



Isle of Sark Shipping Company Ltd. (IOSS)

**IOSS Mission, Goals, Objectives,
Our Strategy and Business Plan
2018/19 and beyond**

IOSS Mission statement, Goals & Objectives, our Strategy, Tactics & Business Plan



Introduction

This is the second IOSS Strategy and business plan to be produced since the relationship between IOSS Co. Ltd. and the Sark Government was placed on a more formal footing (following the Chief Pleas decision to accept the IOSS review recommendations at the Michaelmas meeting September 2015).

The first plan, the 2016 Strategy and Business plan, was accepted by the IOSS Board and the Sark Government Finance and Resources Committee (F&R)

In turn a review of the performance versus the plan taking into account other influences and inputs has been used to develop the 2019 plan.

This plan is divided into 4 sections:

- 1. The process***
- 2. Our Vision and Mission***
- 3. Key Goals and supporting strategy***
- 4. Objectives and tactics FY 2018 -2019***
- 5. Addendum - Fleet replacement***

IOSS Strategy, Tactics, Business Planning Process & Reporting/Benchmarking

It is important that our goals, and objectives remain relevant to the business, our stakeholders, and shareholders (the residents of Sark).

- To achieve this the business plan is predicated on a continuous cyclic process of:
- assessing the environment and market in which we operate (S.W.O.T analysis),
- agreeing our goals, strategy and plan;
- reviewing our performance;
- considering and where appropriate reacting to internal and external inputs and influences,
- Re-issuing the plan to meet any changes in the goals, strategies and objectives.

The S.W.O.T analysis and a diagram that illustrates the continuous cyclic process of plan, review, react, re-plan is included in the following section.

We operate in a dynamic environment to achieve our goals there can be a need to react to sudden and/or unforeseen changes to the market or our required operating model. The plan is therefore by necessity a “living” document and may change at short notice as our priorities and tactics adapt.

In order to measure how we are performing against the plan; performance will be reported to the Board and ROS at least quarterly in the form of a prioritised gap analysis to illustrate our progress against each objective.

- A **goal** is a broad primary outcome.
- A **strategy** is the approach you take to achieve a goal.
- An **objective** is a measurable step you take to achieve a strategy.
- A **tactic** is a tool you use in pursuing an objective associated with a strategy.

Swot analysis

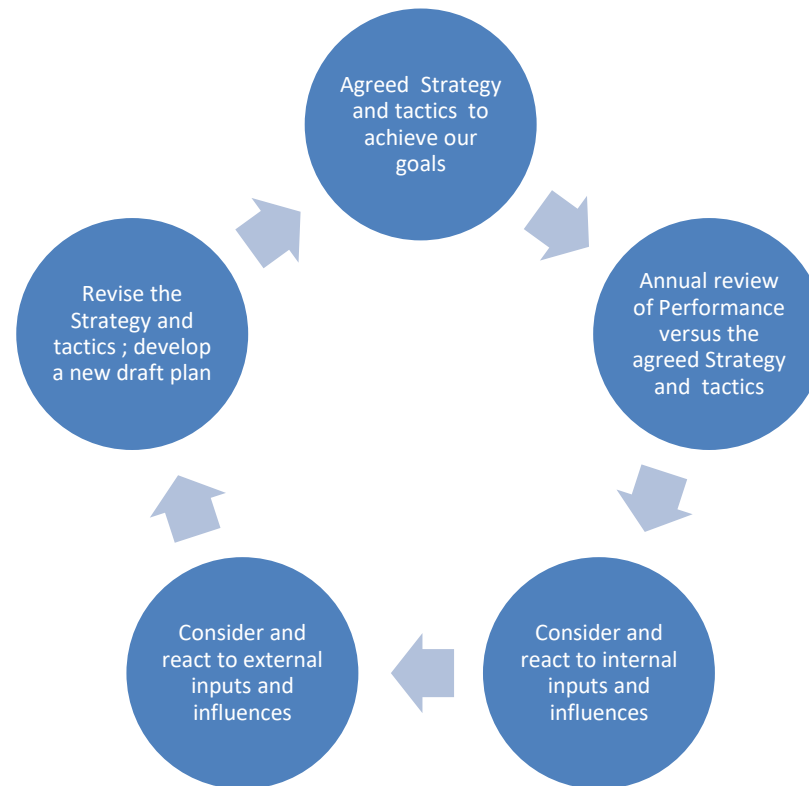
Section 1. The process

(updated 2018)

