources of finance, they include government grants and levies.
- 


Merseytravel gets a significant part of its income from the residents living within the 5 District Councils making up Merseyside. This council payment is known as the annual Levy payment. It is the role of the Merseyside Passenger Transport Authority (MPTA) to collect the levy and agree the amount of money that each District Council has to pay according to its population size.
- 

These two sources of finance are made available by the MPTA to the Merseyside Passenger Transport Executive (MPTE). It is the task of the MPTE to spend this money to run an effective public transport service. Spending is carefully targeted by the MPTE in the various improvement plans which are scrutinised by the MPTA as part of their monitoring function.

A. The District Levy

Levy changes	2005/06 Levy	Pay/price increase	Population changes	2006/07 Levy
	£000	£000	£000	£000
Knowsley	10,778	426	(41)	11,163
Liverpool	31,698	1,283	143	33,124
St Helens	12,679	488	-	13,167
Sefton	20,201	809	(10)	21,000
Wirral	22,516	908	(92)	23,332
Total	97,872	3,914	-	101,786

B. Sources of income for Merseytravel




Internal

- Funds
- Fares, tickets and passes
- Reserves (Levy under-spending)
- Income surpluses
- Tunnel Toll income

External

- District Levy
- Government grants and loans
- Hiring and leasing
- European union grants
- Leasing premises




- 

Access to sources of finance is critical to the operation of Merseytravel. It is possible to study how MPTE deploys these funds by studying the many annual accounts, financial reports and development plans. The documents show how effective Merseytravel is in maintaining, developing and improving the local public transport system on Merseyside.

Activities

1. As Merseytravel gets most of its income from local councils, what impact will this have on the financial decision-making at Merseytravel?
2. Look at A. What is the biggest influence on the size of the Levy for each District Council in 2005/6?
3. Look at B. What business advantages does Merseytravel gain from its sources of finance?
4. Give three examples of documents that can be used to explain how Merseytravel spends and deploys its different sources of finance.

1. Welcome to Mersey Ferries


-  Mersey Ferries provides a ferry service across the River Mersey between Wirral and the Liverpool city centre waterfront. The first ferry service can be traced back to 1150 when monks from Birkenhead Priory rowed travellers and their horses to Liverpool. The need to cross the river still continues today as there is no bridge crossing near to the city.
-  Over the years, the ferries have continued to provide a cross-river service. Ferries still provide a vital daily link for commuters allowing workers to work in either of the Liverpool or Birkenhead town centres. During the twentieth century rail and road tunnels have been built underneath the river causing a decline in ferry passenger usage.
-  In 1990, Mersey Ferries formed as a limited company, set up as an operating subsidiary of Merseyside Public Transport Authority. Mersey Ferries has its own management structure and Board of Directors. Mersey Ferries is continually looking for ways to develop both products and services in the competitive local leisure and tourism industry.

A. Inside Mersey Ferries:



B. Inside Spaceport



-  The thrust of Mersey Ferries' business today is very much in the leisure market. The ferry crossing provides visitors with the best view of the Liverpool waterfront, a UNESCO World Heritage Site. Heritage cruises on the River Mersey and visitor sites like Spaceport continue to make Mersey Ferries the most visited attraction in the region.

Activities

- Why is a ferry service still needed between Liverpool and Birkenhead?**
- In 1990 Mersey Ferries became a limited company, what does that mean?**
- Look at A, name one leisure or travel job created for each service offered.**
- Look at B, and produce a leaflet to advertise what Spaceport offers the visitor.**

2. Mersey Ferries is very accessible to visitors

- Mersey Ferries is used daily by local commuters and visitors. It has three passenger boarding terminals along the river. The most famous terminal is at the Pier Head on the Liverpool side of the river. The other two terminals are at Woodside and Seacombe on the Wirral shore. All the terminals are connected by the triangular commuter crossing route.
- Each terminal is easily accessed by road. Large car parks are located near to each, providing park and ride opportunities for visitors coming by car or coach. Cycling to the ferry is encouraged. Train stations are a short walk from each terminal. Mersey Ferries is committed to promoting sustainable green transport.
- In recent years passenger surveys have shown a great increase in visitors from mainland Europe enjoying mini breaks; arriving on low cost 'no-frills' airlines at Liverpool John Lennon airport. A short bus or taxi ride takes them to Liverpool city centre hotels and within walking distance of the Pier Head terminal.

A. The triangle routes of Mersey Ferries



B. Mersey Ferries and the region's motorways.






- High speed train links arriving at Lime Street station connect Liverpool city centre with the rest of the country. Visitors can quickly see the world famous attractions of the Liverpool waterfront area with its shops, restaurants, museums, and galleries. Mersey Ferries benefits from being at the hub of the city's tourist district at the Pier Head.

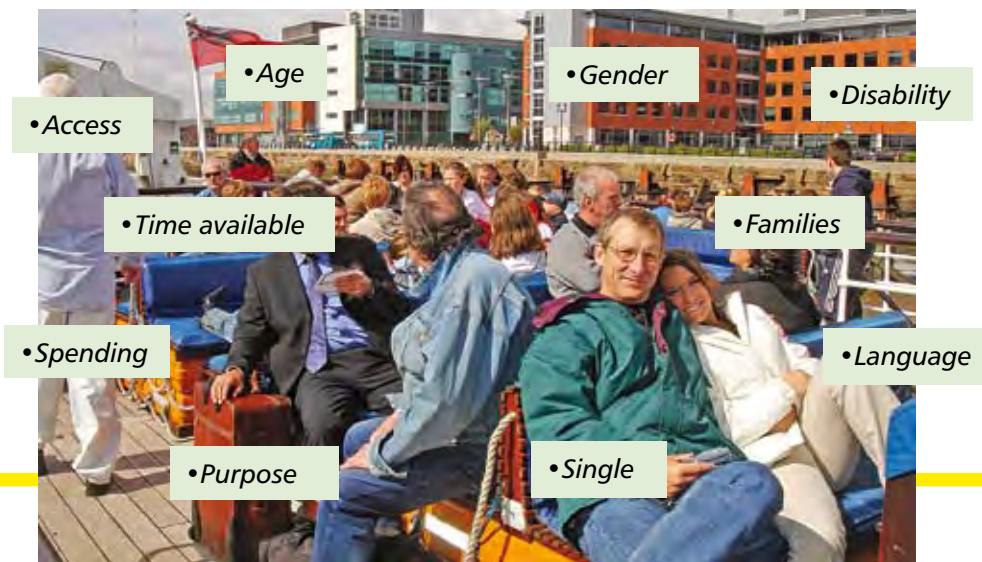
Activities

1. Look at A and explain the purposes of each of the two Mersey Ferry routes.
2. Look at A. Name three attractions that can be seen from a Mersey Ferry cruise.
3. Why are large car parks essential for maintaining Mersey Ferries as a major tourist attraction?
4. Look at B. Name three motorways that link to the national motorway network.

