



2022 VCE Business Management external assessment report

General comments

It was pleasing to note that the majority of students attempted most of the questions on the 2022 Business Management exam. This is testament to the work that has been done by teachers to ensure that students are prepared for the final examination in this subject, for which they are to be commended.

However, there were some common errors that should be taken into consideration by teachers and students when preparing for future examinations. The general theme linking these errors is that many students underestimate Business Management as a subject and, as a result, they often write in a way that is either too general or too superficial to be rewarded. Teachers are strongly encouraged to spend time allowing students to rehearse the key skills that are identified in the study design rather than simply working through the key knowledge points. Students need to be able to apply and use the knowledge to solve problems. Doing this will require students to do some independent work that goes beyond copying notes. For example:

- Reading the task – Many responses contained excellent information that was not relevant to the set task. Students and teachers are encouraged to see the examination as a sequence of instructions that must be followed. Helping students to interpret these tasks and understand what is required is important. The VCAA glossary of command terms is an essential resource that can be used by schools to achieve this goal.
- Over-use of definitions – Students often default to writing definitions when they are unsure of the correct response to a task. In some cases definitions can be rewarded, but this is often the exception rather than the rule. Unless a task specifically instructs students to define certain terms they should avoid spending time adding peripheral (but unnecessary) information. For example, in Section A Question 1b, there was no need to define ‘entitlement issues’ as part of the response, but many students chose to do this.
- Memorised responses – Some students had clearly memorised information with the intention of using it if they saw certain terms on the exam. For example, Question 3 in Section B required students to **justify** the use of Senge’s Learning Organisation during a period change. A significant number of students used this as an opportunity to **describe** the theory, which is not what was required. These responses were unable to earn full marks.
- Case study links – All responses in Section B must include a specific link to the case study material. In the 2022 examination this instruction appeared in the box at the top of page 16. The second sentence in this box clearly states that ‘Answers must apply to the case study’. Responses that were not linked to the case study could not earn full marks.

Specific information

Note: Student responses reproduced in this report have not been corrected for grammar, spelling or factual information.

This report provides sample answers, or an indication of what answers may have included. Unless otherwise stated, these are not intended to be exemplary or complete responses.

The statistics in this report may be subject to rounding resulting in a total more or less than 100 per cent.

Section A

Question 1a.

Mark	0	1	2	Average
%	19	43	38	1.2

To achieve full marks for this question, students needed to explain the structure of a government business enterprise (a business owned by the government), as well as additional information, such as that government business enterprises often fill a need that hasn't been addressed by the private sector, or that they contribute to the overall revenue that is earned by the government.

Common mistakes were saying that government business enterprises are operated by the government instead of owned by the government, and confusing government business enterprises with social enterprises.

The following is an example of a high-scoring response.

A government business enterprise is owned by the government, acting as a source of government revenue. Thus, the government business enterprise, such as Australia Post, main objective is maximising profits in order to generate revenues collected by the government.

Question 1b.

Mark	0	1	2	3	4	Average
%	27	22	28	14	9	1.6

Students were required to describe two relevant entitlement considerations and link each to how it would apply to the employees who are being made redundant at FilmsAU.

In general, students could describe an entitlement consideration such as a redundancy payout or written notice of redundancy but did not always link it to FilmsAU.

Common mistakes were that students described and linked transition considerations and not entitlement considerations, or did not make appropriate links to FilmsAU. Many students correctly described a redundancy issue such as unpaid hours of work and unused annual leave, but then linked it to transition ('to make sure that the employee can survive while looking for another job') rather than entitlements ('as required under the National Employment Standards'). It was also common for students to refer to unpaid sick leave as an entitlement consideration for employees, which is inaccurate.

The following is an example of a high-scoring response that clearly describes two entitlement considerations as they could be applied to FilmsAU.

