

Assessment Schedule – 2020

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><u>Fully explain ONE benefit of introducing a product or service innovation (including the impact on short-term profitability).</u></p> <p>Product innovation will assist <i>Sweet Slumber</i> to build brand awareness and maximise sales / bookings / revenue (Stated).</p> <p>This is because travellers will be attracted to the increased privacy and security features and a location close to airports, while paying less per night than at a backpackers or hostel (Explained).</p> <p>As a result of the increased brand awareness and accommodation bookings, <i>Sweet Slumber</i> will experience an increase in revenue. Assuming costs of production remain the same in the short term, <i>Sweet Slumber</i> will have a larger positive gap between revenue and costs, resulting in rising short-term profitability (Fully explained).</p>

- (b) Evaluate the likely success of ONE intellectual property protection (IPP) solution in preventing competitors from copying the intellectual property of the business.

Selected IPP: Trademark

Positive effect

A trademark would give *Sweet Slumber* the exclusive right to use their trademarked name and logo throughout New Zealand to promote their accommodation service (Stated). This is because it would give *Sweet Slumber* legal protection to deter other accommodation providers such as backpackers and hostels from trying to imitate their brand (Explained). This would allow *Sweet Slumber* to potentially build market share and revenue in the growing budget accommodation market, as customers would associate the *Sweet Slumber* name and logo with pod-style accommodation only (Fully explained).

Negative effect

Applying for a trademark would require at least one employee at *Sweet Slumber* to complete extra tasks additional to their normal workload (Stated). This is because the employee(s) would need to spend time searching existing trademarks and working through the trademark application process, in addition to their usual work tasks, such as responding to customer queries, paying employees, or undertaking marketing activities (Explained). This could reduce their productivity and increase their stress levels as they attempt to complete unfamiliar work relating to the trademark (Fully explained).

Justified conclusion

Trademark protection is likely to be successful for *Sweet Slumber*. The predicted gain in market share and revenue resulting from the trademark protection would more than offset any fall in employee productivity during the trademark application period. This is because trademark protection is ongoing for a term of 10 years, and the benefits of increased market share and revenue over that time would greatly exceed the possible short-term impact of reduced employee productivity, which would probably be limited to a few weeks.

New information

In addition, the predicted increase in revenue would likely result in increased future profits, which would assist *Sweet Slumber* to achieve its goal of economic sustainability.

Selected IPP: Patent

Positive effect

A patent would give *Sweet Slumber* the legal right to stop potential competitors from making, using or selling sleeping pods for up to 20 years (Stated). This is because *Sweet Slumber* would be the only business in New Zealand that could make, use, or sell the *Sweet Slumber* sleeping pods as an accommodation option for travellers (Explained). This would allow *Sweet Slumber* to offer unique sleeping pods that are different from any other budget accommodation available in New Zealand. This should result in rising sales/bookings/occupancy and revenue (Fully explained).

Negative effect

A patent application can be expensive and time-consuming (Stated). This is because the application process can involve several different stages, and each stage requires the completion of forms and payment of fees. For example, *Sweet Slumber* would need to complete a patent application, followed by a patent examination, with fees payable at both of these stages (Explained). This would result in an increase in operational costs for *Sweet Slumber* (Fully explained).

Justified conclusion

Patent protection is likely to be successful for *Sweet Slumber*. The rise in sales/bookings/occupancy and revenue would more than offset the increased costs as a result of making a patent application. This is because the costs of applying for a patent have to be met only once, whereas the rise in sales/