3. The customer passenger profile


-  Knowing about the type of user and passenger trends is critical to planning successfully for the future. Mersey Ferries is used by two groups of users; leisure travellers and public transport users. The leisure group accounts for around three quarters of passenger totals and so generates most of the revenue for the company.
-  Leisure travellers usually arrive at the terminal mid morning, after the rush hour. The typical visitor is female (63%), aged 35-44 (23%), in social group C1/C2 office and non manual workers (56%), married (69%) works full time (38%) or is retired (29%) and comes to entertain the children (37%) or to see Liverpool sights (16%). Most will have boarded at the Pier Head.
-  The public transport passenger has a different profile. The commuter profile has retained many of its features over the last ten years. There are slightly more women and almost half are under 34. A third of commuters are in social group C1. Commuters mainly take the bus to get to the terminals in Birkenhead and Liverpool but take their cars to the Park and Ride site at Wallasey.

A. Different features of the customer passenger profile.



B. Mersey Ferries monthly passenger returns 2005/06




Month	Passenger numbers	Month	Passenger numbers
April	48,477	October	54,517
May	60,922	November	32,814
June	77,686	December	22,541
July	81,914	January	31,663
August	135,478	February	44,098
September	56,991	March	18,101
Total			665,202

-  Sometimes the passenger trends are interrupted and may be significantly different from previous years. This happened in March 2006 when poor weather caused high tides resulting in significant damage to the landing stage at the Pier Head. For a time ferry services were suspended to Liverpool until a temporary landing stage was established close by.

Activities

1. Draw a passenger profile of the typical Mersey Ferries leisure visitor.
2. Why is the commuter still an important part of Mersey Ferries business plan?
3. Using A, put in rank order what you think Mersey Ferries should prioritise to meet the needs of customers in the future.
4. Using B, draw a line graph to show passenger use over the year and annotate the reasons for the big changes on the graph.

4. The Business Plan


-  As a major transport provider on Merseyside, Mersey Ferries makes a contribution to the Local Transport Plan. The current LTP covers the period 2006 to 2011; within it Mersey Ferries has declared its future objectives. In order to achieve these objectives, Mersey Ferries produces an annual business plan which describes the activities to be undertaken by the company during the next year.
-  A business plan has many advantages for Mersey Ferries including communicating to its Directors and employees how the business will develop and grow. Mersey Ferries realises that having a business plan will provide direction and it can be updated. The plan helps to reduce mistakes, by helping each part of the company to work together and not duplicate work.
-  The most common objectives in a business plan are associated with making a profit, growth, survival and providing services. Mersey Ferries wants to make a satisfactory profit each year. It wants to grow to secure jobs by providing new or improved services or products. It values its returning customer base to survive. It continues to provide an essential non-profit making commuter service.

A. Local Transport Plan



B. Best Value Report






-  To evaluate the work of the company Mersey Ferries produces an annual Director's Report and Accounts to show what financial spending has been undertaken. It also undertakes and publishes a Best Value Review of its services. Together the Directors and other interested parties can judge what has been achieved in the previous year and what is likely in the future.

Activities

1. Find out what is contained in the Merseyside Local Transport Plan 2006-2011.
2. Look at A and research the purposes and benefits of having a range of company business plans and reports.
3. Look at B. Note and identify 5 objectives from the 2006 Best Value statement that have been achieved in the previous year.
4. List 3 business planning objectives Mersey Ferries has set out to achieve in the near future.

5. Mersey Ferries is a tourist attraction


-  The cruise service is the most popular attraction with around 500,000 customers each year. The daily river explorer cruise allows visitors to see the water front and gain an insight into its history by listening to a loud speaker commentary during the trip. The introduction of a ferry cruise to Manchester along the Ship Canal has proved popular with regional customers.
-  Dance cruises, the Clipper Cruise, Fireworks Spectacular and Christmas Party Nights are examples of all year round special theme cruises. Each diversifies the cruise programme and reduces the impact of visitor seasonality. Ferries can be chartered for weddings, anniversaries and for corporate functions, with catering and drinks available for purchase.
-  The Play Planet at Seacombe is popular with families attracting around 48,000 visitors a year. Children can play safely indoors on slides, netting ropes and ball pools, supervised as their parents enjoy a drink or snack in the café opposite. Within the same building is the Aquarium. It attracts around 40,000 visitors each year to see the marine life of the River Mersey.

A. Aquarium entrance



B. Spaceport entrance






-  The £10 million Spaceport venture at Seacombe has proved highly successful in its first year. This space-themed attraction is linked to the National Schools Observatory. Spaceport visitors enter the "solar system" via the Space Pod, and then observe stars in the planetarium. There are numerous displays and a ride simulator to experience moving through space and time.

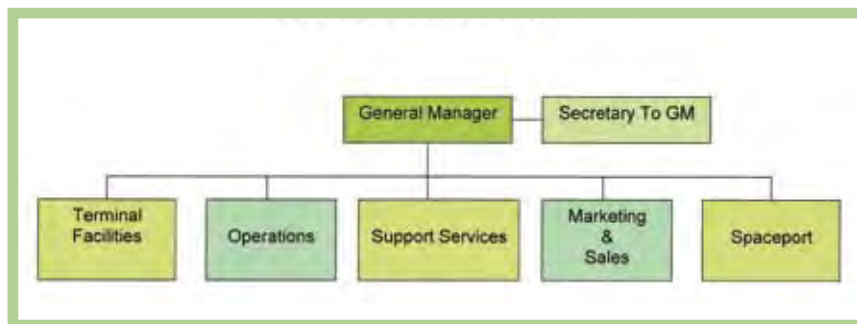
Activities

1. Give three reasons why Mersey Ferries cruises are so popular with customers of all ages.
2. How has Mersey Ferries responded to the fall in visitor numbers on the cruises outside the Easter to summer peak period?
3. Look at A and give three reasons why all members of young families enjoy the Aquarium.
4. Look at B. Using the internet, give three reasons why older children and teenagers enjoy a day at Spaceport.