Strengths	Weaknesses
<ul style="list-style-type: none">• Sole Operator Freight and Passengers• Regular core volumes of freight and passengers• Well trained and committed staff• Reliable service• Locally well-known and respected brand• Strong product• Excellent safety record• Sark Resident Ownership	<ul style="list-style-type: none">• Single destination service (reliant on Sark visitor volumes).• Weather susceptible day trip volumes.• Ageing and costly to operate fleet.• Increasing maintenance cost and out of service time due to ageing fleet• Seasonality (leading to high cost winter overheads and cash flow issues).• Reliant on Guernsey success and economy.• Destination competition/destination price• Sark Resident Ownership• Voyage times
Opportunities	Threats
<ul style="list-style-type: none">• Spare capacity.• Joint venture• Agency work• Joint S&M with Sark Hospitality• Sark made/produced product shipping (Freight)• Guernsey Market• Pet friendly Service and destination• Sark resident market• Brexit	<ul style="list-style-type: none">• Reduction of Sark visitor economy• Reduction in Guernsey visitor economy• Increase in fuel cost• Increase in Guernsey Harbour costs• Changes to local and international safety regulations (crew training, vessel certification etc.)• Changes to local and international operating legislation (crew training etc.)• Cruise ship sales• Application for competition from another operator• Reputational threat from ageing fleet reliability• Brexit

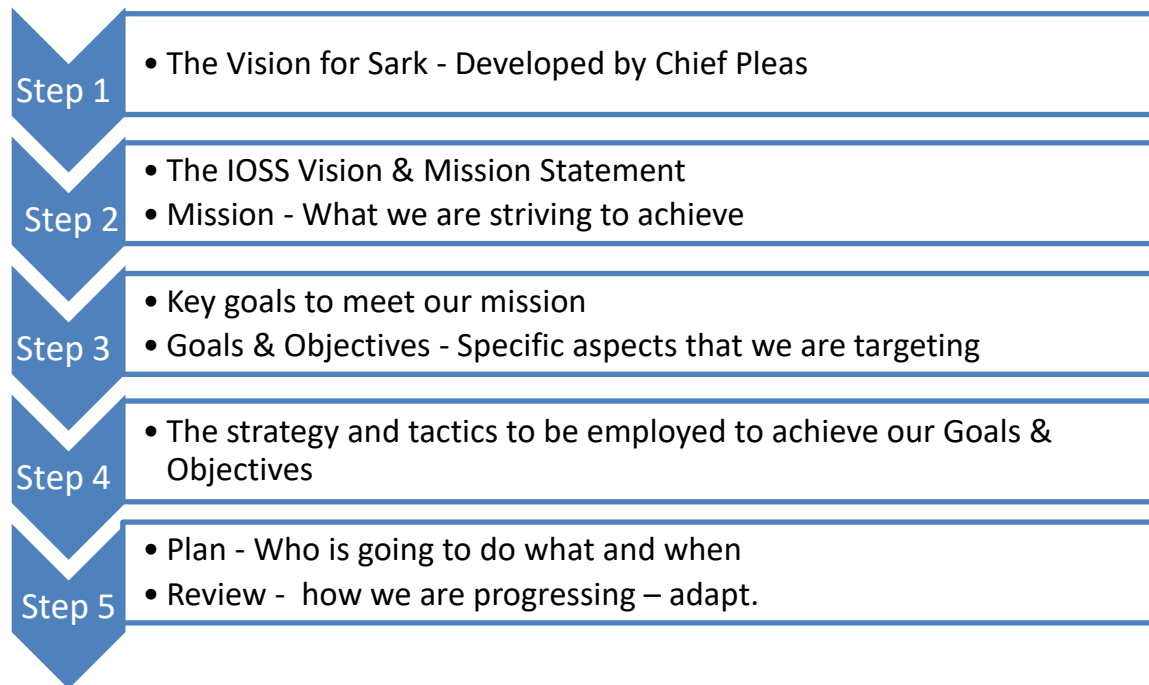
IOSS Strategy, Tactics & Business Planning Process

The continuous cyclic process of; agreeing a Strategy and tactics; reviewing our performance; considering and where appropriate reacting to internal and external inputs and influences is described by the following diagram.



