

Assessment Schedule – 2019

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

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 have an 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.

Part	Sample Evidence
(a)	<p>Fully explain ONE negative impact that resistance to change could have on the business.</p> <p>If the senior managers at <i>Riua</i> are resistant to change, they may not be in favour of introducing the alternative services that the new CEO is considering – for example, the installation of electric vehicle charging stations on the forecourts (Stated). The senior managers may not want the environmentally friendly product changes to occur, because they perceive them to be a threat to themselves personally, i.e. their role at <i>Riua</i> might change (Explained). The impact of this resistance to the proposed changes is that <i>Riua</i> will not adapt its product range, leading to a lack of choice for customers looking for new electric services, or <i>Riua</i> may not cater for its existing loyal customers looking for more environmentally sustainable options. Loyal customers may go elsewhere for these new services if they switch to electric cars from petrol, which would lead to reduced revenue and market share for <i>Riua</i> in the longer term (Fully explained).</p> <p>Note: Either <i>Riua</i> or own context may be used.</p>

(b)	<p>Evaluate the likely success for the business of an approach, such as implementation of the 80 / 20 rule, to develop innovative products and processes.</p> <p><i>Positive effect</i></p> <p><i>Riua</i> will develop more innovative ideas for products and processes, for example using the <i>Riua</i> petrol stations as a location for electric charging facilities for electric vehicles (EVs) (Stated). This is because staff will have time to think of and to research their new ideas for 20% of their working week, instead of having to concentrate on their usual roles for 100% of their working week (Explained). The impact of this is that customers will see <i>Riua</i> as an innovative company, because they have an exciting range of sustainable products. As a result, customers will want to buy <i>Riua</i>'s goods and services, therefore its market share and profits will increase in the long term (Fully explained).</p> <p><i>Negative effect</i></p> <p>Productivity among <i>Riua</i> staff will fall (Stated). This is because outputs will decrease, as staff are using 20% of their time at work not actually working on their usual tasks, because they are thinking about innovative ideas instead (Explained). The impact of productivity falling is that profits for <i>Riua</i> will decrease in the short term (Fully explained).</p> <p><i>Justified conclusion</i></p> <p>The approach of implementing the 80 / 20 rule is likely to be a successful change for <i>Riua</i>. This is because the new initiatives, e.g. the charging facilities on the forecourts, will generate a large enough increase in profits to offset the fall in profits caused by staff not actually working on their usual tasks for 20% of the working week. This is especially true given that the new products will be very popular with customers, as they are much more environmentally sustainable.</p> <p>In addition, this approach fits in well with the new, innovative culture that <i>Riua</i> is starting to develop around employing innovative staff wherever possible. This is because potential employees will be impressed with the fact that <i>Riua</i> values innovation enough to allow staff to spend 20% of their time on innovating. As a result, potential employees who are innovative will want to work at <i>Riua</i>, because they know they will be working on new, creative products. More innovative staff will lead to more innovations at <i>Riua</i>.</p> <p>Note: Either <i>Riua</i> or own context may be used.</p>
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Part	Sample answers / Evidence
(c)	<p>For a New Zealand-registered business you have studied that is operating in a global context, evaluate the suitability of the business goal of ensuring that its products or processes are of the highest quality.</p> <p>Example: Fonterra</p> <p><i>Positive effect</i></p> <p>If <i>Fonterra</i> was to ensure that its food products, e.g. its Anchor cheeses, are of the highest quality, it would have an advantage over its competitors globally (Stated). This is because <i>Fonterra's</i> cheeses would be of superior quality, meaning customer returns through poor-quality products would be very low, or even zero. This would make <i>Fonterra's</i> cheese products stand apart from their competitors' products (Explained). The impact of this is that <i>Fonterra</i> will improve its brand image, as customers' expectations of good quality from <i>Fonterra</i> would be met. This will lead to increased sales, as a result of positive publicity around <i>Fonterra's</i> products (Fully explained).</p> <p><i>Negative effect</i></p> <p>A negative impact of <i>Fonterra</i> ensuring its products are of the highest quality is an increase in costs (Stated). Costs would increase because <i>Fonterra</i> would need to introduce a quality management system, for example Total Quality Management (TQM), to achieve consistently high levels of quality. Introducing TQM at <i>Fonterra</i> would involve employing specialist consultants to train staff on the use of TQM (Explained). The impact of this is that <i>Fonterra</i> may be unable to fund part of the Fonterra Ventures programme, which may reduce the flow of innovations at <i>Fonterra</i>. This might result in <i>Fonterra</i> losing market share if its cheese products are not seen as new and innovative by its customers (Fully explained).</p> <p><i>Justified conclusion</i></p> <p>It is a suitable approach for <i>Fonterra</i> to persevere with the goal of ensuring that its products are of the highest quality. This is because the benefits of <i>Fonterra's</i> cheese products being seen as superior by the global market, and the resulting increase in market share, will generate greater income over a longer period for Fonterra than the cost of hiring consultants. This is because the increased market share from superior cheese products will provide a long-term benefit, whereas hiring consultants will be a one-time, short-term cost. Consultants would only need to train the original staff on using TQM for a relatively short period. In the longer term, TQM would become embedded in the culture at <i>Fonterra</i>, and existing employees could be used to train new staff at minimal cost.</p> <p>Also, because of social media, the 'good news' story about the quality of <i>Fonterra's</i> products, e.g. its Anchor cheese range, would spread quickly and at minimal cost. Social media gives customers a voice. This would lead to increased sales with no cost in advertising, leading to an increase in profits for <i>Fonterra</i>.</p>
(d)	<p>Fully explain ONE likely impact on how the business is perceived in the market when it demonstrates rangatiratanga.</p> <p><i>Riua's</i> press release will improve the <i>Riua</i> brand in the marketplace (Stated). This is because <i>Riua</i> will be seen as a leader (rangatira) for suggesting that other businesses follow <i>Riua's</i> lead with respect to carrying out operations with reduced carbon emissions, e.g. the use of the <i>Riua</i> stations as a location for charging electric vehicles instead of selling petrol (Explained). The impact of this is that competitor companies will lose customers to <i>Riua</i> if they do not follow <i>Riua's</i> lead and develop new products or new processes that have low carbon emissions. This will lead to a rise in revenues for <i>Riua</i> (Fully explained).</p> <p>Note: Either <i>Riua</i> or own context may be used.</p>