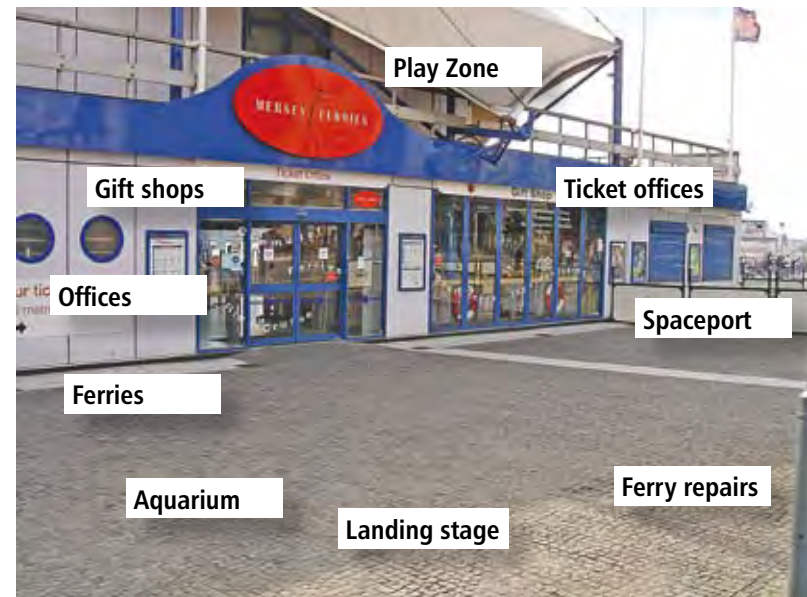
6. Employment opportunities


-  Mersey Ferries is an important employer, and there are around 100 staff working within the company. The range of employment opportunities is varied due to the diverse services and products Mersey Ferries provides. The company has grown in recent years and consequently staffing has increased, especially within the new innovative Spaceport facility at Seacombe.
-  The jobs at Mersey Ferries can be grouped onto an organisational chart. This structure shows the specialised division of labour that is needed to allow Mersey Ferries to operate. There are five function areas, each having a manager responsible to the General Manager. Within each function appropriately qualified and trained staff are line managed by their supervisors.
-  The employment opportunities within Mersey Ferries are diverse and include office workers, retail assistants, engineers and ferry captains. As a leading leisure and tourism company Mersey Ferries invests in staff training and employee development to maintain its focus on providing a high quality service for its customers. In 2004 it gained the national Investors in People Award.

A. The Mersey Ferries organisational chart



B. The range of job within Mersey Ferries






-  Due to the seasonal nature of the business, extra temporary staff are recruited in the holiday periods to cope with the extra large numbers of customers boarding the ferries and visiting Spaceport. An initiative leading up to Liverpool's Capital of Culture 2008 status are trained tourist guides on the landing stages, greeting visitors and providing information.

Activities

1. Provide three reasons to prove Mersey Ferries is a major employer.
2. Look at A, and make a copy of the organisational chart describing its management structure.
3. Look at B. For each work place location within Mersey Ferries, name an example of one job role taking place there.
4. Being a seasonal employer creates what type of employment challenges for Mersey Ferries?

7. Mersey Ferries and the local economy


-  Mersey Ferries is an important leisure and tourism attraction at national level. It attracts around three quarters of million paying customers using its range of services each year. It is one of the most important cultural and heritage attractions in Merseyside. A trip on the ferry across the River Mersey to see the waterfront is an activity known internationally.
-  The company has a significant financial turnover. Its business accounts in 2005 show that it generated just over £2 million between ferry services, catering, retailing and the Aquaium/Playzone. This figure is set to rise with the Spaceport development. These figures demonstrate that Mersey Ferries makes a significant financial contribution to the local economy.
-  As a public transport provider, Mersey Ferries operates a daily commuting service, providing a strategic alternative to the tunnels and rail services to and from Liverpool. As there is no road bridge crossing until the Halton Bridge some 10km up river, the ferry service remains a passenger transport route-way of regional significance in case of traffic emergency.

A. Merseyside visitor attractions in 2003

Top 10 paid admission attractions		
1	Mersey Ferries	722,357
2	Knowsley Safari Park	452,971
3	Empire Theatre Liverpool	400,000
4	Theatre & Floral Hall Complex	229,490
5	RLPO Philharmonic Hall	205,591
6	Haydock Park Racecourse	190,000
7	Voirrey Embroidery Centre	180,000
8	Croxteth Hall & Country Park	155,888
9	Aintree Racecourse	147,400
10	Beatles Story	124,500

B. The building regeneration at Spaceport






-  Mersey Ferries is playing its part in the regeneration of the local economy, looking for ways to develop potential economic activity. The company is an integral partner to the waterfront regenerative process. It continues to improve its accommodation including new landing stages, service facilities and transformation of disused buildings into attractions like Spaceport, opened in 2005.

Activities

1. Name three ways in which Mersey Ferries contributes to the local economy.
2. Look at A. By what percentage does Mersey Ferries lead its nearest competitor in visitor numbers?
3. Look at B, and explain how Mersey Ferries play a strategic transport role in the local economy.
4. Provide three examples of how Mersey Ferries is contributing to the regeneration process along the Mersey waterfront.

8. Social, economic and environmental impact


-  Mersey Ferries plays a role in the well-being of its employees, local people and its customers. It is sensitive to its conflicting priorities of making a profit, providing a service and being a socially responsible company. It is committed to sustainable development, ensuring that its policies, ways of working and new products do not harm or impact negatively locally.
-  Socially, Mersey Ferries works well with the local communities in Birkenhead and Wallasey. The terminal opening times are in line with the accepted working hours; they don't impact negatively on the structure of the local economy. Crime rates are low as customers are safe and supervised. The ferry service is a local custom, it is part of the Merseyside heritage and culture.
-  Economically, Mersey Ferries has provided employment opportunities for people from the local area. Visitors combine their visit across the river by using other local facilities and attractions. Catering supplies have benefited, servicing the needs of terminal cafes. As a public transport provider, it takes commuters to work in the city and town centres daily.

A. Promoting public transport



B. Encouraging healthy living by cycling.






-  Mersey Ferries operates within its own environmental policy. It ensures that fuel causes the lowest carbon emissions possible. Effluent and oil waste is not discharged into the river or sea. Litter is collected in bins for disposal on-shore at a licensed waste facility. Mersey Ferries actively promotes sustainable transport including cycling, walking and using public transport.

Activities

- 1. How does Mersey Ferries have a positive impact socially on the local area?*
- 2. List three ways in which Mersey Ferries impacts on the local economy.*
- 3. Look at A, and explain how public transport has a positive impact environmentally on the local area.*
- 4. Look at B. Identify 4 different methods or ways that promote sustainable transport.*

9. The marketing plan

-  Like any other company Mersey Ferries wishes to make a profit. It knows that there are many local attractions competing for customers and their spending. It is the task of the marketing department to convince leisure users and tourists that spending a day at Mersey Ferries will be enjoyable, interesting and good value. To do this an annual marketing plan is written to guide their work.
-  The marketing team use the marketing plan to assist Mersey Ferries in promoting business by advertising its services, attending promotional exhibitions or conferences and finding out what customers think of company products. The Marketing Department helps Mersey Ferries plan ahead by speculating on future customer needs and recommending how things can be improved.
-  The Mersey Ferries marketing team use the marketing mix approach to structure their marketing plan. The company has built up a good knowledge base of its customer profile to target. The marketing mix it has selected is based on a whole range of marketing activities, techniques and strategies it uses to reach its market. Each service is marketed by consideration of the 'four Ps' product, price, place and promotion.