Mission Statement, Goals & Objectives, our Strategy, Tactics & Business Plan –

Joined up thinking:



The Vision for Sark

The vision for Sark as published by Chief Pleas

To maintain and enhance the well-being and prosperity of a community that upholds the virtue embedded in the Sark way of life while striving to meet international expectations

The Vision for Sark Shipping

Through our shipping services and actions:

- To maintain and enhance the well-being and prosperity of the Sark community.*
- To upholds the virtues embedded in the Sark way of life.*
- To strive to meet or exceed local and international industry standards and expectations for a shipping service.*

The Isle of Sark Shipping Company Missions Statement

To ensure the sustainable provision of a safe, reliable, friendly and efficient passenger and freight shipping service for the residents of Sark and visitors to Sark

*Our definition of success is to provide to our customers integrated marine transportation services that are **safe, reliable and continuously improving**, while delivering best value for money and customer experience. Operating in a manner that preserves our **financial integrity**.*

To align with our mission statement the business strategy is structured around five key goals that are critical to our success

Key Goals and Strategies:-

1. Safety:

- To continuously monitor, review and improve the safety of our operations inclusive of vessels, port facilities and offices.

2. Compliance:

- Ensure high levels of corporate governance and transparency are applied and maintained.

3. Customer Focus:

- Ensure that the service offered is reliable, accessible, remains relevant, and meets or exceeds the customers and stakeholders requirements.

4. Financial Integrity:

- Meet key financial targets in order to be self supporting with profit to re-invest .

5. Culture and Development:

- Engage with, support and develop our staff to engender a mutual commitment to our key goals, strategies, objectives and tactics.

The following sections define the supporting strategies and objectives for each of the four key goals.

Achieving our Goals

In order to achieve each of our “Key Goals” they are supported by related strategies, objectives, and tactics.

Our goals should not be seen as “separate” from each other. Some of the strategies, objectives and tactics that we will employ may support more than one goal. It is equally important that none of our strategies, objectives and tactics applied to achieve one goal should compromise another. For example we will never put in place financial revenue or cost saving strategies or objectives where there is any risk of a compromise in safety.

In the short to medium term (2 – 5 years) our key goals and their supporting strategies are unlikely to change. However, the objectives and tactics we put in place are short term and variable and will change as a reaction to both internal and external influences; we will proactively change them to make the most of perceived opportunities in the market and to fit with our short term seasonal objectives and priorities.

Goals

1. Safety

At Sark shipping the safety of our customers and employees is our top priority
Our strategy is:

To continuously monitor, review and improve the safety of our operations inclusive of vessels, port facilities and offices.

Supporting Strategies:-

- We will meet or exceed all safety regulations to ensure the health and safety of the public, our customers, staff and people that work with us.
- Ensure our shore side operations comply with relevant Legislation, Regulations, Codes of Practice, Standards and Guidance.
- Ensure our marine operations comply with relevant Legislation, Regulations, Codes of Practice, Standards and Guidance.
- Engage all staff in H&S matters and to create a positive H&S culture.
- We will continue to develop, audit, and review, both our Marine related SMS (Safety Management System) and our related Health and Safety systems and documentation.
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Goals

2. Compliance

Our key strategy is:

To ensure high levels of corporate governance and transparency are applied and maintained.

Following review a new Memorandum of Understanding (MOU), revised Memorandum. and. Articles of Association (M&A) and a Service Level Agreement have been put in place between the Company and Chief Pleas. Both the MOU and SLA place compliance and reporting protocols upon the Company.

Supporting Strategies:-

- Arrange regular communications with the ROS (Representatives Of the Shareholders)
- Ensure our marine operations comply with relevant Legislation, Regulations, Codes of Practice, Standards and Guidance.
- Ensure our shore side operations comply with relevant Legislation, Regulations, Codes of Practice, Standards and Guidance.
- Improve reporting and transparency
- Increase community and stakeholder relationships and communications

Goals

3. Customer Focus

Our key strategy is:

Ensure that the service offered is reliable, accessible, remains relevant, and meets or exceeds the customers and stakeholders requirements.

