

No part of the candidate's evidence in this exemplar material may be presented in an external assessment for the purpose of gaining an NZQA qualification or award.

SUPERVISOR'S USE ONLY

3

91379



Draw a cross through the box (X) if you have NOT written in this booklet

☐

+



Mana Tohu Mātauranga o Aotearoa
New Zealand Qualifications Authority

Level 3 Business Studies 2024

91379 Demonstrate understanding of how internal factors interact within a business that operates in a global context

Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of how internal factors interact within a business that operates in a global context.	Demonstrate in-depth understanding of how internal factors interact within a business that operates in a global context.	Demonstrate comprehensive understanding of how internal factors interact within 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.

There is ONE task in this booklet. You should attempt ALL FOUR parts of the task.

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

Do not write in the margins (//////). This area will be cut off when the booklet is marked.

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

Achievement

TOTAL 03

Page 1

TASK

This task has FOUR parts, (a) to (d). Use the background information below, the supplementary information in the other boxes, and your business knowledge to complete this task. You may integrate any relevant Māori business concepts into your answers.

You should read the resource information in ALL of the boxes before beginning the task.

BACKGROUND INFORMATION

Oarsome Aotearoa is an adventure tourism company that offers a range of activities for tourists visiting New Zealand. The activities offered are largely focused on the utilisation of New Zealand's waterways and include kayaking, white water rafting, and jet boating.

Established in 1994, in Queenstown, the adventure capital of New Zealand, *Oarsome Aotearoa* continues to primarily operate from this location. However, they do also have operations in the Tasman region and the Bay of Plenty.

Oarsome Aotearoa is committed to reporting against the quadruple bottom line. They have key goals in all four areas of sustainability, including:

- to improve their protection of the natural environment in which they operate
- to acknowledge and protect local Māori history and taonga (valued resources)
- to be one of the three biggest adventure tourism operators in New Zealand.

Source: <https://www.raft.co.nz/shotover-river-queenstown>

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

businesses can encounter legal, cultural, and business complexities that are not experienced by mainstream businesses.

Source: <https://seniorsecondary.tki.org.nz/Social-sciences/Business-studies/Maori-business/Culture-and-values>

The pūtake of *Oarsome Aotearoa* is shown through their mission statement: 'to inspire and excite by leading individuals beyond their comfort zones, unlocking the extraordinary, and connecting them with New Zealand's unparalleled natural environment and rich history'.

In the boxes below, enter the details of a New Zealand-registered business operating in a global context that you have studied in depth. **Do not use *Oarsome Aotearoa*.**

Name of New Zealand-registered business:

Ethique

Good(s) sold or service(s) provided:

Skincare/haircare

(a) (i) Explain how the pūtake of the business may affect its brand.

B I U

Ethique's Putake is to create beauty products that are sustainable to the environment. As Ethique was founded in New Zealand, the ingredients used in the product have some ingredients native to New Zealand. For example, kawakawa, Kawakawa is a medicinal herb that is used in various forms for things like hydration for hair or dry skin. Since Kawakawa is native to New Zealand, ethique may face some legal or cultural complexities as the Kawakawa has to be sourced on land, if the sourcing of Kawakawa is abused - such as stripping land away for kawakawa, this would negatively affect Ethique and it's brand. It creates bad PR rep and creates backlash. This affects the brand as they may be trialed in court and lose its customers and their profit gets negatively impacted which could lead to the shutdown of Ethique.

(ii) Explain one possible consequence the pūtake of the business may have for their market share.

B I U

With Ethiques Putake being products that are ecofriendly, this creates the consequence of having to raise their prices higher than their competitors. A lot of our waste is due to beauty products which highly negatively impact the planet. Ethique's mission is to create products that are safe for the environment and for our bodies. With the Putake of Ethique, this causes it's production to cost more as it's packaging and ingredients in its product are more expensive for the company. This may affect it's brand as Ethique's prices cost more than general skincare/haircare products. This would mean customers may turn to Ethique's competitors in the haircare/skincare industry which would lose ethique profit.

Since its humble beginnings in the 1960s, adventure tourism has grown rapidly in New Zealand to now having many operators competing for overseas tourist dollars, especially in Queenstown.

To grow its market share and increase profits, *Oarsome Aotearoa* has invested time and monetary resources into innovating its offerings to tourists. Some of its innovations include:

- having knowledgeable guides narrate the local history on kayak trips
- expanding choices by developing new routes for white water rafting
- being the first to offer electric-powered jet boat rides on the Shotover River.

You may choose to discuss either *Oarsome Aotearoa* or a New Zealand-registered business operating in a global context that you have studied in depth.

(b) (i) Explain one positive impact that product or service innovation may have on the business.

B *I* U

Innovation is the process of translating an idea or invention into a good/service for customers to buy. When looking at the innovation of Oarsome Aotearoa, we see the improvements of its business. When looking at developing new routes, this would aim for existing customers to come back and go on these new routes. This innovation is unique to it's competitors meaning that customers would be more likely to go to Oarsome Aotearoa. This would create customer loyalty, have good PR rep and a rise in profit. This allows for existing customers and new customers to come back and try new routes, instead of coming once.

(ii) Explain one negative impact that product or service innovation may have on the business.

B *I* U

A negative impact on the innovation is that as the first to offer electric powered jet-rides, there may be faults within the jet boat. This could be due to the lack of quality of the product, if this occurs while customers are using it, this may create bad PR rep and customers turn towards competitors. This would impact the business as it may lose profit with less customers and they've invested into a new electric jet boat that has faults, this essentially loses the companies profit.

- (iii) How likely is it that product or service innovation will result in the business being able to increase its profitability? Provide a justified conclusion, including any new information.

