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Organisational Analysis Report of

Select Service Partner Group Plc

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The report provides information about Select Service Partner Group plc, obtained through analysis. This report will pay attention to the political, economic, technological, social, legal and the environmental factors. The report will comment on the prospects of the company and make recommendations that would improve SSP Group current performance. It will also include annual reports, earnings power, while offering some explanation for the observed changes, and references.

Select Service Partner Group plc was founded in 1960 and is multinational British company based in London, England. The Group is a leading manufacturer of food and beverage concessions in travel places, restaurants, bars, cafes, food courts, lounges and convenience stores in airports, train stations, motorway service stations and other leisure locations. The company employs has more than 37,000 people, operates at about 140 airports and 280 rail stations and operates more than 2,600 units worldwide in 33 countries. (Select Service Partner Group Plc, 2019)

Logo of the Company



Global scale

SSP operates a large portfolio of national, local and more than 500 global brands. The company also provides outsourced catering on board several train services. The goal of the organisation is to create long-term, sustainable value for its investors by being a responsible business that listens to all its stakeholders and to maintaining the standards its customers expect from the company. *"SSP mission is to deliver passion on a plate."* (Select Service Partner Group Plc, 2019) (Wikipedia, 2019)

The company serving approximately 1,5 million customers every day. Mostly customers are travellers. Due to the high occupancy of stations and airports, that is why customers expect from the company timely response. On the other hand, the company offers a variety of specific requirements of costumers for each of them, which increases demand. (Ian Dyson, 2019)

The PESTLE analyse will give a concrete concept of the company. This is a technical tool to evaluating the macro environment of the corporation and to provide details on the operational challenges.

Political factors – Select Service Partner Group is world class company. The company have risk of military invasion. The travel environment is exposed to acts of terrorism or war that could reduce the number of passengers in transport areas. Corruption in the costumer services sector is of influence. SSP has a Group – wide Anti – Bribery and Anti – Corruption Policy and it updates the processes on a regular basis to ensure full enforcement in its units around the world. Another political factor for the company is trading partners. Changing client requirements, splitting tenders across two or more providers, may adversely affect the Group's business. (SSP Group Plc, 2018)

Economic factors – The most important factors are the type of economic system in the countries of operation and how stable it is. The rise in service industries has been the most impressive economic development in the United Kingdom. This represents an increase in real personal income and an increase in business services outsourcing and growth. The tourism sector is one of the major industries of the UK economy. (Encyclopaedia Britannica, 2019)

The earlier information that the company has brands in airports and train stations gives a complete picture of the high profits of SSP. Influences on economic factors are the intervention of the government in the free market. Currency exchange rates and stability of the host country also has an economic impact on the company. SSP's business is spread across Europe to some of the continent's leading travel hubs. The company prevails in economically strong countries such as UK, Germany, Canada, France, Norway and others. In India, where the economy is in lower percentage than other countries, SSP owns 49% of Travel Food Services, serves more than 75 million customers annually. (Select Service Partner Group Plc, 2019)

Brexit would adversely affect the UK and Europe's economic environment, resulting in lower consumer spending on transportation, food and beverage markets. It will also have an impact on the travel sector if there are any restrictions on the freedom of industrial air travel between the UK and EU countries. Potential post-Brexit mobility restrictions for EU nationals can limit the availability of labour resource in the UK. (SSP Group Plc, 2018)

Another important economic factor are inflation and interest rates. To order to hedge its interest rate exposure from its variable rate term loan facilities, the company has joined a variety of interest rate exchanges. The influence of all these transactions is shown in the following table:

	<u>Floating-rate liabilities</u>		<u>Fixed-rate liabilities</u>		<u>Total</u>	
	<u>2018 £m</u>	<u>2017£m</u>	<u>2018£m</u>	<u>2017£m</u>	<u>2018£m</u>	<u>2017£m</u>
<u>Currency</u>						
Sterling	(107.4)	(45.4)	(112.4)	(136.3)	(219.8)	(181.7)
Euro	(42.6)	(40.3)	(127.9)	(121.0)	(170.5)	(161.3)
US Dollar	(7.3)	(7.7)	(22.1)	(23.1)	(29.4)	(30.8)
Swedish Krona	(6.6)	(7.6)	(19.9)	(22.7)	(26.5)	(30.3)
Norwegian Krone	(9.9)	(10.6)	(29.8)	(31.9)	(39.7)	(42.5)
India Rupee	(4.5)	(5.5)	-	(0.3)	(4.5)	(5.8)
	(178.3)	(117.1)	(312.1)	(335.3)	(490.4)	(452.4)

