

**Assessment Schedule – 2023****Business Studies: Demonstrate understanding of strategic response to external factors by a business that operates in a global context (91380)****Assessment Criteria**

Achievement	Achievement with Merit	Achievement with Excellence
<p><i>Demonstrate understanding</i> involves:</p> <ul style="list-style-type: none"> <li>• using relevant business knowledge and examples to explain the strategic response to external factors</li> <li>• stating a Māori business concept(s) where relevant to the strategic response to external factors.</li> </ul> <p><i>Explaining</i> 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.</p>	<p><i>Demonstrate in-depth understanding</i> involves:</p> <ul style="list-style-type: none"> <li>• fully explaining the strategic response to external factors with an awareness of impact, including relevant business knowledge and evidence to support explanations</li> <li>• including a Māori business concept(s) where relevant to the strategic response to external factors, to support explanations.</li> </ul> <p><i>Fully explaining</i> develops the explanation with further expansion of how the situation / action could affect potential business or stakeholder goals, or a particular outcome. This will generally relate to effects, advantages, disadvantages, and / or consequences.</p>	<p><i>Demonstrate comprehensive understanding</i> involves:</p> <ul style="list-style-type: none"> <li>• evaluating the strategic response to external factors</li> <li>• integrating relevant business knowledge and examples to fully support explanations</li> <li>• integrating a Māori business concept(s) where relevant to the strategic response to external factors, to fully support explanations.</li> </ul> <p><i>Justifying</i> uses relevant evidence to justify the significance of the decision or the likelihood of success. 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.</p>

**Note:** The candidate should use only one context for each part, but may change contexts between parts. Each answer should be read as a whole before awarding a grade.

Part	Sample Evidence
(a)	<p><i>Threat of a multinational business entering the market</i></p> <p>(i) One threat to <i>Saver Shed</i> is that it could lose customers to <i>Top Cache</i> (Stated). Some local consumers will want to try the new product offerings that <i>Top Cache</i> is likely to bring to the New Zealand market, and this may encourage them to move away from <i>Saver Shed</i> and buy from <i>Top Cache</i> instead (Explained).</p> <p>(ii) The impact on the economic sustainability of <i>Saver Shed</i> is likely to be negative (Stated). With increased competition in the market from the arrival of <i>Top Cache</i>, <i>Saver Shed</i> may need to make changes to its operations to maintain its market share. It may need to reduce its prices in order to compete with <i>Top Cache</i> (Explained), and may also need to diversify its product range and/or extend its opening hours, which could increase its costs and reduce its profits (Fully explained).</p>
(b)	<p><i>Developing cultural awareness of managers</i></p> <p>(i) <i>Saver Shed</i> should send the operations managers on an extensive and compulsory cultural training programme on New Zealand protocols, especially tikanga Māori (Stated). This would be a suitable strategic response, as the training programme would be conducted over an extended timeframe and the effects of this decision would be felt for a long time. It would involve significant financial resources, and therefore require a decision by senior management (Explained).</p> <p>(ii) A positive impact of this is that these operations managers would be able to build better relationships with local suppliers, employees, and customers (Stated), because there would be fewer cultural misunderstandings. This would reduce the amount of tension in the workplace and result in fewer disruptions to operations (Explained). As a result, productivity would increase and staff turnover would reduce as local suppliers, staff, and customers would feel valued because their culture has been recognised by these managers (Fully explained).</p> <p>(iii) A negative impact would be the time and financial cost required for the training (Stated). The two managers would be away from their normal work, which might reduce productivity (Explained). This, along with the cost of them attending the cultural training programme, may have a negative impact on overall costs, and therefore on the profitability of <i>Saver Shed</i> (Fully explained).</p> <p>(iv) Sending the two managers on an extensive and compulsory cultural training programme on New Zealand protocols would likely be successful in improving the cultural awareness of these managers. The benefits of the training would probably outweigh the costs, as the increase in productivity and reduction in staff turnover from unhappy workers would outweigh the cost of training for the managers.</p> <p>Also, with a greater understanding of New Zealand culture, the operations managers would probably find increased satisfaction in their work, as they would now understand the actions taken by the suppliers, staff, and customers they interact with (New information). This would give them a greater sense of belonging at <i>Saver Shed</i> and a willingness to take greater ownership and pride in new initiatives and their success or failure.</p>
(c)	<p><i>Kaitiakitanga</i></p> <p>(i) <i>icebreaker</i> have taken many actions to enhance the natural environment for future generations. These include using natural fibres in their clothing, encouraging people to wash their clothing less frequently, removing plastic from the materials they use, and recycling any waste wool (Stated). One of the actions that <i>icebreaker</i> has taken to eliminate waste from the environment is to work with a local recycling company to have any waste wool recycled into carpets, clothing, hosiery, gloves, and baize (Explained).</p> <p>(ii) The actions taken by <i>icebreaker</i> could lead to an increase in market share (Stated). This is because they may gain customers from competitors that are not using practices that positively impact on the environment in their business processes (Explained). Consumers are now more aware of the environmental impact businesses have, and are more likely to move away from firms that continue to use processes and practices that cause harm to natural fauna and flora. Some will instead purchase from <i>icebreaker</i>, as it is taking deliberate actions to reduce its impact on the environment. This increase in customers will likely increase <i>icebreaker's</i> share of the outdoor clothing market (Fully explained).</p>