A. The role of the marketing team



B. A summary of the Spaceport marketing plan

PRODUCT

- Interactive science centre
- Focus on space travel

PRICE


- Adults £6.95 Children £4.50
- Family ticket and joint ferry ticket discount options

PLACE

- Majority of visitors from the local region
- Space enthusiasts are travelling some distance

PROMOTION

- Launched summer 2005 with TV campaign
- Use the full range of promotional methods

-  A major task for the marketing department is liaising with other local leisure and tourism companies that could support Mersey Ferries' business growth. Regular contact with public bodies like tourism organisations, the Chamber of Commerce and Local Authorities allows access to information, decision-makers, and funding sources for new marketable ideas or events.

Activities

1. *What is the purpose of a marketing department and how is its work directed?*
2. *List 5 activities the marketing department undertakes to carry out its duties.*
3. *Explain the function of each component making up the '4Ps' in the marketing mix.*
4. *Look at A. Identify each component of the marketing mix for Spaceport.*

10. Products offered by Mersey Ferries

- Mersey Ferries offers a range of services that are produced for different target markets. The nature of the product offered is very important in Mersey Ferries' marketing mix. External market research helps the company to pinpoint what customers want and customer feedback carried out internally, enables products to be reviewed annually.
- Mersey Ferries' marketing plan itemises the characteristics of each product, the same format is used for each product. The River Explorer cruise product is described as a 50-minute pleasure cruise with commentary. Its target markets are tourists and families with young children. This product is linked to the Aquarium and Spaceport via a special pricing offer.
- Mersey Ferries looks to linking its ferry services, the core business, with its other products. This will retain customers longer and increase their opportunity to spend. Three new growing products include unique corporate hire cruises, themed event cruises like the fireworks cruise or hiring to celebrate anniversaries.

A. The River Explorer and Spaceport leaflets.



B. Inside Spaceport.



- Mersey Ferries is always looking to increase its product range and re-launch existing products as they move through their life cycle stages. Spaceport is Mersey Ferries' new product. It is an interactive science centre with a space travel and exploration theme. Launched in Summer 2005, the target market is families with children who are about 8 years old and older.

Activities

1. **Collect information to show the range of products the company offers.**
2. **Why is it a necessity for Mersey Ferries to offer catering services with its products?**
3. **Look at A, and provide examples of five different themed cruises during the year.**
4. **Look at B. Explain how the new development of Spaceport might boost the sales of other products offered by Mersey Ferries.**

11. Price

- Mersey Ferries knows that its customers will not buy its services if they feel that prices are not good value for money. Selecting the right price for each of its services is an extremely important part of the marketing mix. The price for each service is planned and recorded in the company Marketing Plan annually. Advice and opinion are sought from focus groups to get the price right.
- Pricing is reviewed each year and takes into account the cost of providing the service; competitors' pricing and economic conditions such as inflation. Pricing decisions take into account the type of customer Mersey Ferries has. As a substantial number of customers are families, the family ticket is popular as it minimises individual costs and gives good value for money.
- Commuter tickets are also priced competitively against the other methods of public transport available. Regular users of the daily ferry service at peak times are rewarded with cheaper fares if they purchase in advance. These tickets can be weekly, monthly or quarterly tickets. In addition ferry passengers with a valid ticket can also use the City line bus route for free.

A. The 2006 pricing schedule

TICKET INFORMATION			
Direct Service		Joint River Explorer & Aquarium	
Adult	£1.35 (single) £2.15 (return)	Adult	\$5.80
Child (5-15 yrs)	£1.05 (single) £1.60 (return)	Child (3-4 yrs)	\$1.30
Weekly, Monthly and Annual Passes available		Child (5-15 yrs)	\$3.60
River Explorer		Family (2 adults & 3 children)	\$16.40
Adult	\$2.50 (single) \$4.95 (return)	Concessions	\$4.80
Child (5-15 yrs)	\$1.45 (single) \$2.75 (return)	Joint River Explorer & Spaceport	
Family (2 adults & 3 children)	\$13.20 (return)	Adult	\$9.95
Concessions	\$1.95 (single) \$3.60 (return)	Child (3-4 yrs)	\$4.50
Seacombe Aquarium		Child (5-15 yrs)	\$6.50
Adult	\$2.00	Family (2 adults & 3 children)	\$26.95
Child (3-15 yrs)	\$1.30	Concessions	\$6.70
Family (2 adults & 3 children)	\$5.70	This information can be provided in alternative formats on request.	
Concessions	\$1.60	*Full cruise trip available from Pier Head only	
Play Planet Play Area		For weekday timetable see overview	
Child	\$2.00	Timetable and prices valid from 3/4/06 - 29/10/06	
Spaceport			
Adult	\$6.95		
Child (3-15 yrs)	\$4.50		
Family (2 adults & 3 children)	\$18.95		
Concessions	\$4.95		

B. Hiring a ferry for a corporate function

Unique route

Large groups

Music system

Novel experience

Catering services

Friendly staff

Bars and drinks

Enclosed windowed decks

Manchester Ship Canal Cruises

Our fascinating Manchester Ship Canal Cruise is a truly memorable journey along Britain's most famous canal. It includes a lively commentary giving a revealing insight into the canal's dramatic history.

An amazing cruise into history

Online Booking Available!




www.merseyferries.co.uk

- The hiring of vessels is proving popular but it is the most expensive service that Mersey Ferries offers. Customer groups get the vessel and its crew exclusively for 3 hours. Catering can be provided on these cruises from a range of menu prices per head. Catering services generally have to be competitive in the café terminals and on board the ferries.

Activities

- Provide reasons to explain why Mersey Ferries reviews its prices each year.
- Look at A, and give reasons to explain why Mersey Ferries offers the popular family ticket.
- Choose 2 of Mersey Ferries' services and compare their prices with a similar competitor.
- Look at B. Why might a company wish to hire a ferry for a private function?

12. Place is vital to Mersey Ferries


-  The 'Place' ingredient is a very important ingredient in the marketing mix for Mersey Ferries. Place is the location of the company facility where the product is offered to its customers. In the case of Mersey Ferries the places are fixed. They are the three terminals located on either side of the river Mersey. The waterfront location of the terminals has been critical to the success of the business.
-  Place is concerned with getting the right product to its customers at the right time. One of the quality characteristics appreciated by customers is the reliability and frequency of the ferry services. They know how long the cruises last and are confident to be able to plan their river trip as part of a day out, combined with other visitor attractions.
-  Ease of access to the location of the terminals is important for ticket sales. Customers frequently return to visit Mersey Ferries because of the available car parking; low levels of traffic congestion in the areas leading to the terminals and frequent bus services to them. In addition, the landing stages are very accessible on foot and for wheelchairs and pushchairs.

A. Mersey Ferries Ticket Office



B. Inside a Mersey Ferries shop





-  Each terminal has a shop and café serving customers with merchandise and providing catering facilities. Supplies to both have to be managed, they have to be brought in on time, stored, displayed and sold. They have distinctive layouts and design, easily recognised with the Mersey Ferries signs, distinctive colours and logos to project the unified image of the company.


