

## Assessment Schedule – 2014

### Business Studies: Demonstrate understanding of strategic response to external factors by a business that operates in a global context (91380)

#### Evidence Statement

##### Notes:

**Explaining** is defined as providing reasoned statements to show how factors/responses interact.

**Fully explaining** is defined as providing reasoned statements, in detail, and/or the impacts, effects, and consequences of interacting factors/responses.

**Evaluating** is defined as weighing-up the advantages and disadvantages of the factors/responses, and/or comparing and contrasting the alternative courses of action, and justifying with relevant new evidence the significance of the factor/response/action or the likelihood of success. This may include reference to the alternative courses of action.

*Each question should be read as a whole before awarding a grade.*

Q 1	Sample answers /evidence
(a)	<p><i>Te Awanga Olives</i> will benefit from the merger with <i>Grove Ranch</i>, as the American firm wishes to introduce new processing technology (Stated). This may allow <i>Te Awanga Olives</i> to increase production (Explained).</p> <p>The merger with <i>Grove Ranch</i> will give <i>Te Awanga Olives</i> greater access to American and European markets (Stated), because they have marketing and distribution networks in those regions (Explained). This will enable the company to increase its export sales abroad (Fully explained).</p>
(b)	<p><i>Example:</i></p> <p><i>Freedom Furniture</i> has been concerned by the entry of <i>IKEA</i> into the domestic market.</p> <p>The management should increase their spending on marketing, especially in markets where the competition is more direct. Cut back on inventory (Stated) in an attempt to cut costs (Explained). Rationalise areas of the business that are not immediately profitable, as this will cut expenses and allow the company to focus on areas that are immediately profitable.</p> <p>One benefit of this strategy is that <i>Freedom Furniture</i> will have reduced costs and expenses in all areas except marketing (Stated). This will allow the firm to remain profitable if revenue falls when <i>IKEA</i> enters the furniture market in New Zealand (Explained). Increased profitability may allow <i>Freedom Furniture</i> to retain profit for future growth.</p> <p>Rationalisation may have negative consequences on motivation of staff (Stated), because workers may lose jobs as unprofitable areas of the business are closed (Explained). This may have impacts on productivity or customer service. Either will have a negative impact on sales and profitability (Fully explained).</p> <p><i>Conclusion</i></p> <p><i>IKEA</i> is a large multinational brand that is known for low prices. <i>Freedom Furniture</i> may be unable to compete and defend its domestic market, if they do not make great efforts to compete on price. Cutting costs is necessary to enable it to compete on price.</p>

Achievement			Achievement with Merit			Achievement with Excellence	
<p>Explains:</p> <ul style="list-style-type: none"> <li>• a possible impact of the merger on production</li> <li>• a possible impact on future sales</li> <li>• a strategic response by a firm to the entry of a multinational business into its domestic market</li> <li>• a positive impact of the strategic response</li> <li>• a negative impact of the strategic response.</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>• a possible impact of the merger on future sales</li> <li>• a positive impact of the strategic response of a firm to the entry of a multinational business into its domestic market</li> <li>• a negative impact of the strategic response of a firm to the entry of a multinational business into its domestic market.</li> </ul> <p>The answer includes relevant examples and business knowledge to support explanations.</p> <p>(Answers will typically <b>include</b> Māori business concept(s), where relevant, to support explanations.)</p>			<ul style="list-style-type: none"> <li>• Explains a strategic response by a firm to the entry of a multinational business into its domestic market.</li> <li>• Fully explains a positive impact of the strategic response.</li> <li>• Fully explains a negative impact of the strategic response.</li> <li>• Provides a justified conclusion as to the likely success of the strategy.</li> <li>• The answer integrates relevant examples and business knowledge to fully support explanations.</li> </ul> <p>(Answers will typically <b>integrate</b> Māori business concept(s), where relevant, to support explanations.)</p>	
N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence, partial explanations.	Some Achievement evidence.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Most Excellence evidence. (Must include justification.)	All Excellence evidence. One part may be weaker.

