

90845R



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

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

Level 2 Business Studies, 2015

90845 Apply business knowledge to a critical problem(s) in a given large business context

2.00 p.m. Tuesday 1 December 2015

Credits: Four

RESOURCE BOOKLET

Refer to this booklet to answer the questions for Business Studies 90845.

Check that this booklet has pages 2–4 in the correct order and that none of these pages is blank.

YOU MAY KEEP THIS BOOKLET AT THE END OF THE EXAMINATION.

RESOURCE A: CASE STUDY – ADVENTURES FOR ALL

Adventures for All (A4A), created and owned by Mikaere Nahu, is an organisation offering climbing, mountain biking, and other adventure activities for families. *A4A* had been very successful.

However, changes in consumer behaviour away from adventure parks, and the introduction of new attractions such as indoor trampolining and extreme water slides, have begun to threaten the economic sustainability of *A4A*. After a long discussion with his management team, Mikaere prepared two new growth strategies:

1. Increase the number of customers by offering adventure activities for special needs children and adults – a market which was not being catered for in New Zealand.
2. Create a new programme called “Executive Challenge” (known internally as EC) to provide adventure opportunities for senior leadership teams at much higher prices.

Market research in 2013 highlighted that Executive Challenge could be highly profitable.

In 2014, Mikaere decided to introduce this programme. However, four long-serving senior managers were critical of this growth strategy. They argued that it would go against *A4A*'s pūtake (refer to Resource B). In their view, the focus for *A4A* should be on providing “affordable adventures for all”, including families with a special needs child or adult, and not a group of highly paid executives.

Bookings for Executive Challenge were much higher than the market research had suggested. However, some managers complained to Mikaere that they and other employees did not have access to the latest customer service training needed for Executive Challenge. They also felt that not enough time had been allowed to set up the new programme properly. Mikaere argued that new training was too expensive, and that managers needed to adapt quickly – otherwise, all 142 jobs at *A4A* were at stake. Mikaere then received an angry email from one important client (refer to Resource C) who had used Executive Challenge and complained about very poor customer service and mistakes made with his booking.

The working atmosphere at *A4A* was deteriorating. However, Executive Challenge was making considerable profits and keeping *A4A* sustainable. Mikaere was surprised to receive a memo from the four longest-serving managers, who were threatening to resign (refer to Resource D). Mikaere knew that action needed to be taken to address these concerns; the managerial experience lost would be considerable, as all four managers had been with Mikaere since *A4A*'s creation in 2001.

RESOURCE B: DEFINITION

Pūtake: The origin, or reason for being.

Every business has a reason for being. Many Māori businesses exist for the same reason as other businesses – that is, they are there to provide goods or services at a profit and to enrich the business owner(s). A significant number, however, have very different reasons for being. Such businesses emphasise communal and social responsibilities, which may not be a priority for mainstream businesses.

The pūtake of A4A:

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See: www.biz-logo.com/logo.php?logoid=3396

The pūtake of A4A, which includes the company's mission, is to make outdoor adventures accessible to everyone in New Zealand. These activities should be safe and affordable.

RESOURCE C: THE ANGRY EMAIL

From: geoff.hart@xyz.co.nz

To: mikaere.nahu@a4a.co.nz

Subject: Poor customer service and booking mistakes

Mikaere,

Our third visit to Executive Challenge was very disappointing. My team reports that the standard of service was very poor compared to our two previous visits. Mistakes were made with our booking, which limited our team-building opportunities. There was no technical support when we experienced difficulties with our online booking and using the website. There was also no one to meet us on arrival.

I am extremely disappointed and am seriously considering whether XYZ should use your facilities again for future team-building sessions.

Geoff Hart

Chief Executive Officer

XYZ Bank

RESOURCE D: MANAGERS' MEMO**Internal Memo**

From: Tim, Andy, Jess, Tama
To: Mikaere
Date: 28 July 2015

Mikaere,

Whilst we acknowledge the financial benefits of EC, we are concerned with the current atmosphere at A4A. We started A4A to make a difference to the lives of all New Zealanders. The introduction of EC has changed our business. We see more highly paid executives and fewer families using our facilities. We have tried talking to you, but we appreciate that you are busy. However, the latest meeting with you convinced us all that perhaps the pūtake of A4A has been forgotten, and that the four of us should not be part of this growth strategy. We are seriously considering leaving to form our own company.

Regards,

Tim, Andy, Jess and Tama