Activities

1. *How does having a waterfront place location give the Mersey Ferries business advantage?*
2. *Look at A, and explain why a reliable ferry timetable service is critical to the success of the business.*
3. *What challenges do the shops and cafés face each day to obtain their supplies on time?*
4. *Look at B. Identify three examples that promote Mersey Ferries' unified image.*

13. Promoting Mersey Ferries

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The promotion of products and services is the final ingredient in the marketing mix. Having a quality product at the right price and place needs a promotion budget to sell it to customers. Mersey Ferries uses a range of promotional methods including advertising, publications and public relations activities. The company targets its TV, radio and newspaper adverts on school holiday periods.
- 

Great care and attention is paid to promoting the company corporate identity. The Mersey Ferries brand has been built up over a long period; it suggests reliability, value for money and safety. This corporate approach is taken further at regional tourism fairs such as 'Great Days Out Fair', where the friendliness of staff makes a good impression and provides confidence when dealing with the public.
- 


The company uses direct selling techniques to promote the business. It leaflets 25,000 schools in the region twice a year. They promote current offers, give details of group bookings. The educational market is identified as a combined ferry cruise to see the historic waterfront and admission to Spaceport. The slogan 'from cast off to blast off' links these two transport experiences.

A. Considerations when designing a leaflet



B. The corporate image of Mersey Ferries



- 

Mersey Ferries' website has proved to be an essential promotional tool. Customers can book tickets on line; contact the company; purchase gifts from the shop and access other linked sites. The website compliments the more traditional method of giving information on promotional leaflets and timetables from ticket offices, on board vessels, and at Merseytravel sites, libraries and Tourist Information Centres.

Activities

1. Identify and collect five different promotional methods used by Mersey Ferries.
2. Look at A. How is customer confidence and maintaining a corporate image linked to the success of Mersey Ferries?
3. Look at B, and design a new leaflet for Spaceport meeting the company corporate image.
4. Evaluate the features of the Mersey Ferries website under the headings: easy to use, informative content and good links.

14. Mersey Ferries uses SWOT analysis

- M** Undertaking a **SWOT** analysis assists a company in drawing up its marketing plan for the future of the business. During the SWOT process the company reviews its operation and develops new ideas. The **S** stands for strengths usually expressed as advantages either by design or good fortune; they include brand name, customer service and the quality of the range of products.
- M** The **W** stands for weaknesses, usually what the company isn't good at. It can include poor customer perception, products that are ageing or inconvenient to use, or accommodation that needs refurbishment. Weaknesses are identified by market research. It is the role of management to minimise their impact on sales by removing them if possible.
- M** The **O** stands for opportunities, the ways in which the products of the company can be exploited to increase turnover. In 2008 Liverpool will become the European capital of Culture. There is a clear expectation that there will be a significant increase in visitors to the region so Mersey Ferries will need to market dynamically to attract these potentially new visitors.

A. Mersey ferries SWOT analysis grid

S trengths	W eaknesses	O pportunities	T hreats
<ul style="list-style-type: none"> • Unique product • Committed staff • Spaceport • Strong brand image 	<ul style="list-style-type: none"> • Fixed vessel interiors • Quality assurance • Low secondary spending • Commercial market 	<ul style="list-style-type: none"> • Merseyside Tourist Support • Capital of Culture 2008 • Overseas Visitors • Weekend breakers 	<ul style="list-style-type: none"> • Trains and tunnels • Terrorism • Other city tours • Poor weather

B. Liverpool City of Culture



- M** The **T** stands for threats, either from within or externally to the company. Being a transport provider, Mersey Ferries has to cope with the poor weather and seasonality. Competition from rail services, the tunnels and growth of other local tour services can impact on passenger use. Possible rises in oil prices and safeguarding against international terrorism can increase costs.

Activities

1. Fully explain the value of carrying out a SWOT analysis.
2. What do you consider Mersey Ferries' strengths are as a company?
3. Look at A. What advice would you offer Mersey Ferries to respond to its weaknesses and threats?
4. Look at B. In what ways can being European Capital of Culture provide free international advertising opportunities for Mersey Ferries?

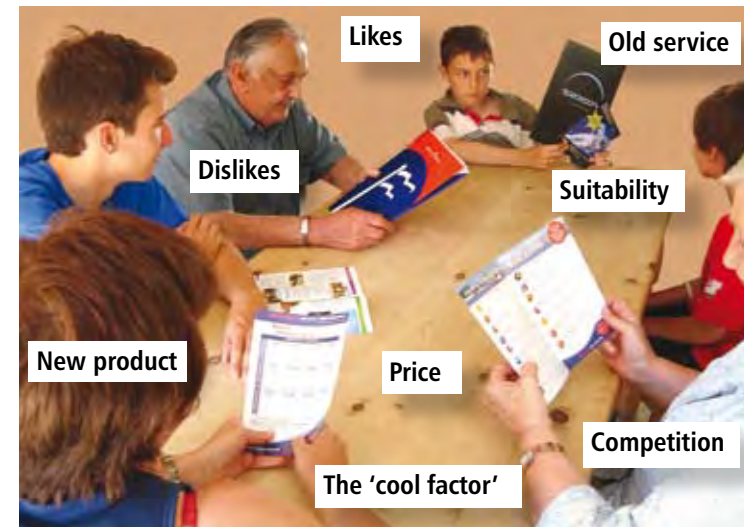
15. Marketing Research

- Market research is an important aspect of the work of the marketing department within Mersey Ferries. As a business it needs to find out how much customers value its services and what they think of new products. Launching a new product or survey is expensive and all steps need to be taken to ensure that financial investment and work time will pay off in sales.
- Mersey Ferries uses a range of market research methods to survey its customer base but has three popular ones. Face to face questionnaires, using focus groups and direct observations by Mersey Ferries staff around the terminals and on board the ferries prove effective. Together the three methods assist future planning and provide evidence to anticipate demand.
- It is cost effective to engage an independent market research agency to carry out the survey. Mersey Ferries provides a brief stating the purpose, the research methods to be used and the customer sample size. The agency carries out the survey, collates the results and produces a report after analysing the data. The report informs decision making and policy change at Mersey Ferries.

A. Mersey market research methods



B. The focus panel



- Recently Mersey Ferries established its own website and can now request feedback using its email service. The company is considering using online internet customer questionnaires. In their design quantitative responses (i.e. numbers) and qualitative responses (i.e. customer opinions and judgements) can be quickly processed and results made available.

Activities

- Provide three reasons to explain why market research is important to Mersey Ferries.
- Draw a design brief flow chart to show the steps a market research agency would take to produce a report.
- Look at A. Order in importance the market research methods used by Mersey Ferries.
- Look at B. Design an agenda of questions for the focus panel to use about Spaceport.

16. Promotional campaigns

- The main purpose of a promotional campaign is to communicate a message about the products and services the company offers. The campaign tries to persuade customers to use them to increase sales. The content of the message is crucial. It has three main functions: to make customers aware, provide information to change their attitudes and encourage customers to take action.
- Mersey Ferries' customers have been identified by market research surveys. One significant user group is families with young children. To satisfy their needs recent promotional campaigns for cruises and Spaceport are children friendly. The promotional message suggests activity and exploration in a safe place so is appealing to parents and relatives.
- Products and services do not usually sell themselves whatever they are. Product knowledge has to be communicated to potential customers. Mersey Ferries uses a mix of four types of promotional techniques to promote its services and goods including: advertising, publicity, sales promotion and selling. The choice of technique used is justified in the current marketing plan.