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

Q 2	Sample answers / evidence						
(a)	<p>“Manaakitanga” means hospitality, generosity, care, respect, and giving (Stated). <i>Hinu o Te Rākau</i> demonstrated this in the welcome speeches, songs, and meals facilitated by representatives of <i>Hinu o Te Rākau</i> (Explained). These actions exemplify their dual responsibilities as hosts in the practice of manaakitanga of visitors – not only in their business environment, but also to their tribal region.</p> <p><i>Hinu o Te Rākau</i> recruits from the local Māori community, and welcomes others (like Doug and his party) into its networks (Stated). This is an example of “whanaungatanga”, which is the ethic of belonging and kinship (Explained). It acknowledges the importance of networks and relationships. Doug and his colleagues will feel welcomed as members of the <i>Hinu o Te Rākau</i> family, and their networks are thus expanded (Fully explained).</p>						
(b)	<p>The strategy to promote cultural awareness could involve employing a cultural ambassador. This person could become a part of senior management and lead the overall strategy. Further ideas would be to make contact with local iwi; this would allow them to make links and learn from them. Staff could be encouraged to know the cultural history of the area and pronounce Māori place names and terms correctly – this would show respect for Te Reo Māori.</p> <p>One positive outcome would be greater loyalty by customers to the company’s brands (Stated), because it creates a clear, unique selling point for <i>Te Awanga Olives</i> (Explained). This greater brand loyalty will increase repeat sales and therefore profitability (Fully explained).</p> <p>A negative impact could be a drop in motivation (Stated), because workers feel the moves are tokenism (Explained). This may reduce productivity and profitability (Fully explained).</p> <p><i>Conclusion</i></p> <p>The strategic response may impact negatively on the business. <i>Te Awanga Olives</i> has been bought by a US company that has few links to the local community. This will undermine attempts to promote cultural awareness, as employees will feel it has been imposed by outsiders.</p>						
<p><b>Achievement</b></p> <p>Explains:</p> <ul style="list-style-type: none"><li>the role of manaakitanga in the welcome</li><li>the impact of demonstrating whanaungatanga in the initial contact</li><li>a strategic response to promote cultural awareness</li><li>a positive impact of the strategic response</li><li>a negative impact of the strategic response.</li></ul> <p>(Answers will typically <b>state</b> relevant examples, business knowledge, and / or Māori business concepts.)</p>			<p><b>Achievement with Merit</b></p> <p>Fully explains:</p> <ul style="list-style-type: none"><li>the impact of demonstrating whanaungatanga in the initial contact</li><li>a positive impact of the strategic response to promote cultural awareness</li><li>a negative impact of the strategic response to promote cultural awareness.</li></ul> <p>The answer includes relevant examples and business knowledge to support explanations.</p> <p>(Answers will typically <b>include</b> Māori business concept(s), where relevant, to support explanations.)</p>			<p><b>Achievement with Excellence</b></p> <ul style="list-style-type: none"><li>Explains a strategic response to promote cultural awareness.</li><li>Fully explains a positive impact of the strategic response.</li><li>Fully explains a negative impact of the strategic response.</li><li>Provides a justified conclusion as to the likely success of the strategy.</li><li>The answer integrates relevant examples and business knowledge to fully support explanations.</li></ul> <p>(Answers will typically <b>integrate</b> Māori business concept(s), where relevant, to support explanations.)</p>	
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**N0** = No response; no relevant evidence.

Q 3	Sample answers / evidence						
(a)	<p>Sales of olive products would decline after a natural disaster (Stated). Olive oil production could be halted for an extended period of time. Customers would purchase from competitors, which would reduce revenue and profits (Explained).</p> <p><i>Te Awanga Olives</i> may find it difficult to retain staff following an earthquake (Stated), because employees may decide to leave the Hawke's Bay area, as they do not feel safe (Explained). This may mean increased human resource expenses trying to fill vacant positions (Fully explained).</p>						
(b)	<p>On the immediate level, <i>Te Awanga Olives</i> should have clear evacuation procedures for all staff (Stated), to ensure they are safe during an earthquake (Explained). All buildings should meet government earthquake regulations (Stated); this would minimise the impact in the event of an earthquake (Explained). In the longer term, they should look for alternative processors outside the immediate area who can process their olives in the case of a natural disaster; this would ensure only a brief halt in production (Explained).</p> <p>A positive impact of the contingency plans would be staff motivation (Stated), because they would feel their safety is valued by the company (Explained). This would reduce worker turnover and increase retention, positively impacting on labour expenses and profitability (Fully explained).</p> <p>A negative impact of the contingency plans would be the time and resources that they would consume (Stated). These resources could have been employed in other areas which were more profitable (Explained). This might impact negatively on the immediate growth of the company (Fully explained).</p> <p><i>Conclusion</i></p> <p>The contingency plans are important. The overall cost of the plans is small compared to the large impact an earthquake could have on production. An inability to supply customers for an extended period of time would have a major negative impact on brand loyalty in new markets.</p>						
<b>Achievement</b>			<b>Achievement with Merit</b>			<b>Achievement with Excellence</b>	
<p>Explains:</p> <ul style="list-style-type: none"><li>the impact of a natural disaster, such as an earthquake, on sales</li><li>the impact of a natural disaster, such as an earthquake, on the workforce</li><li>a strategic response to limit the impact of a potential natural disaster, such as an earthquake</li><li>a positive impact of the strategic response</li><li>a negative impact of the strategic response.</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>the impact of a natural disaster, such as an earthquake, on the workforce</li><li>a positive impact of the strategic response to limit the impact of a potential natural disaster, such as an earthquake</li><li>a negative impact of the strategic response to limit the impact of a potential natural disaster, such as an earthquake.</li></ul> <p>The answer includes relevant examples and business knowledge to support explanations.</p> <p>(Answers will typically <b>include</b> Māori business concept(s), where relevant, to support explanations.)</p>			<ul style="list-style-type: none"><li>Explains a strategic response to limit the impact of a potential natural disaster, such as an earthquake.</li><li>Fully explains a positive impact of the strategic response.</li><li>Fully explains a negative impact of the strategic response.</li><li>Provides a justified conclusion as to the likely success of the strategy.</li><li>The answer integrates relevant examples and business knowledge to fully support explanations.</li></ul> <p>(Answers will typically <b>integrate</b> Māori business concept(s), where relevant, to support explanations.)</p>	
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**Cut Scores**

	<b>Not Achieved</b>	<b>Achievement</b>	<b>Achievement with Merit</b>	<b>Achievement with Excellence</b>
<b>Score range</b>	0 – 7	8 – 12	13 – 18	19 – 24