Supporting Strategies:-

- To ensure a service delivery timetable that meets or exceeds the needs of the Sark residents and visitors.
- To ensure that whenever safe and possible that the timetable is delivered.
- To ensure a consistently high quality service.
- To ensure we treat our customers in a professional, welcoming and approachable way.
- To ensure that we treat our stakeholders in a professional, friendly and open way.
- To ensure that all of our staff treat colleagues and others that work for us with respect and in a friendly and open way.

Goals

4. Financial Integrity:

Our key strategy is:

Meet key financial targets in order to be self supporting with profit to re-invest .

Supporting Strategies:-

- adopt monitoring, reporting and management systems and protocols to support our continued drive for efficiency across all aspects of our business.
- To ensure that we utilise our financial resources efficiently.
- To ensure that we utilise our assets efficiently.
- To ensure we utilise our human resources efficiently.
- To ensure that we deliver an affordable service.

Goals

5. Culture and Development:

Our key strategy is:

Engage with, support and develop our staff to engender a mutual commitment to our key goals, strategies, objectives and tactics.

Supporting Strategies:-

- Ensure optimum workforce composition through hiring, training, and succession planning.
- Give our people the tools they need to reduce costs, improve efficiency and increase effectiveness (e.g. clear business objectives, performance planning).
- Continue regular management meetings and communications.
- Regular executive level meetings and communications.

1. Safety

To continuously monitor, review and improve the safety of our operations inclusive of vessels, port facilities and offices.

- We will meet or exceed all safety regulations to ensure the health and safety of the public, our customers, staff and people that work with us.
- Ensure our shore side operations comply with relevant Legislation, Regulations, Codes of Practice, Standards and Guidance.
- Ensure our marine operations comply with relevant Legislation, Regulations, Codes of Practice, Standards and Guidance.
- Engage all staff in H&S matters and to create a positive H&S culture.
- We will continue to develop, audit, and review, both our Marine related SMS (Safety Management System) and our related Health and Safety systems and documentation.

Objective	Tactics	By Who	When
Health and Safety documentation reviewed and updated late 2018. Review annually – next review August 2019	<ul style="list-style-type: none"> • Page turn review • Encourage crew and office H&S toolbox talks as a regular daily/weekly routine. 	Input from all	Update documents Oct 2019
A formal review of the SMS documentation will be carried out.	SMS Masters' review is a formal part of the new SVC	MD/Masters	February 2019
Update risk assessments across all work activities.	<ul style="list-style-type: none"> • Issue new risk assessment forms to office and crew. • Fix deadline for return • Centrally collate and re-share. 	All departments/vessels	March 2019
Update training where required.	<ul style="list-style-type: none"> • Create training matrix • Re- introduce appraisals to create individual training plans. 	Company Manager	February 2019
We will monitor any lost time injuries and employee sick days to identify potential trends and patterns.		MD & Company Manager	Ongoing report Sept 2019
Continue to work with the harbours to ensure Safety Audits are completed and Operation is compliant with new SVC	<ul style="list-style-type: none"> • Marine safety group meetings. • Introduce internal safety system audits. 	MD, Company Manager & Masters	Ongoing report Sept 2019

2. Compliance

To ensure high levels of corporate governance and transparency are applied and maintained.

- Arrange regular communications with the ROS (Representatives Of the Shareholders)
- Ensure our marine operations comply with relevant Legislation, Regulations, Codes of Practice, Standards and Guidance.
- Ensure our shore side operations comply with relevant Legislation, Regulations, Codes of Practice, Standards and Guidance.
- Improve reporting and transparency.
- Increase community and stakeholder relationships and communications.

