

Pearson BTEC Level 3 Nationals Diploma, Extended Diploma

January 2020

Paper Reference **31588H**

**Business/Enterprise and
Entrepreneurship**

Unit 6/12: Principles of Management

Part A

You do not need any other materials.

Instructions

- **Part A** contains material for the completion of the preparatory work for the set task.
- **Part A** is given to learners one week before **Part B** is scheduled. Learners are advised to spend approximately six hours on **Part A**.
- **Part A** is specific to each series and this material must only be issued to learners who have been entered to undertake the task in the relevant series.
- **Part B** materials must be issued to learners on the day specified by Pearson.

Turn over ►

W64049A

©2020 Pearson Education Ltd.

1/1/1/1/1



Pearson

Instructions to Teachers/Tutors

This booklet must be read in conjunction with the unit information in the specification, the *Administrative Support Guide (ASG)* for the unit, and the *BTEC Nationals Instructions for Conducting External Assessments (ICEA)* document. See the Pearson website for details.

Learners should familiarise themselves with the specific case study given in this **Part A** booklet.

Learners are advised to spend approximately six hours on **Part A**.

Centres must issue this booklet at the appropriate time and advise learners of the timetabled sessions during which they can prepare. It is expected that scheduled lessons or other timetabled slots will be used for some or all of the preparation.

Learners are **not** permitted to take notes or any other materials into the supervised **Part B** assessment period.

The supervised assessment for **Part B** will take place in a timetabled period specified by Pearson.

Centres must schedule all learners at the same time to ensure there is no opportunity for collusion.

Learner work for **Part B** must be completed on a computer.

Refer carefully to the instructions in this **Part A** booklet, the *Administrative Support Guide (ASG)* for the unit, and the *BTEC Nationals Instructions for Conducting External Assessments (ICEA)* document to ensure that the preparatory period is conducted correctly and that learners have the opportunity to carry out the required activities independently.

Instructions for Learners

Read the Set Task Brief and **Part A** Set Task Information carefully.

In **Part B** you will be asked to carry out specific written activities, under supervised conditions, using the information in **Part A**.

At all times you must work independently and must not share your work with other learners.

Your teacher/tutor must not give you guidance on the Set Task Brief or **Part A** Set Task Information.

Your teacher/tutor will clarify when you can undertake the preparation.

Your teacher/tutor must not give you feedback on your preparation.

Set Task Brief

You are an assistant to a management consultant contracted to provide advice to Catherine Emile, the Managing Director of *Lilidays Centre*.

Your line manager has sent you the text and data contained in the **Part A** Set Task Information.

She expects you to familiarise yourself with this information. She will contact you next week when she finalises the tasks she needs you to complete.

Your line manager expects you to spend six hours on this preparatory work.

Part A Set Task Information

Lilidays Centre

Lilidays Centre is an established concert and entertainment venue, serving the local and regional community of Shirevale. The centre is owned by a local entrepreneur, Gordon Stewart. *Lilidays Centre* has two halls, The Hive and The Burrow. Tour promoters can hire the halls for hosting concerts, family shows, comedy and pantomimes. *Lilidays Centre* chooses the programme of events and shows. The centre can refuse bookings from tour promoters if it feels the show does not match with its mission and values. The centre is well-loved by many of its visitors and has a good reputation for providing an excellent customer experience.

The mission of *Lilidays Centre* is to be the entertainment hub for local residents and visitors.

The values of *Lilidays Centre* are to:

- work as a team
- energise people
- champion diversity
- be customer focused
- be family-friendly.

Lilidays Centre's four main goals are to:

1. provide a varied and current programme of entertainment, to appeal to different audience types with different cultural and financial needs
2. maintain excellent levels of customer satisfaction for tour promoters booking the venue and customers buying tickets
3. maintain a positive business culture with high staff satisfaction
4. achieve 5% net profit margin each year.

The Managing Director is Catherine Emile. The owner and staff know she is a highly organised, motivational manager. She delegates responsibility well and spends time to support staff who need more guidance. The tour promoters are very complimentary of Catherine. They appreciate her drive and determination to ensure their events run smoothly, from booking the venue to the performance taking place.

Staff at *Lilidays Centre* are praised by the owner and tour promoters as people who are passionate about their jobs. A recent customer survey rated very high satisfaction levels on all aspects such as efficient service, friendly approach and being welcoming. Staff consistently have a positive attitude towards their work at *Lilidays Centre*. Customers feel 'part of the family'.

Though the staff work hard and customer satisfaction levels are high, the centre has not made much net profit for the last three years. The centre is now only breaking even. The owner is worried that the centre will soon start making a loss.

An emergency meeting has been called to discuss *Lilidays Centre's* financial situation and the contributory factors.

One factor is that the same events are being booked into the halls every year and these shows appeal to the same target markets. Figure 1 shows the number of events that take place each quarter in each of the halls and the average percentage of seats sold for each hall.

Lilidays Centre number of shows and total average capacity of each hall, per quarter Oct 2016–Sep 2019

	Oct– Dec 2016	Jan– Mar 2017	Apr– Jun 2017	Jul– Sep 2017	Oct– Dec 2017	Jan– Mar 2018	Apr– Jun 2018	Jul– Sep 2018	Oct– Dec 2018	Jan– Mar 2019	Apr– Jun 2019	Jul– Sep 2019
Shows in The Hive	80	53	56	36	75	53	49	34	72	48	50	31
Average attendance (650 seat capacity)	80%	64%	50%	45%	79%	63%	50%	44%	78%	62%	48%	40%
Shows in The Burrow	50	36	46	20	40	32	44	20	36	25	42	16
Average attendance (180 seat capacity)	82%	57%	50%	35%	80%	55%	49%	34%	76%	49%	47%	31%

Figure 1

A second factor is that Catherine is so busy running day-to-day operations that she has no time to develop a long-term strategy for the business. She needs to research new types of event that could be introduced to the venue. She needs to network with tour promoters to encourage them to bring new shows to *Lilidays Centre*.

