

Assessment Schedule – 2018

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

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 have an 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

Part	Sample answers / Evidence
(a)	<p>Evidence using <i>Waiti Enterprises</i> <i>Waiti Enterprises</i> will enjoy lower costs of production from its process innovations (Stated). This is because <i>Waiti Enterprises</i> will increase outputs from the 3D printer per unit of input (per worker) and workers will be replaced by printers in this part of the production process, thus lowering expensive salaries and costs of production of each rocket (Explained). The impact of this is that competitors in the rocket construction industry will need to introduce new process innovations in their production process, in order to lower their costs enough to compete with the prices <i>Waiti Enterprises</i> will be able to charge on their rockets (Fully explained).</p> <p>Evidence using own business (<i>Air New Zealand</i>) <i>Air New Zealand</i> will enjoy lower costs of production from some of its process innovations, e.g. self-check-in kiosks (Stated). This is because <i>Air NZ</i> may not need to employ as many staff because the kiosks are automated and so only one staff member is needed for each 10 kiosks (Explained). The impact of this is that <i>Air NZ</i> can lower prices and so take market share from competitors, like <i>Jetstar</i> (Fully explained).</p>
(b)	<p>Evidence using <i>Waiti Enterprises</i> <i>Waiti Enterprises</i> should invest in a patent to protect its process innovations (Stated). This is because the patent will prevent other companies from using <i>Waiti Enterprises'</i> innovations in their production process, meaning <i>Waiti Enterprises</i> will be the only firm that can make their rockets using a specialist 3D printer in this part of the process (Explained). The impact of this is that the process innovation will enable <i>Waiti Enterprises</i> to produce high-quality rockets more quickly than its competitors, meaning customers will experience less downtime between launches. This means that <i>Waiti Enterprises</i> will be seen to deliver a better product for customers, leading to a rise in sales (Fully explained).</p> <p>Evidence using own business (<i>Air NZ</i>) <i>Air NZ</i> should invest in a patent to protect the self-check-in kiosks (Stated). This is because no other competing business will be able to use this innovation, meaning <i>Air NZ</i> will be the only business in the Pacific market that is using the self-check-in kiosk (Explained). The impact of this is that <i>Air NZ</i> will increase its sales, as customers will be attracted to the high-quality and faster experience at the kiosks that <i>Air NZ</i> can offer them (Fully explained).</p> <p>Note: IP protection on other assets should be accepted, e.g. trademark on logo. Software would be copyright.</p>

(c) **Evidence using *Waiti Enterprises***

Positive effect

If a top-down change management approach were used by *Waiti Enterprises*, then the change process would occur quickly (Stated). This is because lengthy meetings would not be required to convince production staff of the desired change management approach. Instead, the leadership team would make that decision, and they would already have a set view on how the change should occur (Explained). The impact of this is that *Waiti Enterprises* would be able to introduce the new product innovations to their rockets quickly, meaning that *Waiti* would be viewed as an innovative rocket maker and thus able to better compete with competitor firms (Fully explained).

Negative effect

A negative effect of the top-down approach is that some of the production staff may not feel valued by the leadership team at *Waiti Enterprises* (Stated). This is because the top-down approach does not require staff input, since all ideas for managing the change process come from managers (Explained). The impact of this may be a decrease in motivation for some staff who would have liked to have been asked their ideas about managing the change process (Fully explained).

Conclusion

It is stated that the staff at *Waiti Enterprises* are very loyal to the business (New information), so they are likely to support the CEO's decision to make the changes quickly and trust that she is making this decision to change for the right reasons.

Alternative conclusions accepted (e.g. the negative consequences of top-down may outweigh the positive, especially given the staff are accustomed to being involved in innovations).

Evidence using own business (*Air NZ*)

Air NZ introduced the Skycouch to make the flying experience more relaxed for families with young children.

Positive effect

If a top-down change management approach was used by *Air NZ*, the change process would occur quickly (Stated). This is because lengthy meetings would not be required to convince cabin crew and engineers of the desired change management approach. Instead, the leadership team would make that decision, and they would already have a set view on how the change should occur (Explained). The impact of this is that *Air NZ* would be able to introduce the Skycouches quickly, meaning that they would be viewed as a family-friendly airline, and this will impress a section of the target market (Fully explained).

