

## Assessment Schedule – 2016

### Business Studies: Demonstrate understanding of how internal factors interact within a business that operates in a global context (91379)

#### Assessment Criteria

##### Notes to Markers: guidance for awarding Achievement, Merit, or Excellence

**Explaining** states **what** the answer is to the question asked, then expands by giving the reason(s) **why** the “what” occurs or links ideas to provide a coherent rationale.

**Fully explaining** develops the explanation with further expansion of **how** the situation/action could impact on potential business or stakeholder goals, or a particular outcome. This will generally relate to effects, advantages, disadvantages, and/or consequences.

**Evaluating** examines in detail by comparing and contrasting or identifying relationships to explain the impacts, effects, and consequences of interacting factors in the business, plus strategic responses or solutions, and to provide a justified recommendation or draw justified conclusions on the significance or likely success of the factors/responses/solutions. This should include reference to alternative courses of action or new information to further support the decision that has not already been established in earlier parts of the question, such as long-term impact or sustainability of the business.

#### Evidence Statement

Part	Sample answers / Evidence
(a)	<p>If <i>Strat Y</i> does not employ a change management strategy to help it counter the threat of competitors, it will lose customers to its competitors (Stated). This is because competitors are offering a significantly cheaper brand design product (Explained). The impact of this is that <i>Strat Y</i>'s sales and profits will decrease (Fully explained).</p>
(b)	<p><u>Inclusive / Task culture</u> (Stated)</p> <p><i>Positive impact</i></p> <p>If <i>Strat Y</i> uses an inclusive strategy, such as holding meetings with designers, to encourage a culture of innovation, the designers will feel valued by the managers (Stated). This is because managers are involving them in the planning and organising of the change (Explained). The impact of this is that the designers will feel empowered to come up with innovative solutions without fearing negative feedback from their managers (Fully explained).</p> <p><i>Negative impact</i></p> <p>If <i>Strat Y</i> uses an inclusive strategy, it is possible that the designers will lose some focus on the tasks required of them in the production process (Stated). This is because the designers will be involved in meetings with managers, working on planning and implementing the innovation strategy (Explained). The impact of this is that production and sales may drop for <i>Strat Y</i> (Fully explained).</p> <p><i>Conclusion</i></p> <p><i>Strat Y</i> should use an inclusive approach to develop an innovative culture within the company, as inclusive change management will harness the skills of the designers, who have the capacity to come up with innovative ideas to repel the competition. It would not be necessary to spend money on hiring external consultants, and the employees will feel empowered to put forward ideas, as they will feel these will be listened to and acted upon, creating motivation and job satisfaction for them.</p> <p><u>Top-down / Power culture</u> (Stated)</p> <p><i>Positive impact</i></p> <p>If <i>Strat Y</i> uses a top-down strategy, such as management telling the designers the changes to culture, then changes will take place more quickly (Stated). This</p>