A third factor is that employees are currently employed on either full-time or part-time contracts that state the number of hours they have to work each week. In addition, temporary workers are employed on fixed-term contracts during very busy periods, such as the December/January pantomime season. Employees are subdivided into different teams such as cleaning, catering and customer service. At present, employees across teams do not always have sufficient tasks to engage them. For example, cleaning staff often clean the venue when no events are taking place and customer service staff have periods of inactivity when the venue is quiet.

At the emergency meeting it was decided that:

- Catherine will propose methods of creating a flexible workforce
- Catherine will change her job title to Chief Executive Officer and take a stronger leadership role
- Alex James, the existing Customer Service Manager, will be promoted to Managing Director. He will take over Catherine's day-to-day operational management role.

Catherine understands that making any changes to employment contracts would need to be managed carefully. Catherine knows that her friend Tamjid Khan, who runs *Clearway Theatre*, introduced changes to employment contracts in January 2015. *Clearway Theatre* moved many employees on to zero-hours contracts. After these contract changes were introduced, there was an increase in absence rates amongst employees on zero-hours contracts. There was also a fall in customer satisfaction levels.

Tamjid has produced three sets of data (Figures 2, 3 and 4) to show the changes that occurred to absence rates and customer satisfaction levels.

Figures 2 and 3 show the level of absenteeism at *Clearway Theatre*, by contract type, across five years (2013–2017).

Clearway Theatre: Average number of days lost per worker due to sickness

Contract type	2013	2014	2015	2016	2017
Full-time/part-time contracts	3.3	3.4	3.4	3.3	3.2
Zero-hours contracts	n/a	n/a	5.2	4.8	4.7

Figure 2

Clearway Theatre: Percentage of total workforce contracted days lost due to sickness

Contract type	2013	2014	2015	2016	2017
Sickness absence rates (%) (full-time/part-time contracts)	1.5	1.5	1.6	1.5	1.4
Sickness absence rates (%) (zero-hours contracts)	n/a	n/a	2.4	2.2	2.2

Figure 3

Figure 4 provides customer satisfaction ratings at *Clearway Theatre* for five years 2013–2017. This is useful for Catherine because maintaining excellent levels of customer satisfaction at *Lilidays Centre* is one of the centre's goals.

Clearway Theatre – Customer feedback (Average scores out of 5)

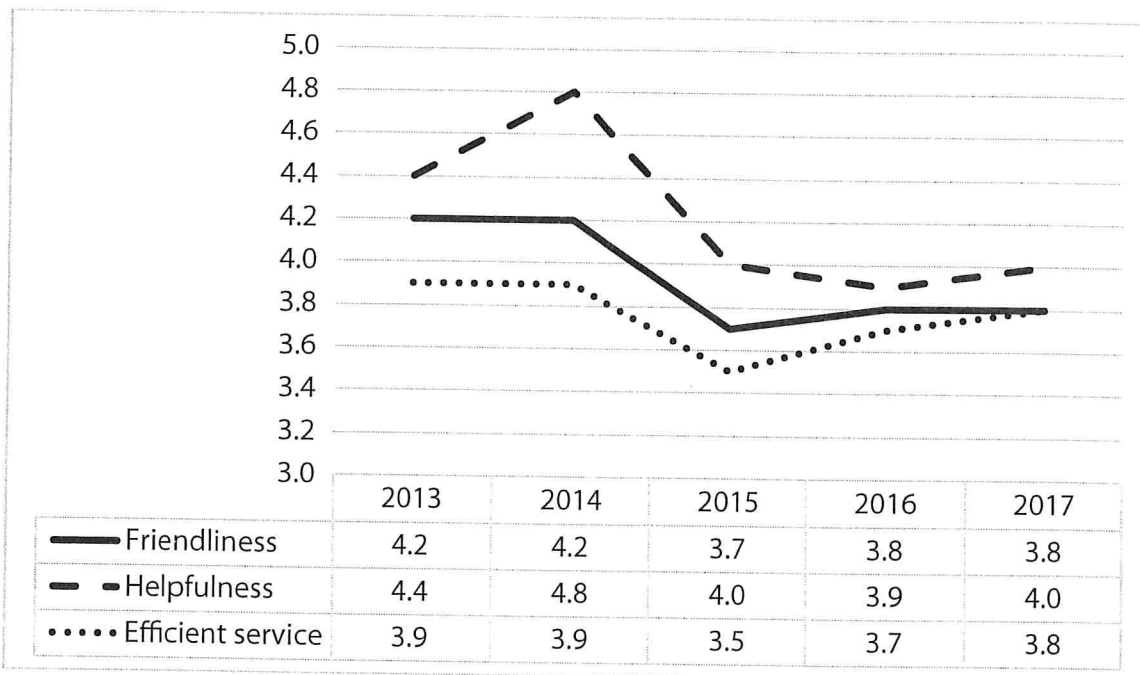


Figure 4

Tamjid told Catherine that he is planning to give each employee a personal rota to show the days and hours that they have to work for the next full calendar month. They will be given the rota at least two weeks before the start of the month. For instance, they will receive their December rota on 15 November. Tamjid hopes that this initiative, which is one of a number of ideas, will improve business culture and employee satisfaction at *Clearway Theatre*.

What is a tour promoter?

Tour promoters (or concert promoters) are the people or companies responsible for organising live concert tours, family shows, comedy performances and pantomimes. A tour promoter offers employment to a performer, usually through the performer's agent or manager.