(d)	<i>Increase in online shopping</i>
(i)	<i>Saver Shed</i> should establish an online shopping platform (Stated). This would be a suitable strategic response, as an online platform would meet the changing preferences and shopping habits of consumers. It would involve significant financial resources, as the platform would need to be designed and established, staff would need to be trained, and additional resources may be required to fill online orders. It would be a lengthy, time-consuming process to get an online platform designed and established, and would require input and resources from multiple departments including production, marketing, and finance (Explained).
(ii)	A positive impact of establishing an online platform is that <i>Saver Shed's</i> sales would increase (Stated). The new online platform would provide <i>Saver Shed</i> with an additional sales channel that meets the needs of those consumers who wish to shop online (Explained). Having multiple sales channels available to consumers gives them the flexibility to shop in the manner that best suits their needs. This means that <i>Saver Shed</i> would gain new customers who prefer to shop online, which would increase overall sales for <i>Saver Shed</i> (Fully explained).
(iii)	A negative impact would be the cost of developing the online platform (Stated). Building a website that is designed effectively to deliver a quality experience to the customer requires specialist skills that would probably be outside current employees' skillsets. This means that external specialists would be needed (Explained). The employment of such specialists would incur significant costs for <i>Saver Shed</i> . This would negatively impact <i>Saver Shed's</i> cashflow and profitability (Fully explained).
(iv)	<p>The development and implementation of an online platform for <i>Saver Shed</i> is likely to be successful. While the cost and time required to establish such a platform would be significant, most of this cost is 'one-off' in nature and would negatively impact on the cash resources of <i>Saver Shed</i> in the short term only. In the long term, the maintenance costs of the platform would be minor and would be outweighed by the increase in sales received from those customers who prefer to shop online.</p> <p>Also, the cost to <i>Saver Shed</i> of not establishing an online platform is likely to be large. As consumers are increasingly shopping online, not having this option available to them may cause the demise of <i>Saver Shed</i> in the long run. This is because some consumers are moving away from businesses that offer sales through physical stores only, and this would benefit other retailers, such as <i>Top Cache</i>, that offer an online shopping option.</p>

**Evidence**

Achievement	Achievement with Merit	Achievement with Excellence
<p>Explains:</p> <ul style="list-style-type: none"> <li>• one threat the entry of a multinational company would have for the business</li> <li>• the impact the entry of a multinational company could have on the economic sustainability of the business</li> <li>• a strategic response that the business has implemented, or could implement, to improve the cultural intelligence of managers</li> <li>• one positive effect the strategic response would have on the business</li> <li>• one negative effect the strategic response would have on the business</li> <li>• the action the business has taken, or could take, to demonstrate kaitiakitanga</li> <li>• how the action the business has taken, or could take, to demonstrate kaitiakitanga could affect the market share of the business</li> <li>• a strategic response that the business has implemented, or could implement, in response to consumers shopping more frequently online</li> <li>• one positive effect the strategic response would have on the business</li> <li>• one negative effect the strategic response would have on the business.</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 the entry of a multinational company could have on the economic sustainability of the business</li> <li>• one positive effect the strategic response would have on the business</li> <li>• one negative effect the strategic response would have on the business</li> <li>• how the action the business has taken, or could take, to demonstrate kaitiakitanga could affect the market share of the business</li> <li>• one positive effect the strategic response would have on the business</li> <li>• one negative effect the strategic response would have on the business.</li> </ul> <p>(Answers will typically <b>include</b> relevant examples, business knowledge, and/or Māori business concept(s) to support explanations.)</p>	<p>Evaluates:</p> <ul style="list-style-type: none"> <li>• the likely success of a strategic response that a business has implemented, or could implement, to improve the cultural intelligence of managers</li> <li>• the likely success of a strategic response that a business has implemented, or could implement, in response to consumers shopping more online.</li> </ul> <p>(Answers will typically <b>integrate</b> relevant examples, business knowledge, and/or Māori business concept(s) to support explanations.)</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.	Excellence evidence. One part may be weaker.	All points covered.

**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