	<p>bookings / occupancy resulting from <i>Sweet Slumber</i> maintaining its unique point of difference in the market for budget accommodation (due to the patent) would be a long-term benefit and therefore likely to increase revenue on an ongoing basis.</p> <p><i>New information</i></p> <p>In addition, the predicted increase in revenue would likely result in increased future profits, and this would assist <i>Sweet Slumber</i> to achieve its goal of economic sustainability.</p>
(c)	<p><u>Fully explain ONE negative impact of using EITHER an inclusive change management strategy OR a top-down change management strategy to reduce staff numbers (including the impact on economic sustainability).</u></p> <p>Inclusive change management strategy</p> <p><i>Negative impact on staff</i></p> <p>A negative impact would be a rise in staff workload throughout the inclusive change management process (Stated).</p> <p>Staff would be required to attend lengthy meetings to discuss the proposed reduction in staffing in addition to completing their existing work tasks, such as reception duties, administration, and cleaning (Explained).</p> <p>The increase in workload over a prolonged period of time while the inclusive change management strategy is implemented, combined with unknown outcomes, would result in a period of great uncertainty for staff, characterised by falling productivity and reduced morale as staff stress levels rise. <i>Sweet Slumber</i> may need to hire more staff to replace those who are unable to work due to stress. This would lead to an increase in costs (wages) and the favourable gap between revenue and costs would reduce, resulting in falling profits. As a consequence, <i>Sweet Slumber's</i> economic sustainability would decline (Fully explained).</p> <p>Top-down change management strategy</p> <p><i>Negative impact on staff</i></p> <p>A negative impact would be poor staff motivation (Stated). This would occur if there were a loss of trust in management among staff, due to a lack of communication between management and those below who would be directly affected by the staff reductions (Explained).</p> <p>Poor staff motivation would result in reduced staff loyalty, morale, and productivity. Even staff who were retained may be fearful that they could also lose their jobs in the future, and may begin to look for work elsewhere. This would reduce their effort/productivity in the workplace, which may lead to a reduction in the quality of service provided by <i>Sweet Slumber</i>. This could lead to poor reviews from customers, declining occupancy, falling revenue and profits and, ultimately, reduced economic sustainability (Fully explained).</p>

(d)	<p><u>Evaluate Quality Circles as a method that the business uses, or could use in the future, to improve quality and market share when faced with falling total customers in a market with many competitors.</u></p> <p>Selected business: <i>Pik's Peanut Butter</i></p> <p><i>Positive impact</i></p> <p>ONE positive impact on the business of adopting Quality Circles is that <i>Pik's Peanut Butter</i> would not need to hire independent quality consultants to identify areas where quality improvements need to be made (Stated). This is because workers at <i>Pik's Peanut Butter</i> who are voluntary members of the Quality Circle would identify areas where production process improvements need to be made and make suggestions about how this could be achieved, as an alternative to using quality consultants (Explained). This offers a cost saving to the business, resulting in a larger positive gap between revenue and costs, and therefore a potential increase in profits (Fully explained).</p> <p><i>Negative impact</i></p> <p><i>Pik's Peanut Butter</i> may receive quality improvement suggestions from the Quality Circle which are expensive to implement (Stated). This is because while the staff are good at what they normally do (making peanut butter), they may not understand the scale of the costs involved in implementing their new ideas for improving quality (Explained). This could have a negative impact on the company's operational costs, and hence profitability (Fully explained).</p> <p><i>Justified conclusion</i></p> <p><i>Pik's Peanut Butter</i> should not adopt Quality Circles as a method to improve market share when faced with falling total customers in a competitive market. This is because the cost of implementing expensive quality improvements to the production process is likely to exceed the cost savings achieved by not hiring quality consultants. This would reduce profitability and have a negative impact on economic sustainability, one of <i>Pik's Peanut Butters'</i> existing goals.</p> <p><i>New information</i></p> <p>Also, the introduction of Quality Circles at <i>Pik's</i> might lead to a decrease in productivity, as workers would be spending time at Quality Circles meetings instead of completing their regular tasks in the production process.</p>
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Evidence

Achievement	Achievement with Merit	Achievement with Excellence
<p>Explains:</p> <ul style="list-style-type: none"> • ONE benefit of introducing a product or service innovation • the effect of successful product / service innovation on short-term profitability • ONE positive effect of obtaining the selected IPP • ONE negative effect of obtaining the selected IPP • ONE negative impact of the selected change management strategy on staff • how this impact would affect the economic sustainability of the business • ONE positive impact of Quality Circles on the business • ONE negative impact of Quality Circles on the business. <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"> • ONE benefit of introducing a product or service innovation, including the impact on short-term profitability • ONE positive effect of obtaining the selected IPP • ONE negative effect of obtaining the selected IPP • ONE negative impact of the selected change management strategy on staff, including the impact on economic sustainability • ONE positive impact of Quality Circles on the business • ONE negative impact of Quality Circles on the business. <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 selected intellectual property protection in preventing competitors from copying the product or service innovation (intellectual property) of the business • the suitability of introducing Quality Circles as a method to improve quality and market share when faced with falling total customers in a competitive market. <p><i>AND</i></p> <p>New information is used to support the conclusion / recommendation.</p> <p>(Answers will typically integrate Māori business concept(s), where relevant, to support explanations.)</p>

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.	Some 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