

## Assessment Schedule – 2017

### Business Studies: Demonstrate understanding of how internal factors interact within a business that operates in a global context (91379)

#### Assessment Criteria

#### Notes to Markers: guidance for awarding Achievement, Merit, or Excellence

**Explaining** states **what** the answer is to the question asked, then expands by giving the reason(s) **why** the “what” occurs or links ideas to provide a coherent rationale.

**Fully explaining** develops the explanation with further expansion of **how** the situation/action could impact on potential business or stakeholder goals, or a particular outcome. This will generally relate to effects, advantages, disadvantages, and/or consequences.

**Evaluating** examines in detail by comparing and contrasting or identifying relationships to explain the impacts, effects, and consequences of interacting factors in the business, plus strategic responses or solutions, and to provide a justified recommendation or draw justified conclusions on the significance or likely success of the factors/responses/solutions. This should include reference to alternative courses of action or new information to further support the decision that has not already been established in earlier parts of the question, such as long-term impact or sustainability of the business.

All parts of the answer should be read as a whole before awarding a grade.

#### Evidence Statement

Part	Sample answers / Evidence
(a)	<p><u>Evidence using <i>Kemu</i></u></p> <p><i>Kemu</i> would benefit from a more motivated staff. This is because the game designers at <i>Kemu</i> would enjoy working with the latest technology, if <i>Kemu</i> decides to develop games using VR technology (Explained). The impact of this is that designers would produce more games in the same time, due to designers being more enthusiastic. As a result, productivity would increase, leading to increased profits for <i>Kemu</i> (Fully explained).</p> <p><u>Evidence using a named alternative business (<i>Icebreaker</i>)</u></p> <p><i>Icebreaker</i> would benefit from a more motivated staff. This is because the clothing designers at <i>Icebreaker</i> would enjoy working with the latest technology that <i>Icebreaker</i> decides to use (e.g. artificial intelligence) to aid in designing its merino clothing (Explained). The impact of this is that designers would produce more designs in the same time, and productivity at <i>Icebreaker</i> would therefore increase, which could also increase profits (Fully explained).</p>
(b)	<p><u>Evidence using <i>Kemu</i></u></p> <p><i>Positive effect</i></p> <p>An inclusive change management strategy at <i>Kemu</i> would lead to a better and more efficient transition to preparing the gaming software for VR technology. This is because the designers understand the production process for writing the software for the games, as this is their job and they are very experienced. They are specialists in this process, and so could contribute best to how the changes should be carried out (Explained). The impact of this is that changes would be made more quickly, and there would be less wastage of resources. This would reduce costs for <i>Kemu</i> (Fully explained).</p> <p><i>Negative effect</i></p> <p>The designers might struggle to concentrate on their creative designing tasks, since it takes time to decide and implement a change strategy, with meetings and decisions to be made on top of their normal work (Explained). The impact of this is that there would be delays in working on the innovative VR games if the designers are too concerned with working on the change strategy. As a result, designers would fall behind on their schedules, and <i>Kemu</i> may lose sales to competitors who are meeting production targets more frequently (Fully explained).</p>