Evidence

Achievement	Achievement with Merit	Achievement with Excellence
<p>Explains:</p> <ul style="list-style-type: none"> • a negative impact that resistance to change could have on the introduction of environmentally friendly initiatives • a negative impact that resistance to change could have on customers • a positive effect that an approach to develop innovative products and processes will have on a business • a negative effect that an approach to develop innovative products and processes will have on a business • a positive effect of ensuring highest-quality products or processes in a business • a negative effect of ensuring highest-quality products or processes in a business • how demonstrating rangatiratanga impacts on brand • how demonstrating rangatiratanga impacts on future revenues. <p>(Answers will typically state relevant examples, business knowledge, and / or Māori business concepts.)</p>	<p>Fully explains:</p> <ul style="list-style-type: none"> • a negative impact that resistance to change could have on a business, with reference to both environmentally friendly initiatives and customers • a positive effect that an approach to develop innovative products and processes will have on a business • a negative effect that an approach to develop innovative products and processes will have on a business • a positive effect of ensuring highest-quality products or processes in a business • a negative effect of ensuring highest-quality products or processes in a business • an impact that demonstrating rangatiratanga has on the brand of the business, and on revenues. <p>(Answers will typically include Māori business concept(s), where relevant, to support explanations.)</p>	<p>Evaluates:</p> <ul style="list-style-type: none"> • the likely success of the business approach to develop innovative products and processes <p>AND</p> <ul style="list-style-type: none"> • the suitability of a business goal of ensuring that the products or processes of a business are of the highest quality. <p>(Answers will typically integrate Māori business concept(s), where relevant, to support explanations.)</p>

Grade-score descriptors

N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence, partial explanations.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Excellence evidence. One part may be weaker.	All points covered.

N0 = No response; no relevant evidence.

Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 2	3 – 4	5 – 6	7 – 8