Objective	Tactics	By Who	When
Update, MOU, Mem of Art,	<ul style="list-style-type: none"> • completed 	Board	Sept 2018
Sign off SLA with Chief Pleas (Shipping Committee)	<ul style="list-style-type: none"> • completed 	Board	Sept 2018
Issue Operational Performance report 2017/18	<ul style="list-style-type: none"> • completed 	MD	December 2018
Develop and circulate and the Operational and Capital expenditure budgets FY2018/19	<ul style="list-style-type: none"> • NED review. • Make amends if needed following NED review 	MD & FD	December 2018
Obtain sign-off for the Operational and Capital expenditure budgets FY2018/19 from NEDs and ROS (P&R)	<ul style="list-style-type: none"> • Approve by Board • Sign off by ROS 	Board & ROS	January 2019
Circulate monthly financial reports and accounts to the NED's and P&R for review and comment .	<ul style="list-style-type: none"> • Exec-Review (include narrative and notes) • NED review and feedback. 	MD & FD	Ongoing monthly
Issue quarterly Operational performance report to the board and ROS	<ul style="list-style-type: none"> • review with Board & ROS • align ongoing priorities and tactics 	MD	Ongoing quarterly
Develop and implement a corporate risk assessment policy / process/ register.	<ul style="list-style-type: none"> • Approve by Board • Sign off by ROS 	MD	March 2019

2. Compliance *(continued)*

To ensure high levels of corporate governance and transparency are applied and maintained.

- Arrange regular communications with the ROS (Representatives Of the Shareholders)
- Ensure our marine operations comply with relevant Legislation, Regulations, Codes of Practice, Standards and Guidance.
- Ensure our shore side operations comply with relevant Legislation, Regulations, Codes of Practice, Standards and Guidance.
- Improve reporting and transparency
- Increase community and stakeholder relationships and communications

Objective	Tactics	By Who	When
<i>Review all process and paperwork for introduction of Guernsey Harbours SVC</i>	<ul style="list-style-type: none"> • <i>Page turn exercise with Masters</i> • <i>Issue version 2</i> • <i>Audit vessels to ensure document control.</i> 	MD & Company Manager	February 2019
<i>Complete MCA vessel surveys</i>	<ul style="list-style-type: none"> • <i>Plan overwinter preparation and maintenance for survey</i> 	Board & ROS	Jan/Mar 2019
<i>Sark Venture update Stability book</i>	<ul style="list-style-type: none"> • <i>Incline and lightship survey</i> 	MD	Jan 2019
Set up Sark resident user group		MD	completed
Meet with user group Engage with Sark residents directly and via the “User Group” to obtain feedback and suggestions regarding our products and services (quarterly meetings) – <i>(see customer focus)</i>	<ul style="list-style-type: none"> • <i>Workshop/educational style communication</i> • <i>Use feedback to re-communicate or adjust plans</i> 	MD/Board	Ongoing quarterly

3. Customer Focus

Ensure that the service offered is reliable, accessible, remains relevant, and meets or exceeds the customers and stakeholders requirements.

- To ensure a service delivery timetable that meets or exceeds the needs of the Sark residents and visitors.
- To ensure that whenever safe and possible that the timetable is delivered.
- To ensure a consistently high quality service.
- To ensure we treat our customers in a professional, welcoming and approachable way.
- To ensure that we treat our stakeholders in a professional, friendly and open way.
- To ensure that all of our staff treat colleagues and others that work for us with respect and in a friendly and open way.

Objective	Tactics	By Who	When
Engage with Sark residents directly and via the “User Group” to obtain feedback and suggestions regarding our products and services (quarterly meetings) – (see compliance)	<ul style="list-style-type: none"> • <i>Workshop/educational style communication</i> • <i>Use feedback to re-communicate or adjust plans</i> 	MD/All	Ongoing quarterly
To engage and consult with stakeholders (Shipping Committee, Tourism, Sark businesses, Sark residents and visitors) with regard to the 2019/20 time table	<ul style="list-style-type: none"> • <i>Review month/day demand x volume</i> • <i>Prepare draft 2019/20 schedule</i> 	MD/Board	July-August 2019
To engage and consult with stakeholders (Shipping Committee, Tourism, Sark businesses)	<ul style="list-style-type: none"> • <i>Aim to develop “Shared”/coordinated Sales and Marketing Plan with Sark Tourism.</i> • <i>Support Folk Festival and Summer Festival through schedule and promotions.</i> 	MD/Board	Ongoing
Continue with the regular reviews of the timetable to ensure an optimal balance between a sustainable, regular, robust and affordable service.	<ul style="list-style-type: none"> • <i>Continue to collect and analyse sailing stats</i> • <i>Develop and implement a customer feedback process.</i> 	MD	Ongoing/ selected months/times
2019 Review cargo prices to ensure that they are still fit for purpose.	<ul style="list-style-type: none"> • <i>Analyse cargo type by volume by sailing.</i> • <i>Model financial implications of change.</i> 	MD/cargo	February
2019 review passenger fare structure and product offering to ensure that they are fit for purpose and align with customer needs	<ul style="list-style-type: none"> • Investigate re-modelling passenger fare structure to maximise revenue and fit market. • Dependant on above investigate introduction of Sark resident fare. 	MD/Board	1 st half