Negative effect

A negative effect of the top-down approach is that the cabin crew and engineers may not feel valued by the leadership team at *Air NZ* (Stated). This is because the top-down approach does not require staff input because all ideas for managing the change process come from the leadership team (Explained). The impact of this may be a decrease in motivation for staff who would have liked to have been asked about managing the change of converting from single seats to the Skycouch. If this decrease in motivation of the cabin crew were to be noticed by customers, sales may fall (Fully explained).

	<p><i>Conclusion</i></p> <p><i>Air NZ</i> has a corporate culture based on innovation and customer service (New information). Cabin crew would generally support the introduction of Skycouch, because they would see it as a change that fits with the firm’s culture as an innovative, caring New Zealand company.</p>
(d)	<p>New Zealand-registered business: <i>Air NZ</i></p> <p><u>Quality assurance</u></p> <p><i>Positive effect</i></p> <p>Quality assurance has led to an increase in brand reputation for <i>Air NZ</i> (Stated). This is because all <i>Air NZ</i> staff will be responsible for quality in all stages of the production process, for example, flight crew will be responsible for their part of the production process by providing quality in-flight services (Explained). The impact of this increased brand reputation is that <i>Air NZ</i> becomes the market leader and so can raise prices, leading to higher profits for shareholders (Fully explained).</p> <p><i>Negative effect</i></p> <p>A negative impact of the QA strategy is that there may be a short-term decrease in productivity at <i>Air NZ</i> (Stated). This is because a change management process may be required to overcome inertia by employees (Explained). The impact of the decrease in productivity is rising costs in the short term, and potentially a drop in profitability (Fully explained).</p> <p><i>Conclusion</i></p> <p><i>Air NZ</i> should use quality assurance, because the increased profits from better brand reputation as a result of quality assurance will last sustainably into the future and the loss in productivity will be short-term, because <i>Air NZ</i> will adjust by e.g. replacing staff with artificial intelligence.</p> <p>Also, QA will lead to a reduction in waste, because faulty products or services (e.g. a customer’s in-flight experience) will be detected earlier in the process and costly refunds will not have to be given on boarding, or even before the customer boards.</p> <p><u>Kaizen</u></p> <p><i>Positive effect</i></p> <p>A positive impact of <i>Air NZ</i> using Kaizen is that this is a lean / cost-effective approach (Stated). This is because the continuous improvement is generated by ideas supplied by staff members and not costly consultants employed to carry out research and development for new ideas around, for example, how to provide in-flight entertainment (Explained). The impact of this is a decrease in inputs, meaning a rise in productivity for <i>Air NZ</i> (Fully explained).</p> <p><i>Negative effect</i></p> <p>A negative impact of using Kaizen is that staff may become frustrated (Stated). This is because of the need to constantly generate improvement ideas (Explained). The impact of this is staff are fatigued and, as a result, productivity drops for <i>Air NZ</i> (Fully explained).</p> <p><i>Conclusion</i></p> <p><i>Air NZ</i> should use Kaizen, because the productivity increases from using workers’ ideas are likely to constitute a sustainable benefit to <i>Air NZ</i>. The concern over fatigued staff will be short-term, because the meetings do not need to be more than monthly, and staff can be rotated into these meetings.</p> <p>Also, involving staff in ‘making a difference’ is one of the values for <i>Air NZ</i>. Thus, using Kaizen will certainly help <i>Air NZ</i> to meet this value.</p>

Achievement	Achievement with Merit	Achievement with Excellence
<p>Explains:</p> <ul style="list-style-type: none"> the importance of applying process innovation the choice of IP protection a positive effect of the top-down change management approach a negative effect of the top-down change management approach a positive effect of the quality management strategy a negative effect of the quality management strategy. <p>(Answers will typically state relevant examples, business knowledge, and/or Māori business concepts.)</p>	<p>Fully explains:</p> <ul style="list-style-type: none"> the importance of applying process innovations and the impact on competition the choice of IP protection to maintain sales a positive effect of the top-down change management approach a negative effect of the top-down change management approach a positive effect of the quality management strategy a negative effect of the quality management strategy. <p>(Answers will typically include Māori business concept(s), where relevant, to support explanations.)</p>	<p>Evaluates:</p> <ul style="list-style-type: none"> the likely success of a top-down change management approach a quality management strategy. <p>(Answers will typically integrate Māori business concept(s), where relevant, to support explanations.)</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.	Most Merit evidence.	Excellence evidence. One part may be weaker.	All points covered.

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