(b) cont'd	<p><i>Conclusion</i></p> <p><i>Kemu</i> should use the inclusive change management approach, because the benefits of consulting those working inside the production process for the software, i.e. the designers, who actually know the best ways to institute the change, will outweigh the short-term negatives of having the designers not working fully on their own design roles. The down time will be short-lived, because the transition will be quick. Another reason that an inclusive approach should be used is the fact that the Silicon Valley design team are used to being listened to, given that they are an influential group (New information). This means that if the <i>Kemu</i> managers don't consult with them, they are likely to be resistant to the change.</p> <p><u>Evidence using a named alternative business (<i>Icebreaker</i>)</u></p> <p><i>Positive effect</i></p> <p>An inclusive change management strategy would lead to a better and more efficient transition to designing the clothing using AI (Artificial Intelligence) technology. This is because the designers would be a part of the change process, and therefore would support it, as the designers would feel their input is valued by management (Explained). The impact of this is that other designers would want to work for <i>Icebreaker</i>, because they would be viewed as an innovative employer. <i>Icebreaker</i> would not have trouble employing good designers, as they would be seen as an employer of choice (Fully explained).</p> <p><i>Negative effect</i></p> <p>An inclusive change management strategy may mean that the change process toward AI technology is not very efficient. This is because the designers are not specialists in change management strategies and/or the change would take time to implement (Explained). The impact of this is that good designers may leave, as they are frustrated by how the change to AI has been dealt with by <i>Icebreaker</i> (Fully explained).</p> <p><i>Conclusion</i></p> <p><i>Icebreaker</i> should use the inclusive change management approach, because the benefits of involving the designers and making them feel valued will outweigh the short-term negatives of having non-specialists instituting the change strategy. Another reason <i>Icebreaker</i> should use its designers in the change process is the cost involved in hiring specialist change management consultants (New information) if the designers were not used. The increased costs would lead to a decrease in profits at <i>Icebreaker</i>.</p>
(c)	<p><u>Evidence using <i>Kemu</i></u></p> <p><i>Kemu</i> would not to be able to sustain its premium pricing strategy for selling its games. This is because there are concerns with the quality of the games (Explained). As a result, <i>Kemu</i> would need to lower its prices on the games, leading to a decline in revenues and hence profits for <i>Kemu</i> in the long term (Fully explained).</p> <p><u>Evidence using a named alternative business (<i>Icebreaker</i>)</u></p> <p><i>Icebreaker</i> would not to be able to sustain its premium pricing strategy for selling its merino clothing items. This is because customers who may have concerns with the quality of the clothing are more likely to purchase an alternative brand (Explained). As a result, <i>Icebreaker</i> would need to lower its prices on the clothing items, leading to a decline in revenues and hence profits for <i>Icebreaker</i> in the long term (Fully explained).</p>
(d)	<p>New Zealand-registered business: <i>Icebreaker</i></p> <p><u>Quality Control</u></p> <p>Quality Control may not involve all of the production staff in the production process at the <i>Icebreaker</i> factory. This is because a small number of staff are employed to check completed clothing items at the end of the production process; only these staff members are actually involved in quality control (Explained).</p>

<p>(d) cont'd</p>	<p><i>Positive effect</i></p> <p>A positive impact of the Quality Control strategy is that the quality of the finished <i>Icebreaker</i> clothing items may improve, since specialised quality checkers would be looking for quality issues with the clothing (Explained). The impact of this is that only experienced and expert quality controllers are involved in the quality-checking role. As a result, the best quality will be upheld for any products passing quality control and going to the customers, thus guaranteed quality levels are maintained at <i>Icebreaker</i> (Fully explained).</p> <p><i>Negative effect</i></p> <p>A negative impact of the Quality Control strategy is that there may be wastage of poor-quality clothing items. This is because when using quality control, the whole production process for the clothing items is completed before quality issues are discovered (Explained). The impact of this is that costs may rise and profits for <i>Icebreaker</i> could fall (Fully explained).</p> <p><i>Conclusion</i></p> <p><i>Icebreaker</i> should use Quality Control to improve the quality of the merino clothing, because the quality will be guaranteed with experienced quality checkers. However, the training costs of staff learning to check for quality at every step of the production process would be high (New information), leading to a decrease in profits for <i>Icebreaker</i> into the future, as every new staff member would need to take time off to be trained.</p> <p><u>Total Quality Management (TQM)</u></p> <p>TQM brings a whole supply chain approach to quality management at <i>Icebreaker</i>. This is because suppliers, workers, and customers are all involved in the quality process (Explained).</p> <p><i>Positive effect</i></p> <p>A positive impact of <i>Icebreaker</i> choosing TQM is that the high costs related to scrapping or repairing poor quality clothing are removed. This is because the errors in clothing items are picked up by staff who are trained to pay attention to quality during the production process (Explained). As a result, there is reduced waste of resources, meaning that <i>Icebreaker</i> is more environmentally sustainable (Fully explained).</p> <p><i>Negative effect</i></p> <p>A negative impact of using TQM as a strategy to identify poor quality clothing is the need for <i>Icebreaker</i> to be constantly spending time training its staff on TQM. This is because as it expands, <i>Icebreaker</i> will be employing new staff who will need to learn how to carry out TQM in their part of the production process (Explained). The impact of this is that costs will rise (e.g. the cost of sending staff to specialist training), and as a result, profits for <i>Icebreaker</i> could fall (Fully explained).</p> <p><i>Conclusion</i></p> <p><i>Icebreaker</i> should use TQM to control the quality of their clothing, because the savings made from identifying clothing with quality issues early in the production process and the wastage avoided would be greater than the costs incurred on TQM training for new staff. Also, TQM creates a positive culture amongst staff, as it gives them the responsibility of doing a quality job in their part of the production process (New information). Staff would feel more valued, and staff morale and outputs would rise, leading to higher productivity at <i>Icebreaker</i>.</p> <p><u>Quality Circles</u></p> <p>Quality Circles requires staff to consider solutions to quality issues faced in the production process by <i>Icebreaker</i>. This is because small groups of workers with a leader are given time at work to discuss and come up with solutions to quality issues, e.g. shrinkage on clothing items (Explained).</p>
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(d) cont'd	<p><i>Positive effect</i></p> <p>A positive impact of <i>Icebreaker</i> choosing Quality Circles is that better solutions would be identified to solve quality issues. This is because the ideas are generated by staff working in the production process, i.e. those with relevant experience (Explained). The impact of this is that solutions are more likely to be successful, leading to an improvement in brand reputation among <i>Icebreaker</i> customers. As a result, customer loyalty and sales for <i>Icebreaker</i> would rise (Fully explained).</p> <p><i>Negative effect</i></p> <p>A negative impact of <i>Icebreaker</i> choosing Quality Circles is that subordinates may feel they cannot comment at Quality Circles meetings. This is because subordinates may have their direct supervisor in their Quality Circles team (Explained). The impact of this is that staff may not speak out, which could render the Quality Circles teams at <i>Icebreaker</i> ineffective, and potentially a waste of time (Fully explained).</p> <p><i>Conclusion</i></p> <p><i>Icebreaker</i> should use Quality Circles, as the benefit of experienced staff solving quality issues on their own is that better solutions will be identified by staff experienced in the production process. The benefits of this will outweigh the risk that subordinates may not speak out in Quality Circles groups. Also, staff would feel more motivated and valued by managers at <i>Icebreaker</i> if solutions around quality have come from the staff themselves (New information).</p>
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**Grade-score descriptors**

