

OPEN UNIVERSITY: F I N A L T R A N S C R I P T

COURSE CODE & TITLE:	T883 Vue Entertainment
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15:20		V/o The highly successful Vue cinema chain now attracts over 32 million customers every year. It builds state of the art multiplexes with the most up to date projection and audio-visual techniques available.
15:38		Kam Dosanjh Vue is quite a young company. We established ourselves by buying Warner Village Cinemas. We have an expansion rate of having four to five cinemas opening each year for the next 2 to 3 years.
15:53		Sophie Doherty We're very good at exhibiting films in an environment which has top-notch sound and picture quality. Added to which we have a real focus as a company on the entire guest journey from the moment they purchase their tickets through to the retail offerings that we have on our concession stand, the entire foyer ambience, facilities available, right into the nucleus of the experience, which is of course is sitting down and enjoying watching the film.

16:18		v/o The cinema business is simply about putting on the latest films and hoping the crowds will flood in. Filling almost 126 thousands seats across the chain on a regular basis requires that each cinema must be in tune with its audience.
16:33		Darryl Lewis It's very important that our general managers take ownership for their own businesses. That they are within the community and that they listen to what the guests around that community want. So we do try and tailor each individual site to meet the guest's needs. A film that would do fantastically well in the West End of London may not necessarily work that well in Inverness. So it's very important that we tailor the films, and actually not only the films but also the times that the films go on, that tailor for public transport, parking and actually people being able to get and watch the films that they really want to see.
17:11		Andrew Bailey Local knowledge is key. One of the creative skills at Vue is that as a general manager you're allowed to formulate your business. Because I trade on Leicester Square with four other adjacent cinemas to me, we never show the same film, or very rarely show the same film, head on head, so it gives the locality of the square itself a unique venue. I might not be showing the current blockbuster and my adjacent competitor will be. So my peaks and troughs run in conflict with the peaks and troughs in most Vue cinemas.
17:41		V/o Movies are at the heart of the cinema industry but the process of showing a film begins with its acquisition from the distributor. Getting the right deal is of critical importance to Vue's business.

17:54		Sophie Doherty In terms of the release dates, that's completely determined by the distributor. But when you come down to how many screens it will be in and how many sites it will be in across the country, that's down to a very fine relationship between our film buyers and the distributors themselves and it's a partnership. In both working towards earning the revenue streams that's right for both parties. There will be big releases which may have multiple prints in one site, or one print which can be interlocked into different screens. Just depending on what demand is there in the market.
18:26		v/o Once the films are secured by the buyers, it's up to the individual managers to design a daily schedule to suit their cinema.
18:35		Andrew Bailey There's an art to building a performance schedule and what we encourage our general managers to do is start by the film we predict to make the most money. So that would generally be the blockbuster, the number one release and we would put that at the time that best suits the market, based on the general manager's knowledge. We would then build what we - call a walk-in, which is the period where all 7, 8, 9, 10 screens go in and then we would work from the main evening walk-in, probably backwards, giving the right amount of cleaning time and we would take each walk-in as an individual business flow.
19:18		Kam Dosanjh It's really important in terms of starting of films, you get an easy steady flow within your building and you don't get pinch-points. And then when people egress back out the building, they don't clash within the foyer or as people are going into other bigger screens.

19:35	Darryl Lewis The retail element is a significant part of our business. What we focus our teams on at site is generating a spend per head out of the retail lines, whether that be through the concession stand, through the ice-cream, through cafes and through bars, and through hawking, which is adding a little bit of theatre in the screens and almost going back to the good old days where there would be an usherette walking around in the screens.
20:03	Andrew Bailey We do try and make sure that we maybe merchandise our stand areas based on the product or the film that we're relating it to. So we may be more focussed towards a child audience at any particular time and therefore maybe the fruit juice drinks or fun packs for the children may be more prominent on the stand area. Whereas on an adult or a grey market it might be more coffee sales that we're more emphasised with.
20:26	Darryl Lewis We make the majority of our money on the high margin items such as popcorn and carbonated drinks and through combo sales, that's what we would want them to sell more of and encourage. However, there are regional variants as an example of that would be for the London area, the combos with the Coca-Cola or a sprite sold, but they didn't sell as well. So what we actually introduced was a water combo. So you got your popcorn with a healthier option which was a water combo.
20:57	V/o A key part of Vue's strategy to match supply with demand is the scheduling of a flexible workforce.

