

# ENCOUNTER OVERLAND

9th February 1993

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Dear Matt

## Regretted Change to Leader/Driver Increment

It has to be said that I am not primarily writing to you to wish you a very happy New Year and a full and successful '93. None the less may I please first express those sincere sentiments.

It also has to be said that, to all intents and purposes, this letter is much the same to all members of the Sharp End. And it concerns the fact that quite serious economy measures, budgetary steps, recessionary responses, are continuing to be made by EO, that now this fact is going to directly effect even those members of staff who, until now, have not been directly effected.

I am now going to spend a little time on some background information on this and then the measures that are, I'm afraid, going to be put into effect will be stated. Moira has offered to clarify matters in a note attached.

## Background.

\* As many senior members of staff (sharp-end and admin.) know, we have been battling a serious recessionary trend since at least the Gulf War 2 years ago and at that time really quite severe measures had to be taken. These included letting some people go; freezing salaries and some wages (but not the sharp-ends') as well as a fairly far reaching belt-tightening exercise. This has not been easy; for, as you surely know, this company does not have high and unwarranted overheads nor is a project inclined to cost proportionally less to operate simply because it is only a half or two thirds full.

For EO the recession has manifested itself in a number of key ways and, further to this, there are other factors apart from the recession.

The key ways in which the recession has effected us include

- \* lower numbers per trip
- \* lower average sales value per booking
- \* higher promotional costs
- \* the increased need to keep prices affordable and competitive
- \* greater trend to last minute bookings (thus making cancellation/rationalisation of projects more difficult.)
- \* failure of the £ sterling within the ERM and spiralling sharp-end costs in £ terms.

The ways other factors have effected us are:

- \* Consumer legislation and onerous EC directives related to terms of carriage in reality impossible to comply with on 3rd World expeditions - yet, seemingly, legislatively applicable.
- \* Litigation, potential, threatened and actual arising from the above.
- \* 3rd world tensions and the ramifications of those tensions in the context of perceived responsible actions required by the operator and greater hyposensitivity by the public, press and governments in instances of tensions. (i.e. India, Egypt, Zaire to name 3 in the last 2 months).
- \* 3rd World Stability & 1st world recession - since the cold war collapse of the Washington/Moscow axis which has meant the 3rd world states and governments are no longer clients of one or other and are left more to their own devices and thus the break-down of power, effective infrastructure, aid and economic planning has been exacerbated.
- \* Disease too is probably less under control - and no one needs to tell a competent leader/driver either of this fact or of the added care called for.

These factors are not only individual ones, they are also ones that inter-relate and often conspire together to make the overall project potentially more difficult and also less profitable.

Although we believe that Adventure Travel operating in these conditions can be and should be continued with success, a period of fairly radical initiatives is required. A vital part of this is the reduction of overheads - and a significant overhead is wages. These cannot continue to raise - except very gradually. The EO scheme for the payment of increments is having to be reduced, and the present guaranteed built in wages increases are having to be modified.

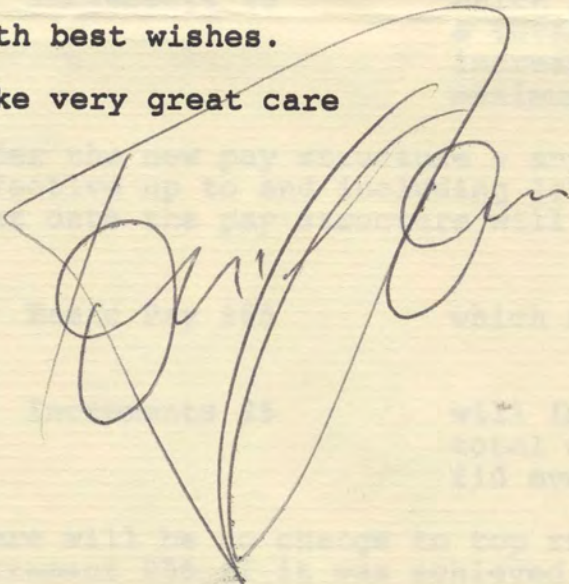
Comments of the above:

- a) Almost to a man, leader/drivers, soon after the return to the UK, comment on just how depressed affairs are back home. That striking impression is for us here an everyday reality.
- b) It is a grim reality that many people are suffering actual reductions in pay, others have not had a raise in years. This revision intended here however means raises are less fast than they were planned to be at better times when we could confidently expect company profitability.
- c) Those (no small number) who are on maximum scale should not expect any review, (up or down) however their performance is, more than ever, expected to reflect their seniority and expertise.
- d) All should remember that the increment paid by the Company is paid optionally, subject to attainment of recognised 'sharp-end' standards. It's is not inappropriate to remind Leader/Drivers that this could (and arguably should) be withheld when those standards by a leader/driver have unjustifiably fallen.
- e) Lastly perhaps I should risk - stating the obvious - that of course we (like you) are here well aware of the continuous opportunity for cheating. The trust between sharp-end and EOL is for the most part exceptional. It needs to be, and it needs to continue. The need by EOL, very, very reluctantly indeed, to 'move the goal posts' will not however be seen here as cause or justification for any dilution of the trust nor of the integrity upon which it is based.

Do, if you need, contact Moira or myself on this matter to express views, queries, etc. Do also please remember that this is one of quite a number of necessary measures.

Also for heavens sake remember that TRIPS ARE TO BE OPERATED UNDER BUDGET. Budgets are constructed so that this is the expected outcome. This is vital for the Company's overall 'arithmetic' to balance. Of course we know there are occasionally good reasons why a budget might be exceeded - even after the miscellaneous and contingency provisions in the budget have been used up.. We also know there are sometimes some damned feeble excuses. The former will, I expect, be accepted. The latter I suspect won't.

With best wishes.  
take very great care

A large, stylized handwritten signature in black ink, appearing to be 'J. R. ...', written over the typed text.

Dear

*Matt*

As mentioned in Tony's note here is the explanation.

At the moment the pay structure for Leader Drivers is as follows:-

Basic Pay £65

which rises to £70 at 81 weeks

+

Increments £5

Which increase by £5 every 20 weeks to a total of £25 per week, thereafter increasing by £10 every 20 weeks to a maximum of £55.

Under the new pay structure - any increases in Increments effective up to and including 1st Jan 93 will be honoured, after that date the pay structure will be:-

Basic Pay £65

which rises to £70 at 81 weeks.

Increments £5

will increase by £5 every 40 weeks to a total of £25, thereafter increasing by £10 every 40 weeks to a maximum of £55.

There will be no change to top rate of pay ie Basic £70 pw + Increment £55 if it was achieved prior to 1st Jan 1993.

Of course should you have any questions, I am here as always to answer them.

Best wishes,

*Maire*