4. Financial Integrity:

Meet key financial targets in order to be self supporting with profit to re-invest.

- adopt monitoring, reporting and management systems and protocols to support our continued drive for efficiency across all aspects of our business.
- To ensure that we utilise our financial resources efficiently.
- To ensure that we utilise our assets efficiently.
- To ensure we utilise our human resources efficiently.
- To ensure that we deliver an affordable service.

Objective	Tactics	By Who	When
Review detail and presentation of management accounts report.	<ul style="list-style-type: none"> • Split out account reporting to provide better performance planning and analysis tool • Endeavour to have P&L account details available earlier in the months to better/earlier react to trends 	MD/FD	Draft 1 st quarter
Review crew and office rostering to increase efficient staff utilisation	<ul style="list-style-type: none"> • Plan maintenance time • Roster to schedule • Review office opening times • Investigate greater utilisation of part time staff/crew 	MD/ Company Manager	April 2019
Set challenging but realistic Budget targets for 2019	<ul style="list-style-type: none"> • Work with Senior staff to engender a feeling of ownership for their department budget and targets. 	MD.FD. Board, ROS Senior staff	January 2019
To produce monthly management accounts and analyze financial performance against budget.	<ul style="list-style-type: none"> • Share vessel and departmental monthly results with departmental heads • Review and challenge performance against budget with department heads. 	MD/All	Ongoing monthly
Engage with senior staff to engender a culture of ownership and responsibility for cost control	<ul style="list-style-type: none"> • Share vessel and departmental budgets with departmental heads • Review and challenge performance against budget with department heads • Update company financial performance monthly 	MD/Board, Senior staff	January - ongoing
Engage with senior staff to engender a culture of ownership and responsibility for sales and customer service	<ul style="list-style-type: none"> • Review all areas of performance with Senior staff. • Seek input and ideas • Update company financial performance monthly 	MD/Board Senior staff	Ongoing

3&4 2018/19 Objectives:

- **Meet key financial targets in order to be self supporting with profit to re-invest.**
- **Ensure that the service offered is reliable, accessible, remains relevant, and meets or exceeds the customers and stakeholders requirements.**

In order to meet both our Customer focus and Financial integrity goals and to achieve our 2018/19 budget targets we have set ourselves a number of priority objectives for the upcoming season.

Objective	Tactics	By Who	When
Increase passenger revenue through increased volumes target +3%.	<ul style="list-style-type: none"> • <i>Maintain above the line advertising activity to attract Guernsey resident visitors</i> • <i>Increase distribution of “Discover Sark” and Day Trip leaflet to Guernsey hotels and tourism outlets.</i> • <i>Tie a selection of special offers and promotions to Seafront Sunday and other events.</i> • <i>Organise early season “Fan trip” for hotel receptionists and tourism related employees in Guernsey..</i> 	MD/All	1 st quarter/ ongoing
Increase child inter-Bailiwick market share target - 400 additional child pax over 24 months	<ul style="list-style-type: none"> • <i>Continue with child orientated special offers (Kids for £2)</i> • <i>Introduce added value “no worries” products – introduction of a family fare to include uphill transport in the cost.</i> • <i>Target schools and child activity centres with promotional and special offers (Scouts, Youth clubs etc.).</i> 	MD	1 st quarter
Target lower performing market sectors for development.	<ul style="list-style-type: none"> • <i>Promote Group overnight travel, corporate travel, Newsletter and targeted advertising.</i> • <i>Link where to stay section of website to offers from accommodation suppliers in Sark.</i> 	MD	Main season 2019