21:08	Andrew Bailey We need to be very careful about how we hire and when we hire so that we can see where our peaks and troughs are going to be. We have the flexibility of certain contracts so we can flex up and flex down, based on those and we would always try and ensure our pay roll is managed with the smallest possible contract. It's easier to get people in to do extra hours than bring them in and conversely be sending them home if you don't actually need them on a given day. The peaks and troughs in the business are a key factor that we need to manage because the peaks and troughs relate to something that you can't always control. We may have a sleeper movie for example that you don't think is going to do very well and suddenly it blows out of proportion or word of mouth actually sells your movie for you.
21:48	v/o Vue uses a balance score card approach to manage their business performance and the quality of their service.
21:55	Darryl Lewis I think the analogy is that if all measures within the balance score card aren't given equal focus, it's like a chair or a table with four legs, if you disproportionately focus on one of those elements, your chair or your table's going to fall over and we strongly believe that your business is going to fall over if we don't.
22:17	Sophie Doherty A balance score card is a common document which is used throughout businesses, but we're very keen to make sure that it's a living document. It's not hidden from the rest of the management team and everyone has a vested interest in the success of it.
22:29	Darryl Lewis The four sections are people, that's about inspiring people to win, about giving them a career path, about setting them objectives and giving them a future.

22:42	Sophie Doherty The people page of the balance score card is incredibly important and that's based around individual's development as well as then linking that into the key objectives for the overall business as well.
22:53	Kam Dosanjh It's an integral part of the whole company from the top to the bottom, everyone has a balance score card. And we judge people against that each month.
23:02	Darryl Lewis The second element is sales and I think that's really important for the continued improvement of the business and without sales generation we wouldn't be the successful business that we are. The third element is quality, which is about flawless execution, which is about delivering in the right way and in the right manner, what we want to execute. Whether that be guest service back of house standards, cleaning standards or whether that be audit requirements.
23:33	Andrew Bailey The balance score card for me is the way I manage my unit and the focus I need to give to my unit in order to deliver a profitable business first of all, but also to deliver excellent guest service and manage the costs associated with the business itself.
23:52	Darryl Lewis The fourth element is continuous improvement which is based around efficiency. So we strongly believe that those four elements need to be looked at in equal proportion to maximise what we do as a business.
24:04	Kam Dosanjh Any incentives that we run within our cinemas, or any new strategies, we kind of refer back to the balance score card and how we factor all our quadrants. How did it affect our people, what are the sales going to be like, is the profits going to increase or decrease? So we kind of refer back to it as a terminology and language and it gives us a kind of like a focus point.

24:25	Darryl Lewis Peak-time perfect is about executing what we talk about all the time. Our theory is if we can get it right at the peak times, and get it perfect at peak times, then the rest of the time should look after itself. So what we actually do is we look in some detail at how the managers execute in their shift. It's not about the guest journey, it's actually about the manager's journey. Them using situational leadership to move the people around to the right place, about setting targets and goals and having a focus to make sure that every element of the business is flawlessly executed.
25:03	V/o They also employ a mystery guest technique to check everything from the customer's perspective.
25:09	Sophie Doherty Vue focuses very carefully on a mystery guest programme, which gives us instant feedback and that mystery guest report and follow the entire guest journey from the ticket purchase all the way through the cinema to the final watching of the film and even on the exit.
25:26	Andrew Bailey One thing we do do, and particularly myself as part of the training side, is that we go out and look at, A the competition, but equally our own venues. So during their training period we actually go out, hop on and off the tube, maybe visit six or seven sites within the London market and therefore use our internal audit programme, which we call PTP, or Peak-Time Perfect, to actually analyse what we're doing well in other venues, and even talk to the audience. They're the best person to give you feedback of how your unit is operating, what they like about your business, what they like about your business as opposed to the business down the road.

25:58	v/o Managing people takes priority at Vue, including the fostering of a positive culture of involvement and empowerment. Flat structures coupled with an effective training and development programme are important elements.
26:11	Sophie Doherty I think the approachability of upper management within Vue is very impressive for a company of this size and I feel as a general manager I can call any director and speak to them on any issues and indeed, my management team do as well and I think that's incredibly important to the openness and honesty that we purport to have.
26:30	Andrew Bailey Some of the best ideas come from the staff. One thing we need to manage and maintain as managers is we don't steal their ideas, we pass their ideas on and they keep the ownership of it.
26:38	Darryl Lewis What we like to offer people when they join Vue is an understanding about our obsession for guests. In fact the first module that everybody does, whether you are a screen cleaner, a concessionist, a retail member of staff or a general manager, you will go through what we class as Level One learning and we talk about the guest. And your first day with Vue, you watch a film.