<b>Achievement</b>		<b>Achievement with Merit</b>			<b>Achievement with Excellence</b>		
<p>Explains:</p> <ul style="list-style-type: none"> <li>• ONE benefit the business may gain by introducing product innovation</li> <li>• a positive effect of the inclusive change management approach</li> <li>• a negative effect of the inclusive change management approach</li> <li>• how negative online feedback may affect a business like <i>Kemu</i>, which is known for its consistent high quality and innovation</li> <li>• the chosen quality management strategy</li> <li>• a positive effect of the quality management strategy</li> <li>• a negative effect of the quality management strategy.</li> </ul> <p>(Answers will typically <b>state</b> relevant examples, business knowledge, and/or Māori business concepts.)</p>		<p>Fully explains:</p> <ul style="list-style-type: none"> <li>• ONE benefit the business may gain by introducing product innovation</li> <li>• a positive effect of the inclusive change management approach</li> <li>• a negative effect of the inclusive change management approach</li> <li>• how negative online feedback may affect a business like <i>Kemu</i>, which is known for its consistent high quality and innovation</li> <li>• a positive effect of the quality management strategy</li> <li>• a negative effect of the quality management strategy.</li> </ul> <p>(Answers will typically <b>include</b> relevant examples, business knowledge, and/or Māori business concepts.)</p>			<p>Evaluates:</p> <ul style="list-style-type: none"> <li>• the likely success of an inclusive change management approach</li> <li>• a quality management strategy.</li> </ul> <p>(Answers will typically <b>integrate</b> relevant examples, business knowledge, and/or Māori business concepts.)</p>		
<b>N1</b>	<b>N2</b>	<b>A3</b>	<b>A4</b>	<b>M5</b>	<b>M6</b>	<b>E7</b>	<b>E8</b>
Very little Achievement evidence.	Some Achievement evidence, partial explanations.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Some Excellence evidence.	All Excellence evidence.

**N0** = No response; no relevant evidence.

**Cut Scores**

<b>Not Achieved</b>	<b>Achievement</b>	<b>Achievement with Merit</b>	<b>Achievement with Excellence</b>
0 – 2	3 – 4	5 – 6	7 – 8