A. Mersey Ferries uses a range of promotional methods

- Radio and TV advertising
- Website
- Public relations prizes
- Event sponsorships
- Press releases
- Displays and gifts
- Vouchers and offers
- Sales and price promotion
- Leaflets and posters

B. Spaceport storyboard promotion ideas

- 30 second TV advertisement
- Futuristic style
- Links river with space
- Ferry to Space concept
- Aimed at children
- Excitement and wonder

- Mersey Ferries managed a promotional campaign for Spaceport in 2005. It commissioned a communication company to deliver the plan but they approved each stage. The promotional campaign plan included a television advert; regular press releases; a press CD with photographs; adverts in national and local papers; brochures, leaflets, posters and the use of radio air time.

Activities

1. Give two reasons why promotional campaigns are necessary.
2. Look at the range of Mersey Ferries leaflets for different services; identify for each their key promotional messages.
3. Look at A. Put the promotional methods in order of highest cost and suggest which is the most popular one you have seen.
4. Look at B. How has a link been made between the River Explorer cruises and the Spaceport?

17. The role of customer service

- Customer service is the relationship between the customer and the company. Mersey Ferries demands a high standard of customer service, the mission statement says *'to operate profitably and develop a reliable, high quality commuter and leisure business which exceeds customers expectations and supports the regions regeneration and its tourist plan'*.
- The company wishes to present itself as being helpful and friendly to customers. Staff act as points of reference and advice especially if it's the visitor's first trip. Making the visit trouble-free and enjoyable is the key. Employees have been trained to put themselves in the customers' place and reflect on how they would like to be treated.
- Safety is a major consideration of customer care within Mersey Ferries to ensure customer confidence. Training in health and safety is compulsory for all staff. Together these aspects of customer care help the company deliver its aims and gain a competitive advantage over other similar businesses within the region.

A. Customer service activities



B. Security and safety is important



- In order to understand the needs of its customers, Mersey Ferries regularly commissions external surveys of them. Marketing agencies have been used to sample customer views and present the findings in detailed reports. Knowing the characteristics of the customer helps the company ensure information is available to respond to requests and queries.

Activities

1. **Why is customer service important to Mersey Ferries?**
2. **Look at A and explain why customer service training is an important aspect of employees work.**
3. **Look at B. Why do security and safety procedures have to be strictly followed by staff?**
4. **Explain the following terms related to customer service: care, needs and satisfaction.**

18. Meeting customers needs

- Many different types of customers use Mersey Ferries each year. The type of customer keeps changing and the company responds accordingly. Customer surveys help the company to be aware of customer needs. Those with special requirements for meals, access or assistance to move between vessel and landing stage are catered for.
- Mersey Ferries wants all age groups to use its services. Families, groups of adults and school groups are all regular Mersey Ferries users. Local school children are the future. They in time will bring their own children to use Mersey Ferries. Good access for buggies and pushchairs is essential if young families are to be encouraged. Seating and catering are popular services with adults.
- International visitors are a growing market for the company. They include people from other cultures and those who may not speak English. Many of these visitors come as part of organised tours with a person in charge. It is important this person is identified and helped if needed. Independent travellers are increasing in numbers and they need good signage to get by.

A. Different Mersey Ferry users

- 
- Families
 - Individuals
 - Commuters
 - Groups
 - Corporate groups
 - Schools

B. Accessibility and support is important



- Corporate groups are another group with growth potential. Allowing companies or organisations to hire vessels for their own unique cruise proves a memorable experience. The novelty value and the special treatment offered to guests on the cruise is an excellent example of promotion for both the corporate group and Mersey Ferries.

Activities

- As an individual using Mersey Ferries what would your needs be?
- Look at A. Rank in order which user group demands most support and help
- Look at B, and state why accessibility is such an important factor in Mersey Ferries success.
- Why does the 'corporate event' demand the highest standards of customer service?

19. External and internal customers

External customers are the paying visitors who use Mersey Ferries' services and buy their products. Most customers use the cruises and some use the commuter service each workday. A growing number of visitors are using the newly opened Spaceport attraction at Seacombe. External customers demand good customer service if they are to return or recommend their visit.

Internal customers are the employees who work for the company. Around 100 employees are employed within Mersey Ferries. Most are full time permanent staff but seasonal and part-time staff are employed in the summer period. Employees are paid by the company for their work and to undertake training to develop their job skills and provide a better service.

Teamwork is a feature of activities carried out within Mersey Ferries. Work is organised in departments that include Marketing and Spaceport. Employees are regularly briefed, they rely on others; they know what others do and what can be expected of them. This approach makes the work place culture one that is supportive and effective.

A. External customer wants



B. Investors In People






Mersey Ferries has achieved the Investors in People Award. The award acknowledges that the company develops its employees to meet its business objectives. All staff have annual personal reviews with their team leaders. They discuss together their work and any training needs. The process benefits the employee and the company gets the best out of its staff.

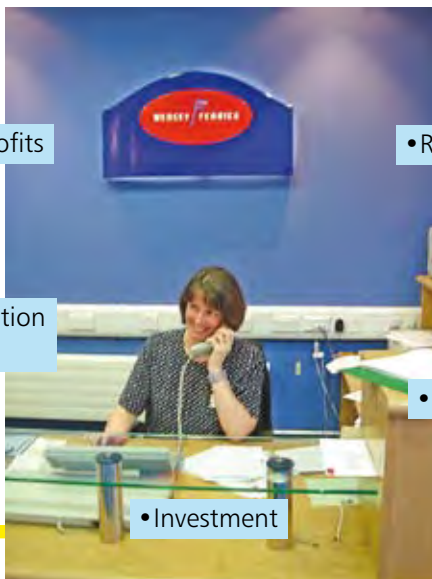
Activities

1. *What is the difference between an external and internal customer?*
2. *Why is teamwork an essential feature of internal customer performance?*
3. *Look at A. Make a list of internal customer wants.*
4. *Look at B. Research the standards to be achieved to gain the Investors in People Award.*

20. Providing good service

-  Providing a good service has many benefits. Satisfied customers will return again and tell others of their enjoyable experiences at Mersey Ferries. Recommendations prompt new customers to come and increase sales. The rise in profits allows for the opportunity to re-invest and improve accommodation, facilities and customer service.
-  Customer care training has been made available from engineers to the general manager within Mersey Ferries. All staff are regularly briefed on the importance of having a positive public image as it promotes customer confidence. Mersey Ferries sees its image as a reliable, safe and accessible service providing good value for an exciting day out.
-  Employees are encouraged to provide a good service in a number of ways including participation in a bonus scheme and being nominated for a Tourist Award. Employees can gain job satisfaction through promotion opportunities. Ongoing developments to accommodation and other facilities make work environments pleasant places to be in.