(SSP Group Plc, 2018)

The airport and railway station travel food and beverage market is estimated at around £ 17 billion and is characterised by long-term structural growth. It gives the organisation excellent opportunities to expand its business around the globe. (SSP Group Plc, 2018)

Social factors - The culture of society has an impact on the culture of an organisation in the environment. Social factors in SSP Group Plc are demographics and population skills, the level of education as well as the standard of education in SSP Group Plc's industry, culture and attitudes.

The Community Engagement Policy sets out the objectives of making communities where they work better places to live and do business and encouraging employees to engage with local communities for their mutual benefit. The SSP Foundation, a registered charity, actively supports SSP UK employees who volunteer or raise funds for charitable organisations or schools in their local communities. In India, TFS has a well-established partnership with Child Rights and You, an organisation that works to bring sustainable change to more than two million underprivileged children across India. Over the last year, more than 2,700 children have received funding from TFS as part of projects to prevent childhood malnutrition. Within the UK business, the SSP Foundation is a UK registered charity which offers grants to support staff-nominated organisations in the areas where SSP works, as well as to provide funding for projects to support the development of skills for young people. The SSP Trust has a range of tins in SSP units across the United Kingdom. In the course of the year, the Foundation awarded a total of 71 grants with a total value of £ 200,000 to several local and national charities. In 2018, SSP America's Community Engagement Services provided support to more than 80 charities across North America. Charity affiliates range from children's hospitals and hospices to organisations that support the homeless. (SSP Group Plc, 2018), (SSP Group Plc, 2016)

Technological factors - It involves recognising the following impacts: SSP Group competitors' recent technological advances, the effect on the consumer services sector's value chain structure, and the pace of technological dissemination. SSP is using new technology, for example using self-scan checkout and ordering applications and automatic coffee machines which help improve the speed of service and increase customer transactions.

For example, SSP Group's top competitor is HMSHost, airport food service company, which using mobile app helps to travellers to find the nearest restaurant, viewing restaurant menus, pre-ordering and paying. Advances in technology or alternative delivery methods, including advances in sales technology, mobile payments, digital marketing and customer loyalty programmes, could have a negative effect on the SSP's business if the Group is not able to respond adequately to these technological challenges. (SSP Group Plc, 2016), (SSP Group Plc, 2018), (Owler Inc., 2019), (HMSHost, 2019).

Legal factors - Discrimination law, intellectual property law, consumer protection, labour law, data protection and health and safety law are some of the legal factors that the leadership of SSP Group Plc should take into account. SSP aims to help minority groups within companies, for example through the collaboration between SSP America and www.diversityjobs.com, which has resulted in a substantial increase in the number of applicants from minority groups, especially at management level. Approximately half of the employees are covered by collective bargaining agreements. SSP is also subject to minimum wage requirements and compulsory health care subsidies in certain countries in which it operates, notably North America, the United Kingdom and China. SSP is reviewing the ongoing impact of the National Living Wage and the impact of health legislation in the US. (SSP Group Plc, 2016), (SSP Group Plc, 2018).

Environmental factors - Some of the environmental factors an organisation should take into consideration in advance include weather, climate change, recycling, consumer services waste management, green material behaviours and renewable energy support. SSP reduced the carbon footprint by installing Building Management Systems (BMS) and LED lighting. At Euston Station, this has been confirmed to produce an 18 percent drop in energy consumption. For example, the company is testing new grills that use 62 percent less energy.

All SSP management teams are responsible for reducing food waste in their operations. Some units develop partnerships with local charities to donate unsold food where food waste cannot be avoided. SSP Spain has a Red Cross partnership in donating unsold food. SSP Hong Kong donates unsold food to the NGO's local food angel. In Germany, France and Norway are exploring the use of a third-party app called Too Good to Go that lets consumers know when unsold food is available for purchase at lower prices.