B I U     

When looking at having guides to narrate, this would allow customers to have more of an understanding and appreciation towards the New Zealand's waterways, this also gives customers a sense of appreciation as knowledgeable employees are able to inform them about the waterways and the significance of it, this would also have loyal customers and good PR rep. The electric powered jet rides sets Oarsome Aotearoa apart from its competitors as it is the first to acknowledge the want for a better environment. This brings in more customers as they understand the companies values of being eco-friendly and can relate with the company. When innovation creates positive outcomes for the customers, this creates a positive feeling for employees and management which increases their want for quality and benefits the companies values. This creates more profit and brings in more customers, which allows the business to increase its brand. Using innovation allows the companies environment to be a healthy space for new ideas and thoughts, these ideas cater specifically towards Oarsome Aotearoa which means that the quality of their services create a positive outcome for customers. When these ideas are successful, this encourages employees and management to value innovation and be rewarded for their input.

Critical to the ongoing success of *Oarsome Aotearoa* is the maintenance of its strong reputation as a safety-conscious adventure tourism operator. All of the experiences *Oarsome Aotearoa* offers to tourists carry risks and ensuring these risks are managed is of paramount importance.

To ensure the adventures their customers experience are of a consistently high quality while ensuring all safety requirements are met, *Oarsome Aotearoa* has implemented total quality management (TQM).

You may choose to discuss either *Oarsome Aotearoa* or a New Zealand-registered business operating in a global context that you have studied in depth.

- (c) (i) Explain one positive effect the implementation of total quality management will have on the business.

B I U     

Total quality management is the process of having customers, employees and management ensure the quality in its products that meet or exceed customer expectations. The positive effect that the implementation of this is that this encourages people to understand the value of the quality in the experience of the adventures while also ensuring safety. This improves quality within Oarsome Aotearoa's experience for customers which create loyal customers. Total quality management involves everybody such as management, employees, work suppliers and customers - when getting positive feedback or rewards for meeting quality expectations, this creates a healthy and encouraging environment for businesses and allows employees to value quality.

- (ii) Explain one negative effect the implementation of total quality management will have on the business.

B I U     

A negative effect of Total quality management is that if management isn't setting the standards of quality or implementing its want for quality then this would disinterest employees and customers. For example if Oarsome Aotearoa wanted to ensure that the customers adventures are consistently high while ensuring safety, but management isn't setting the expectations of what that should look like for people, then employees get disinterested and confused. This also would lead to poor quality in rides and a risk in safety which has bad PR for the company creating a loss in customers and negatively impacting the company.

- (iii) How likely is it that the implementation of a total quality management system will result in the consistent delivery of a high-quality product or service? Provide a justified conclusion, including any new information.

B I U     

Quality management is checking and inspecting the product/service so that it is upto standards and meets/exceeds customers expectations. Quality assurance is making sure that quality standards are set throughout the production stages so that the final product is good quality and total quality management is employees, customers and management ensure quality in it's products. When looking at Oarsome Aotearoa, to have a consistent TQM system - management can set up survey's or meetings for feedback about the business. If something goes wrong or can improve, employees and customers would be able to provide feedback to the company, this would ensure quality is always met and exceeds expectations. Consistent feedback allows for improvement of the business and ensures that total quality management system is implemented successfully.

The implementation of total quality management (TQM) is a significant change to the way *Oarsome Aotearoa* operates. In keeping with the principles of TQM, *Oarsome Aotearoa* have used an inclusive change management process to facilitate this change.

You may choose to discuss either *Oarsome Aotearoa* or a New Zealand-registered business operating in a global context that you have studied in depth.

- (d) (i) Explain one benefit that using an inclusive change management process can have on the business.

B I U     

Change management is the process a business monitors to get the business from where its at to where they want to be. An inclusive change management process, is including employees and customers. If the business is looking for a change to improve, it should start by discussing with the employees as the employees are the ones that work and experience what it's like at Oarsome Aotearoa. They have more knowledge about what needs to be improved and how that can be changed, if management sets up a team of employees to work to improve Oarsome Aotearoa, it shows value towards it employees which encourages them to work towards quality. This would allow the quality of Oarsome Aotearoa to improve and increase the companies brand. Inclusive change management means that employees and management convey clear communication which builds trust within the company. Inclusive change allows people to think about the consequences or benefits they can occur during this time period, when management use communication this provides employees with the help and support they need during the change.

- (ii) Explain one possible impact that using an inclusive change management process can have on the costs of the business.

B I U     

Inclusive change management calls for innovation. If an idea is brought up and followed through yet does not exceed the expectations set, then this would impact the business as it's given money and time towards this project. If Oarsome Aotearoa put funds/profits towards a big idea yet it failed, this would cost the business it's profits and it's time. This would also mean that they would have to go back to the drawing board and come up with another solution which then risks more profit having to go into the invention or idea that may benefit the company. This may risk the employees to be discouraged or disinterested in having to create another idea because their first idea did not work.

Achievement

Subject: Business Studies

Standard: 91379

Total score: 03

Task	Grade score	Marker commentary
One	A3	<p>The candidate has explained, simply, a positive impact of service innovation in the context of Oarsome Aotearoa. However, for the negative impact of service innovation, it was not specifically explained how electric-powered jet boat rides would impact Oarsome Aotearoa's costs, which would have improved the response.</p> <p>The candidate also explained a positive impact of total quality management on Oarsome Aotearoa. A more detailed explanation of a negative aspect of total quality management would have moved the candidate towards a higher grade. The response also explained a benefit of inclusive change management to Oarsome Aotearoa. Further detail on the cost of this initiative would have improved the response.</p>