A. Benefits of satisfied customers



• Bigger profits

• Return visit

• Recommendation to others

• Increase in visitors

• Investment

B. Features of a pleasant workplace



Modern equipment

Lifts

Bright and airy


Bus and train access

Open spaces

Clean toilets

Car parking




Catering services

-  Mersey Ferries is a major partner in the Merseyside Tourist Programme. The company is well aware of the services provided by others and the ease with which its customers have to access to them. However Mersey Ferries has a competitive advantage based on its long history, customer service reputation and unique Spaceport experience encapsulated in the phrase 'from cast off to blast off'.

Activities

1. Name three local attractions who are competitors to Mersey Ferries.
2. Provide two reasons why Mersey Ferries makes customer care a high priority.
3. Look at A and explain the cycle of good customer service.
4. Look at B. Describe what it must be like to work within Spaceport.

21. Communicating with customers

-  Mersey Ferries provides a variety of customer information including operating times, timetables, services provided and prices. Customers need this information if they are to use the services on offer fully. Accessible information in leaflet form has many benefits as it gives customers choice and lets them plan their time more effectively.
-  Good information allows customers to get a better understanding of what the company is about; from its long history as a waterfront ferry service to a leading tourist attraction. The company has traditionally used information boards on vessel walls incorporating pictures and text with audio commentaries.
-  Customers are given a detailed wall map of the facilities offered in Spaceport as they get their ticket. It allows the customer to plan so as not to miss anything and shows the location of the venues for talks and simulator rides. Service assistants are available to offer help and any other information and state of the art computers have been installed.

A. Good communication by leaflet design

• Appropriate language

• Contact points

• Brief information

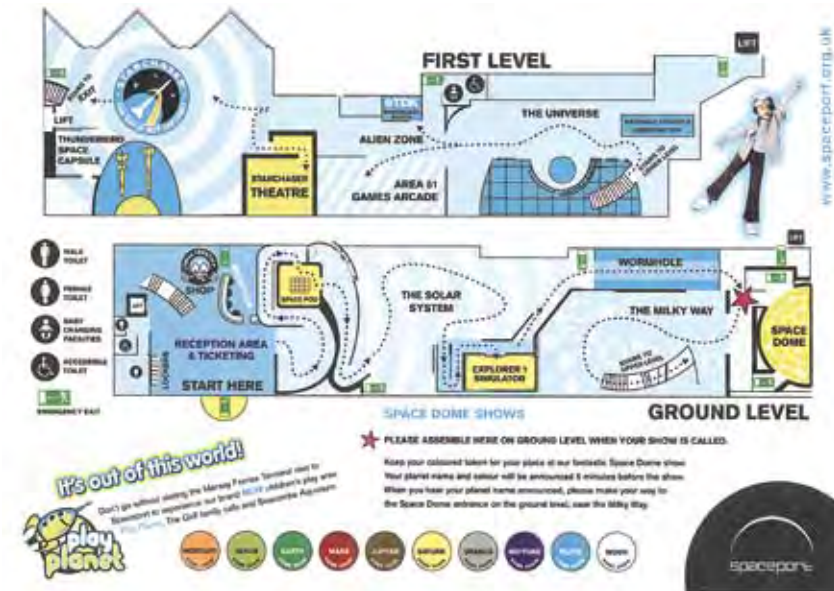



• Visual in nature

• Clear layout

• Easy to understand

B. The Spaceport floor plan






-  Educational briefings to school groups are increasing in popularity and an important element of Mersey Ferries' business. Combined educational and leisure trips are popular with primary schools. Secondary school students use Mersey Ferries as a case study within vocational subjects. Specialist staff provides up-to-date information and answer student questions.

Activities

1. **Make a list of the ways in which Mersey Ferries communicates with its customers.**
2. **Look at A. Explain why good design is essential for effective communication.**
3. **Look at B. How does Spaceport inform customers when the Space Dome show is on?**
4. **What new communication challenges will "Liverpool City of Culture" pose to the company?**

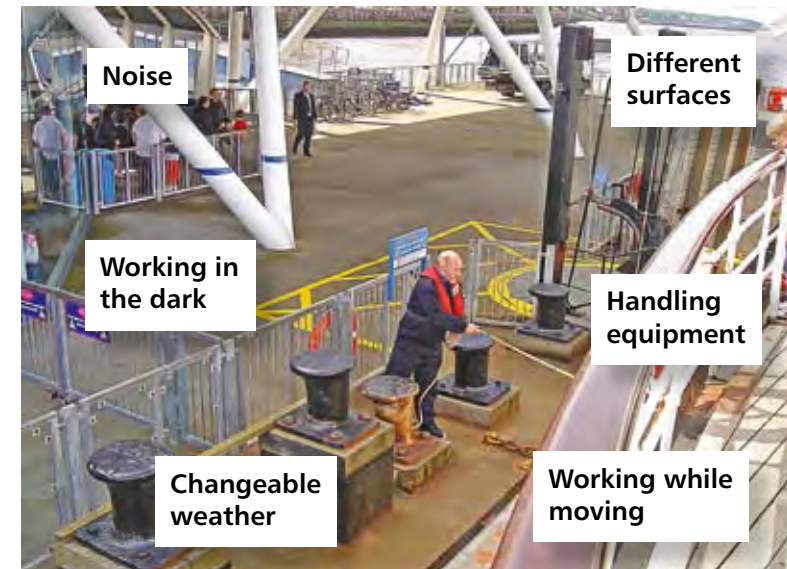
22. High presentation standards


-  Mersey Ferries demands high standards of all its employees when they are at work. The company recognises that the appearance of staff and facilities including vessels, eating places and Spaceport has a direct influence on customer perception of the business. Staff dealing directly with customers have to deliver these high standards all the time.
-  Uniforms are issued to employees, appropriately to the work they do. The uniform is part of the company image, a recognisable statement of customer confidence. The uniform bears the distinctive company logo or badge. Most employees wear name badges for identification purposes. Keeping uniforms clean is part of employee personal hygiene.
-  Maintaining high standards of behaviour in the workplace is another important aspect of presentation standards. Having a positive attitude when dealing with customers and respect for fellow employees are essential qualities to work at Mersey Ferries. At interview, these qualities are demanded of new staff as part of their appointment process.

A. Company presentation standards



B. Outside work demands a different uniform



-  As a diverse company, Mersey Ferries has to satisfy stringent government standards in a variety of workplace settings including the operation of the vessels, catering and the visitor attractions. Meeting health and safety standards is an important feature of company presentation. Some employees work outside in all weathers and need to have hard hats, gloves and fluorescent coats.

Activities

1. Why do customers generally wish to see employees in uniform?
2. Name three Mersey Ferries' workplaces where different uniforms are worn.
3. Look at A, rank the presentation statements in your order of importance.
4. Look at B and give two reasons why protective clothing is worn by vessel crew members.

