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Level 2 Business Studies 2022

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

Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Apply business knowledge to a critical problem(s) in a given large business context.	Apply in-depth business knowledge to a critical problem(s) in a given large business context.	Apply comprehensive business knowledge to a critical problem(s) in a given large business 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 parts of the task in this booklet.

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 2–12 in the correct order and that none of these pages is blank.

Do not write in any cross-hatched area (///). This area may be cut off when the booklet is marked.

YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.

TASK

This task has four parts, (a) to (d). Use the information from Resources A to C, and your business knowledge, to complete each part. You may integrate any relevant Māori business concepts into your answers.

RESOURCE A: Case study

Work-Life-Balance (WLB) Furniture is a manufacturer of furniture that enables a room in the home to be easily converted into a workspace. With the increase in flexible working conditions that make it easier for workers to work from home, demand for furniture that can be used in a home office has rapidly increased.

WLB Furniture's main product line is a workstation (desk) that can be assembled and disassembled, and easily stored under a sofa or bed, reducing clutter in living spaces. The workstations can be customised to suit different requirements, allowing for increased functionality, comfort, and productivity for the users. The wood for these desks is sourced from environmentally friendly and sustainable forestry companies, and is considered a durable material that will give the desks a long lifetime.

RESOURCE B: Orders not getting through

The technology *WLB Furniture* uses for its online ordering system is not coping with the increased number of orders for its workstations, and this has been causing errors in receiving orders and in deliveries. The customer service team has received numerous queries and complaints from customers, as the software used by *WLB Furniture* is not always compatible with the software being used by customers. The following are common complaints.

- When ordering online, there has been no confirmation of orders going through, and sometimes an error message is received.
- Some orders received are incorrect or have some information missing.
- Deliveries of finished workstations have been very slow, taking four to six weeks from date of order, compared to the one week promised in *WLB Furniture's* advertising.

These issues are causing frustration for many *WLB Furniture* customers wishing to develop their workspaces at home, some of whom are now cancelling their orders and looking for alternative suppliers. Managers at *WLB Furniture* are aware that orders are not getting through reliably, and that they need to commit time to resolving this problem.

RESOURCE C: A change in direction

Over its annual leadership weekend retreat, *WLB Furniture's* senior managers have been reviewing their strategic direction. There is general agreement that the business needs to move its product range away from the more expensive, customised, and durable workstations to a 'one size fits all' workstation that is made from cheaper materials. This is so that the business can cope with increased demand for workstations and uncertainty around the cost and availability of materials, which should lead to greater profits. Upon learning about this change in direction, the department heads are unhappy about not being consulted over these changes, particularly as the focus seems to have shifted away from quality, towards higher profit.

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The examination continues on the following page.**

(a) (i) Explain one possible reason why *WLB Furniture* has experienced internal stock control and supply errors, resulting in the company's inability to fulfil orders correctly.

Lined area for writing an answer, consisting of multiple horizontal lines.

(b) Discuss TWO solutions *WLB Furniture* could implement to solve its problems with order fulfilment.

(i) Identify TWO solutions that would reduce the issues that *WLB Furniture* is experiencing in handling its orders.

(ii) Explain how EACH solution would ensure that *WLB Furniture* consistently fulfils its orders correctly.

DEFINITION

Tikanga: Values, rules, priorities, and ways of doing business.

A set of values that constitutes a uniquely Māori approach to doing business. It specifically incorporates Māori diversity, kinship and relationships, and guardianship, and therefore does not focus solely on producing a profit for the owners / shareholders.

The long-serving department head of the furniture design team has expressed concern over changes in *WLB Furniture's* strategic direction, and is becoming increasingly frustrated with the change. There are whispers that a competitor whose tikanga is based on innovative design and customer-based solutions is looking to recruit the head of the furniture design team as its new head of design. In this role they would have full control of strategic direction and product development.

A month later, the department head resigns from *WLB Furniture*.

- (c) (i) Explain TWO factors that have led to the department head resigning and joining *WLB Furniture's* competitor.

(ii) How could the loss of key and experienced personnel, such as the department head, impact the business in the short term?

Senior managers at *WLB Furniture* begin the search for a new department head. They have two options:

1. Promote a staff member from within the department.
2. Recruit a new department head from outside the business.

(d) Discuss the TWO recruitment options available to *WLB Furniture* as it attempts to minimise the impact of losing a key staff member while ensuring that any new tikanga at *WLB Furniture* is honoured.

(i) Why would each option minimise the impact of losing a key staff member?

(ii) Explain how each option would be successful in implementing a change in tikanga.
