





NEW ZEALAND QUALIFICATIONS AUTHORITY MANA TOHU MĀTAURANGA O AOTEAROA

QUALIFY FOR THE FUTURE WORLD KIA NOHO TAKATŪ KI TŌ ĀMUA AO!

## Level 3 Business Studies, 2016

## 91379 Demonstrate understanding of how internal factors interact within a business that operates in a global context

9.30 a.m. Friday 25 November 2016 Credits: Four

| Achievement                        | Achievement with Merit                  | Achievement with Excellence              |
|------------------------------------|---|--|
| Demonstrate understanding of how   | Demonstrate in-depth understanding      | Demonstrate comprehensive                |
| internal factors interact within a | of how internal factors interact within | understanding of how internal factors    |
| business that operates in a global | a business that operates in a global    | interact within a business that operates |
| context.                           | context.                                | in a global context.                     |

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

## There is ONE task in this booklet. You should attempt ALL parts of the task.

Refer to relevant business knowledge and/or Māori business concepts in your answers.

If you need more room for any answer, use the extra space provided at the back of this booklet.

Check that this booklet has pages 2–11 in the correct order and that none of these pages is blank.

YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.

| TOTAL |                     |
|-------|---------------------|
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Use the background information below, the supplementary information in the other boxes, and your business knowledge to complete this task.

*Strat Y* is a digital design company that has been listed on the New Zealand Stock Exchange since 2007. The company specialises in designing logos for corporate clients.

The market for digital design is growing in Australasia and South East Asia, and *Strat Y* now has offices in Auckland, Sydney, Kuala Lumpur, and Shanghai. The company has a strong team of designers who have won many awards.

While *Strat Y* currently has a strong market share, this is now under threat from online "do-it-yourself" (DIY) digital design services. The DIY service provides customers with the opportunity to create their own brand, using a template prepared by the design firm. This innovation is significantly cheaper, and is beginning to impact on *Strat* Y's revenue. *Strat* Y is looking at making changes to its business to counter this threat.

(a) Fully explain why a change management strategy is necessary for Strat Y.

Senior management at *Strat Y* have decided to respond to the competition by being more innovative, developing their own range of new and improved products.

The CEO has consulted with a business analyst, who has suggested the following two strategies to create a culture of innovation at *Strat Y*:

- Inclusive or Task culture this strategy involves consultation across the business, inviting all staff to be involved in developing innovative new products.
- Top-down or Power culture this strategy involves management exercising authority over staff involved in developing innovative ideas, on the assumption that only they as managers know what is required.
- (b) Evaluate ONE of the above strategies to encourage an innovative culture at *Strat Y*. In your answer:
  - select one of the change management strategies from the box above
  - fully explain ONE positive and ONE negative impact of this strategy on the business or its employees
  - provide a justified conclusion, including any new information, as to the suitability of this strategy for *Strat Y* to create a culture of innovation.

Selected strategy: \_

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Any new innovation that *Strat Y* develops needs protection from theft by competing firms across the world. The CEO has investigated international protection of *Strat Y*'s new product ideas by consulting with a specialist intellectual property lawyer.

(c) Select a New Zealand-registered business you have studied that is operating in a global context. Identify an item of intellectual property this company has, or may have in the future, and evaluate whether investing in international intellectual property protection of this item is worthwhile.

In your answer:

- fully explain ONE positive and ONE negative impact on the business of the company obtaining international protection for the intellectual property you have chosen
- provide a justified conclusion, including any new information, on the suitability of the intellectual property protection for the company.

| Name of New Zealand-<br>registered business |  |
|---|--|
| Intellectual property requiring protection  |  |
| Type of intellectual property protection    |  |

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The CEO at *Strat Y* is concerned about maintaining high-quality products. She is looking at changing the quality management system away from traditional quality control. The potential new quality management systems she is considering are:

- Total Quality Management
- Kaizen.
- (d) Select ONE of the quality management systems from the box above.

Fully explain why *Strat Y* should consider using the system you have selected. In your answer, refer to:

- how the selected quality management system would affect how staff do their job
- the impact on competitiveness.

Quality management system:

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