SSP has systems in place for recycling packaging and waste cooking oil throughout global operations. Another waste reduction initiative provides a reduction in the number of free napkins given to customers by over 30 percent.

The Indian TFS team worked during 2018 to remove single-use plastic throughout all Indian operations. To encourage customers to bring their own cup, SSP UK includes a reusable cup discount. The proprietary brands of SSP UK are moving to paper straws by 2020. The Company also replaces plastic cutlery and stirrers with alternatives to wood or bamboo and replaces single-use carrier bags with Bags for Life.

The Group operates in the travel environment where external factors such as the global economic and geopolitical climate, weather, changing demographics and travel patterns could all affect both passenger numbers and consumer spending. There is a possibility that the Group will not be able to respond to these external events or be poorly positioned. (Select Service Partner Group Plc, 2019), (SSP Group Plc, 2016), (SSP Group Plc, 2018).

Select Service Partner provides induction, customer experience training, SSP academy, learning pathways, management development and apprenticeship.

“ YOU KNOW WHEN YOU’RE WITH THE EXPERTS

Learning and development plays a significant role in our people’s success and at SSP we strive to provide programmes and resources that allow people to be more effective in the role they perform today and to fulfil their potential for tomorrow. “

(Select Service Partner Group Plc, 2019)

Underpinned by online Academy, a selection of development programmes for management are tailored to various levels for the individual markets.

SSP Academy is an online learning site featuring thousands of educational articles (e.g. book reviews; podcasts; e-learning, video, interactive activities, etc.). The global online learning platform-the SSP Academy, continues to grow to promote employee growth at all levels and allow business and high-risk training content to be delivered across all markets. The UK Training & Development department, as an "Employer Provider" licenced by OFSTED,

offers learning programmes to support career development. These include head office employee skills, management programmes and other specialist apprenticeships. (Select Service Partner Group Plc, 2019)

SSP also offers a variety of apprenticeship qualifications that are suitable for front-line team members and those who wish to develop their careers into junior management roles. There are eight different apprenticeships available in the UK and 223 employees started an apprenticeship last year and 150 completed their qualification.

In each company, Managers play a very important role. These are the people who contribute to increase the revenues of the organisations. SSP hires dedicated teams of senior managers focused on business growth, finance, advertising and logistics in all key markets, working closely with consumers to ensure that their needs are met. They are driven by seasoned, locally based management teams with a track record of delivering outstanding operating performance and great customer service. Training and development plan used for successful of new managers and to introduce them to the new requirements of company (*see appendix 1*). (SSP Group Plc, 2018)

SSP has developed programmes in key business areas to promote positive change. These ventures have won awards for training staff and customer satisfaction, as well as recognition for green procurement practises, and accreditation of environmental projects has been obtained. (Select Service Partner Group Plc, 2019)

The Group continues to invest in business growth and development, to bring new brands, concepts and technologies to meet the evolving needs of customers, customers and brand partners, and to drive operational performance. (Select Service Partner Group Plc, 2019)

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APPENDIX 1

TRAINING PLAN TEMPLATE

Training Name:	Time: min	Training Type:
GENERAL MANAGER	120 MIN	WORK DIRECTION

Training Goals:

- Optimize project processes to ensure high team performance.
- Identify areas for cost control enhancements and implement changes.
- Attend industry conferences and make informed decisions regarding operational changes

Results:

- Managed Team, interviewed, hired and trained new staff.
- Increased market share by ensuring full customer satisfaction and reducing costs by eliminating duplication and properly allocating staff rates.
- Promoted business at conferences in manufacturing and trade.
Maintained operational efficiency with constructive monitoring and corrections.

Certificate Skills Covered

- Executive leadership skills, interpersonal and problem-solving skills.
- Very good knowledge of different business functions.
- Communication skills excellence

Time	Section	Description	Comments
30 min	Team performance	Teamwork / interview / trained staff	Very good

60 min	Identity of areas of concern	Problem solving / increase profit	Excellent
30 min	Business communications	Conference / Presentation	Excellent