	<p>is because consulting with the designers to decide on innovation will not be required (Explained). The impact of change happening quickly is that <i>Strat Y</i> will have its new product innovations out in the market quickly, meaning that <i>Strat Y</i>'s new products could be released in the market at the same time as, or even ahead of, the competition. The result will be greater sales (Fully explained).</p> <p><i>Negative impact</i></p> <p>If <i>Strat Y</i> uses a top-down strategy, the cost of producing the new innovative products could increase dramatically (Stated). This is because management may be paying outside consultants for the new ideas about how to change the culture (Explained). The impact of this is that profits will fall for <i>Strat Y</i>, as a result of this cost increase (Fully explained).</p> <p><i>Conclusion</i></p> <p><i>Strat Y</i> should not use a top-down approach to develop an innovative culture within the company, because the designers at <i>Strat Y</i> will not feel valued by management. This is because management would be asking outside consultants, not the designers currently working at <i>Strat Y</i>, to develop a new innovative culture. The impact of this would be a fall in motivation and productivity among the designers at <i>Strat Y</i>.</p>
(c)	<p>Name of New Zealand-registered business: <i>Air New Zealand</i></p> <p>Intellectual property (IP) to be protected: The Economy Skycouch</p> <p>Type of protection: Patent (Stated).</p> <p><i>Positive impact</i></p> <p>A positive impact of <i>Air New Zealand</i> gaining a patent to protect the Economy Skycouch is that competitor airlines cannot steal the idea and use it as part of their service to their customers (Stated). This is because a patent is an exclusive right granted by the government for a new invention for up to 20 years, and this would therefore protect the idea of the Economy Skycouch from being copied (Explained). The impact of this is that <i>Air New Zealand</i> will have a unique product innovation that no other competitor has. This should improve sales for <i>Air New Zealand</i> (Fully explained).</p> <p><i>Negative impact</i></p> <p>The patent application process will increase expenses (Stated). This is because the legal fees and registration costs are high, especially if the patent is to be world-wide (Explained). The impact of this is that <i>Air New Zealand</i> may need to raise prices on its flights to recover this cost. This could lead to falling demand and sales for <i>Air New Zealand</i> (Fully explained).</p> <p><i>Conclusion</i></p> <p>The air travel market is highly competitive, with many airlines flying similar routes to those of <i>Air New Zealand</i>. There are few opportunities for price-cutting, so it is essential that <i>Air New Zealand</i> adopts innovative products and gives them clear IP protection, to maximise the potential gains to the business.</p>
(d)	<p><u>Total Quality Management (TQM)</u></p> <p>As part of TQM, workers would focus on the needs of the customers receiving their product (Stated). This is because they have become part of a quality chain (Explained). The impact of this is that final customers would receive a better quality product. This would lead to an improvement in the reputation of <i>Strat Y</i> in the market, possibly resulting in reduced sales for <i>Strat Y</i>'s competitors (Fully explained).</p> <p><u>Kaizen</u></p> <p><i>Strat Y</i> should use Kaizen, as the changes made in the production process for <i>Strat Y</i> products would be more effective and/or less costly (Stated). This is because Kaizen encourages all those involved in the production process to make suggestions for improvement, instead of expensive research and development into improvements in quality (Explained). The impact of this is that customers would be able to buy a relatively less expensive product from <i>Strat Y</i> than they could from a competitor not using Kaizen. This may lead to increased sales for <i>Strat Y</i>, and falling sales for its competitors (Fully explained).</p>

### Grade-score descriptors

Achievement		Achievement with Merit			Achievement with Excellence		
<p>Explains:</p> <ul style="list-style-type: none"> <li>• why a change management strategy is necessary for <i>Strat Y</i></li> <li>• ONE positive impact of the change management strategy</li> <li>• ONE negative impact of the change management strategy</li> <li>• ONE positive impact on the business of the company obtaining the intellectual property protection</li> <li>• ONE negative impact on the business of the company obtaining the intellectual property protection</li> <li>• why <i>Strat Y</i> should consider changing to the quality management system selected.</li> </ul> <p>(Answers will typically <b>state</b> relevant examples, business knowledge, and/or Māori business concepts.)</p>		<p>Fully explains:</p> <ul style="list-style-type: none"> <li>• why a change management strategy is necessary for <i>Strat Y</i></li> <li>• ONE positive impact of the change management strategy</li> <li>• ONE negative impact of the change management strategy</li> <li>• ONE positive impact on the business of the company obtaining the intellectual property protection</li> <li>• ONE negative impact on the business of the company obtaining the intellectual property protection</li> <li>• why <i>Strat Y</i> should consider changing to the quality management system selected.</li> </ul> <p>(Answers will typically <b>include</b> relevant examples, business knowledge, and/or Māori business concepts.)</p>			<p>Evaluates:</p> <ul style="list-style-type: none"> <li>• a strategy to encourage an innovative culture at <i>Strat Y</i></li> <li>• whether investing in international intellectual property protection of the item is worthwhile.</li> </ul> <p>(Answers will typically <b>integrate</b> relevant examples, business knowledge, and/or Māori business concepts.)</p>		
N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence, partial explanations.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Nearly all Merit evidence.	Most Excellence evidence.	All Excellence evidence.

**N0** = No response; no relevant evidence.

### Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 2	3 – 4	5 – 6	7 – 8