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NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

SUPERVISOR'S USE ONLY

Level 3 Business Studies, 2014

91380 Demonstrate understanding of strategic response to external factors by a business that operates in a global context

2.00 pm Wednesday 19 November 2014

Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of strategic response to external factors by a business that operates in a global context.	Demonstrate in-depth understanding of strategic response to external factors by a business that operates in a global context.	Demonstrate comprehensive understanding of strategic response to external factors by a business that operates 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.

You should attempt ALL the questions in this booklet.

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 2–15 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

ASSESSOR'S USE ONLY

Use the information in the boxes below and on page 4, and your business knowledge, to answer this question.

Te Awanga Olives produces 150,000 litres of olive oil annually, but senior managers at *Grove Ranch* plan to introduce new processing technology within the next few years. *Grove Ranch* also has a marketing and distribution network in the United States and Europe, which would be a huge benefit to the New Zealand company in the future.

- explain the possible impact on production
- fully explain a possible impact on future sales.

Question One continues on page 4 ►

(b) A “strategic response” means a business-wide reaction at multiple levels (size, scope, and timeframe). Evaluate a possible strategic response by a New Zealand-registered business operating in a global context, to the entry of a foreign multinational into the domestic New Zealand market.

- explain the chosen strategic response
- fully explain ONE positive impact and ONE negative impact of the strategic response
- draw a justified conclusion regarding the likely success of the strategic response to defend the domestic market of the business.

Name of New Zealand-registered company	
Name of the foreign multinational	

QUESTION TWO: Cultural intelligence

Use the information in the boxes below and on page 8, and your business knowledge, to answer this question.

Doug Freeman and other senior managers from *Grove Ranch* travelled to New Zealand from California to take a closer look at their new purchase.

While in the Hawke's Bay, they were invited to visit a local Māori-owned olive oil business, *Hinu o Te Rākau*. The Chief Executive of *Hinu o Te Rākau* explained to Doug the distinctive nature of their business that grows all its products on tribal lands. Connections with the local Māori community help ensure a high-quality product and take into account the priorities of the local Māori. All staff feel a strong sense of belonging, and an involvement in something bigger than a company focusing purely on profit.

Local tikanga such as manaakitanga underpinned the mihi whakatau (Māori welcome) the visitors from *Grove Ranch* received. Doug was captivated by the speakers issuing welcomes in Māori, as well as the waiata (songs) that supported each speaker. Following the welcome, Doug's delegation was invited to join their hosts in a meal of locally grown produce.

Doug was impressed. The visit had highlighted that *Hinu o Te Rākau* operated out of the principles of whanaungatanga and as a result, focused employment on the local Māori community, and treating each stakeholder, such as customers and suppliers, as if they were a member of their family.

Definition of key Māori concepts

Tikanga: Tikanga is a body of practices or customs that implements tribal values and priorities.

Manaakitanga: Hospitality, generosity, care, respect, and giving. A group or organisation should be able to host and provide for people appropriately.

Whanaungatanga: An ethic of belonging or kinship. This principle acknowledges the importance of networks and relationships, and therefore of developing, managing, and sustaining relationships. It involves caring for and working harmoniously with others to achieve common goals. Whanaungatanga is expressed in a variety of ways in business settings – for example, culture, whānau-model systems and structures, support for and employment of whānau, use of whānau networks, and whānau support for the business.

- In your answer:

- explain the role of manaakitanga in the Māori welcome given to Doug and his colleagues
- fully explain ONE impact of demonstrating whanaungatanga in the initial contact with Doug and his colleagues.

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(b) A “strategic response” means a business-wide reaction at multiple levels (size, scope, timeframe). Evaluate a strategic response that senior management could implement to promote greater cultural awareness of local Māori customs by the employees at *Te Awanga Olives*.

- explain the strategic response
- fully explain ONE positive impact and ONE negative impact of the strategic response to promote greater cultural awareness
- draw a justified conclusion as to the likely success of the strategic response.

Use the information in the box below, and your business knowledge, to answer this question.

(a) Discuss the impact that natural disasters such as earthquakes can have on *Te Awanga Olives*.

- explain ONE possible impact on sales
- fully explain ONE possible impact on the workforce.

Question Three continues on page 12 ►

- In your answer:

- explain the strategic response
- fully explain ONE positive impact and ONE negative impact of the strategic response on *Te Awanga Olives*
- draw a justified conclusion on the likely success of the strategic response to limit the impact of a potential natural disaster, such as an earthquake.

Extra space if required.
Write the question number(s) if applicable.

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