No part of the candidate evidence in this exemplar material may be presented in an external assessment for the purpose of gaining credits towards an NCEA qualification.

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91380



## 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.

Not Achieved

## QUESTION ONE: Multinational businesses

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

The New Zealand-owned and Hawke's Bay-based olive company, *Te Awanga Olives* has been bought by a United States-based olive grower.

California-based *Grove Ranch*, led by CEO Doug Freeman, has entered into a merger agreement with *Te Awanga Olives* to buy 100% of the shares in the olive-growing and processing company, whose products include the premium oil brands "Bay Press" and "Haumoana Extra Virgin".

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.

(a) Discuss the decision by *Te Awanga Olives* to merge with a foreign-owned multinational such as California-based *Grove Ranch*.

In your answer:

explain the possible impact on productionfully explain a possible impact on future sales.

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Future soles for Te twoga may increase as the merger with Grove Ranch gives them access to the already established morkeding and distribution retwork in Europe and the USA set up by Conver Ranch. This attendances to some potential customers overseas which are trad provide their product to more potential customers overseas and get there name out to the customers hading to an increase in sales.

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Question One continues on page 4➤

# 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.

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Manaakitanga was used in the macri welcoming to Pong to show thou the firms values and the way that they operate according to Macri concepts, and also show doing macri culture and the importance of cultural responsibility.

with Doug Stollet and his collegues showed them the culture of the firm and the importance of cultural responsibility to the firm and the sirm and the way that the firm operates by forging strong retworks and relationships to work tarmoniously to acheive it gouls. This may make doug more to aware and responsible toward Majori. Culture and act pseustainibly it cultural

Question Two continues on page 8>

Doug Freeman was so inspired by his welcome at *Hinu o Te Rākau* that he decided to commit to developing a strategy to promote greater cultural awareness by employees at *Te Awanga Olives* of local Māori customs.

(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*.

In your answer:

- 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.

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### QUESTION THREE: Changes in the global marketplace caused by natural disasters

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

The earthquakes affecting various parts of New Zealand in the last few years have caused some concern amongst senior management at *Te Awanga Olives*. It was thought that strategies should be implemented to ensure the continuation of olive oil production in a highly competitive market if such a natural disaster hits their processing plant.

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

In your answer:

• explain ONE possible impact on sales

fully explain ONE possible impact on the workforce.

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Question One ĐN2

Part (a) The candidate provided some evidence of Achievement by explaining the possible impact on production and explaining the impact on future sales for the business.

The candidate repeated the stimulus material in the answer and failed to add the extra information needed to take the answer to a fully explained for the impact on future sales.

Part (b) The candidate made no attempt of this part of the question so therefore was unable to gain another explanation to take the mark to an A3.

Question Two Đ N2

Part (a) The candidate provided some evidence of Achievement by explaining the role of manaakitanga and explaining one impact of demonstrating whanaungatanga.

The candidate failed to add the extra information needed to fully explain one impact of demonstrating whanaungatanga.

Part (b) The candidate made no attempt of this part of the question so therefore was unable to gain another explanation to take the mark to an A3.

Question Three - N2

Part (a) The candidate provided some evidence of Achievement by explaining one impact on sales and explaining one possible impact of the workforce.

The candidate failed to add the extra information needed to fully explain one impact on the workforce.

Part (b) The candidate made no attempt of this part of the question so therefore was unable to gain another explanation to take the mark to an A3.