23. Handling complaints

- With over 750,000 visitors using Mersey Ferries' services each year and most of them not booking in advance, it is inevitable that problems occasionally occur. Most of the time customers have a great day out and will return again. Complaints, compliments and suggestions come in many different forms to Mersey Ferries but they are responded to procedurally.
- If a customer has a complaint or has stated there is a problem staff are asked to listen to the customer carefully and not interrupt. They are asked to record what has been said and explain that the matter will be investigated and put right. Staff are asked to remain calm and work with the customer to find a solution to the problem or issue raised.
- Good customer service from Mersey Ferries' staff involves trying to see the problem from the customer's point of view. An apology is offered if inconvenience has been caused to the customers. Events occur outside the control of the company that lead to services being withdrawn such as poor weather or security incidents. At these times good customer service is essential.

A. Responding to a complaint

Dear Mrs Philips

I offer my apologies for the delay in getting back to you. Following further investigation I can only apologise for the lack of available seating on the cruise on the main deck and your disappointment with it.

We are arranging a full refund which will be sent to you. I do hope this will not stop you booking further cruises in the future and hope you will remain a valued customer of Mersey Ferries.

Yours sincerely,

Layton Quinton
Sales and marketing manager
Mersey Ferries

•Quick reply

•Apology made

•An 'offer' made

•Investigation made

Response by senior employee

•Satisfactory outcome

B. Customer comment form

Please indicate your satisfaction with the service experienced by putting a tick through the appropriate face e.g. Not all may be applicable.




	EXCELLENT	GOOD	BELOW EXPECTATION	POOR
FRIENDLINESS/SERVICE OF STAFF				
CLEANLINESS				
VALUE FOR MONEY				
ENTERTAINMENT FOR CHILDREN				
INFORMATION AVAILABLE				
CLARITY OF COMMENTARY				
QUALITY OF FOOD				
PRICE AND RANGE OF FOOD				
RANGE OF SOUVENIRS AVAILABLE				

- Mersey Ferries is always trying to improve its customer service and analyses records of any complaints it receives. It checks them for a pattern and to see if there is a trend. The company uses a customer feedback form to record views and suggestions about services. Customer Comment Form boxes are located around all the Mersey Ferries sites.

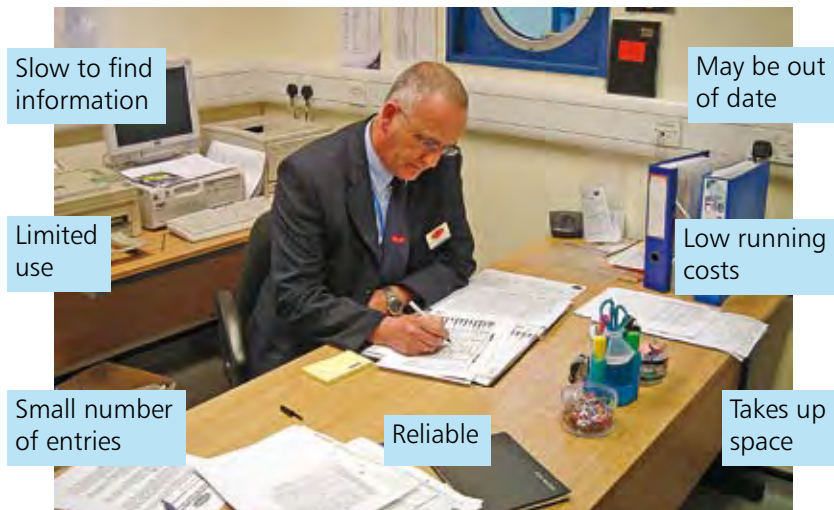
Activities

- 1 **Why is it inevitable that Mersey Ferries receives complaints from time to time?**
- 2 **Look at A. Draw a flowchart to show the procedure to respond to a complaint.**
- 3 **Look at B and put the statements in order of importance to you as a potential Spaceport customer.**
- 4 **Write a complimentary letter to Mersey Ferries after visiting Spaceport.**

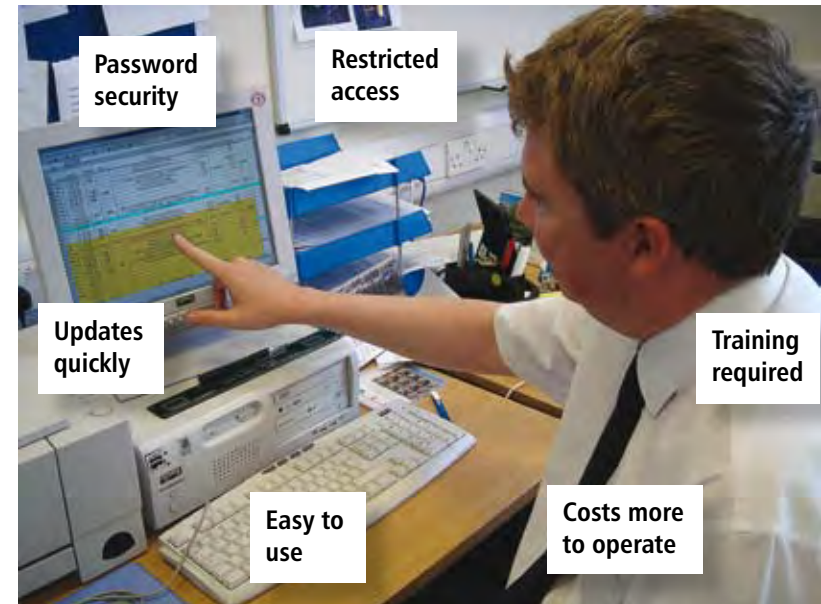
24. Keeping customer records


-  Mersey Ferries keeps records of certain customer groups who use its services. The records are mainly used for marketing purposes. Two important user groups are corporate organisations and schools in the local region. The records have to be accurate if they are to be of use for customer service. Keeping track of customers is important to maintain their business.
-  Company administrative procedures require records of suppliers frequently used to be available in an in house telephone directory. Some customer addresses and records are kept manually within registers or on index cards arranged alphabetically. It is common for some written records to be kept of customer telephone calls.
-  Computerised records are widely used within Mersey Ferries offices. The names and addresses of customers are typed and entered into a database programme on the computer. Spaceport is a good example. It has a customer database of its annual membership customers. Mersey Ferries wishes to improve its company database in order centralise all its records.

A. A manual record system



B. A computerised database



-  The company is mindful of the requirements of the Data Protection Act that requires the records to be secure. Customer records can only be seen by named employees and access is based upon a password system to maintain confidentiality. The records have to be accurate and be regularly up-dated for commercial purposes linked to customer service only.

Activities

1. *Why should customer service improve if customer records are kept?*
2. *Look at A. What are the advantages and disadvantages of keeping records manually?*
3. *Look at B and explain why Mersey Ferries wants to computerise all its records centrally?*
4. *Research what the main safe guards of the current Data Protection Act are for customers' records.*