3&4 2018/19 Objectives: (continued)

- **Meet key financial targets in order to be self supporting with profit to re-invest.**
- **Ensure that the service offered is reliable, accessible, remains relevant, and meets or exceeds the customers and stakeholders requirements.**

Objective	Tactics	By Who	When
Maintain non-core product revenue streams @ 2018 revenues	<ul style="list-style-type: none"> • <i>Push cruise passenger visits to shore excursion organisers</i> • <i>Plan for tendering operations around scheduled service.</i> 	MD/ Company Manager	Ongoing
Whilst not compromising service: Save fuel costs target – 5%	<ul style="list-style-type: none"> • <i>Advance plan (> 24 hours) vessel utilisation to better match capacity to demand.</i> • <i>Where possible combine additional cruise ship rotations with schedule sailings.</i> 	MD/ Company Manager	Ongoing
Whilst not compromising service: Save Staff costs target -5%	<ul style="list-style-type: none"> • <i>Review crew and office rota to align more closely with service requirements.</i> • <i>Develop plans and schedule maintenance times for vessels.</i> • <i>Use Ad Hoc and seasonal crew where there is cost saving achievable</i> 	MD/ Company Manager	February
Make saving on General Maintenance materials	<ul style="list-style-type: none"> • <i>Plan to buy all materials for maintenance/refit rather than make Ad Hoc purchases to benefit from discounts.</i> • <i>Investigate buying online and shipping.</i> 	MD/Board	1 st quarter

5. Culture & Development

Engage with, support and develop our staff to engender a mutual commitment to our key goals, strategies, objectives and tactics.

- Ensure optimum workforce composition through hiring, training, and succession planning.
- Give our people the tools they need to reduce costs, improve efficiency and increase effectiveness (e.g. clear business objectives, performance planning).
- Continue regular management meetings and communications.
- Regular executive level meetings and communications.

Objective	Tactics	By Who	When
Involve senior staff in strategic planning to give a greater feeling of ownership and better understanding of the business	<ul style="list-style-type: none"> • <i>Regular Masters and Senior Staff meetings</i> • <i>Copy with quarterly reports and extracts of monthly P&L</i> • <i>Present/share the business plan and invite feedback.</i> 	<i>MD/FD</i>	<i>Ongoing /quarterly</i>
Increase staff efficiency and flexibility	<ul style="list-style-type: none"> • Review training and skills matrix • Introduce appraisals (again) • Plan individual training needs 	<i>Company Manager</i>	February
Qualify three of our current engineers to relief skipper before middle of season.	<ul style="list-style-type: none"> • <i>Ongoing training and mentoring</i> 		<i>Ongoing - July</i>
Review and update contracts and Staff handbook (Edition 1 of the handbook was circulated and signed off by staff Oct/Nov 2018)	<ul style="list-style-type: none"> • <i>Review</i> 	<i>MD</i>	<i>September 2019</i>

6. Fleet Replacement

In 2018, due to significant issues with the existing passenger vessels , limited operational service life expectancy and increasing maintenance costs the Executive Directors and Senior Managers produced a business case with the objective of replacing two of the current passenger fleet of three passenger vessels with a modern, larger capacity and faster passenger ferry either by purchasing a vessels or by a bespoke build.

The Board has agreed, that in order to fulfil our Mission Statement, to meet our Key Goals, and to ensure that the service continues to be sustainable, a replacement vessel strategy should become a part of our priority objectives and form an addendum to this business plan.

The full details are contained within the business case. The project is medium/long term with a conclusion date of 2020-2021.

To ensure the sustainable provision of a safe, reliable, friendly and efficient passenger and freight shipping service for the residents of Sark and visitors to Sark.

Our definition of success is to provide to our customers integrated marine transportation services that are **safe, reliable and continuously improving**, while delivering best value for money and customer experience. Operating in a manner that preserves our financial integrity.

The Vessel replacement project goals align with this business plan. The objectives, strategy and benchmarks for the project are contained within the business case and supporting documents.