One entitlement consideration for a redundant employee is to receive a redundancy package. This refers to a sum of money paid to redundant employees typically based on years of service to FilmsAU. Redundancy packages are a legal requirement and can also be used to encourage voluntary redundancy in certain situations. Another entitlement consideration is to receive accrued wages are owed as a result of work that has been completed prior to the day on which the employee becomes redundant. This will be part of the broader process of finalising the payments owing to the employee that will also include unpaid long service leave and unused annual leave.

Question 1c.

Mark	0	1	2	3	4	5	6	Average
%	12	6	15	22	23	14	8	3.2

To successfully respond to this question, students needed to propose (name) one management style and then refer to two **characteristics/features** of the selected management style to justify its use when informing employees that they have been made redundant.

Responses that scored highly gave specific explanations as to why the selected management style was appropriate (it needed to be a management-centred style, so autocratic, persuasive or consultative style were accepted), and the two **characteristics/features** were the centralisation of decision-making, and the flow of communication, typically one-way.

Responses that did not score well either proposed an inappropriate management style or did not refer to the **characteristics/features** of the selected style in their justification. Many students also referred to using the management style to negotiate which employees would be made redundant. However, the question stipulated that it required justification of a management style for informing employees at FilmsAU of their redundancy, not determining which employees would be selected for redundancy.

The following is an example of a high-scoring response as the management style is clearly identified, and two **characteristics/features** are referred to when justifying its use.

The human resources manager could employ a persuasive management style when making the decision on who is to become redundant and communicating with them. This is appropriate because this is where the manager would try to provide additional information to those filmmaker employees as to why they have been made redundant, in order to 'sell' the decision to them. This may help lead to better understanding within the redundant filmmakers, and could lower any resentment that they may have during the period when they lose their job. As this features the use of centralised decision making it means that the human resources manager is directly responsible for making the decision as to who becomes redundant, as it may be inappropriate for employees to provide input as to who should lose their jobs as a result of their positions no longer existing. Moreover, it sees the usage for one-way communication / top down communication, meaning that those employees who have been made redundant are not allowed to have input or question the decision, which makes decision making faster for the human resources manager, potentially saving them time when deciding who should be made redundant if no input is given, so that they can start expanding overseas faster.

Therefore, a persuasive management style is appropriate, as through the use of centralised decision making and one way communication they are able to make decisions on who is to become redundant quickly and directly communicate to the filmmakers losing their jobs and becoming redundant, without wasted time.

Question 2a.

Mark	0	1	2	3	Average
%	24	35	29	11	1.3

This task required students to explain the relationship between operations management and a specific objective from the study design ('fulfilling a market need').

Students and teachers are reminded to take note of the allocated marks as a guide to how much information is required. In this case responses needed to demonstrate an understanding of the nominated objective and

clearly articulate the way in which an operations management strategy could help the business achieve this goal.

Many students ignored the first half of the task and, as a result, wrote about a different objective (such as to earn a profit). It was also common for students to write about 'ordering inputs' without linking this to a broader understanding of the operations management process. The best responses were those that added new information, such as a brief statement about a quality management strategy.

The following is an example of a high-scoring response.

Operations management focuses on the coordination of transforming inputs (resources) into outputs (finished products), responsible for the level of efficiency and effectiveness of operations. Big Construction's objective to fulfil a market need highlights the business wants to satisfy the market by potentially filling market spaces with their products that are demanded but not entirely available in the existing market. Operations management must ensure that resources such as timber are sourced from reliable and high-quality suppliers in order to facilitate the process of building new houses. Fulfilling a market need could also (be) an objective that underlines an increase in the quantity demanded for new houses. Thus, operations management is responsible in ensuring employees and relevant materials are adequate, along with adopting strategies to improve the productivity of operations and efficiency of resources. Hence, this should augment the level of labour productivity or productivity as a whole, where more outputs produced with minimum inputs (is) used. Thereby successfully satisfying the objective of fulfilling a market need.

Question 2b.

Mark	0	1	2	3	Average
%	6	28	42	24	1.9

Students were required to explain how a specific problem ('not being able to source enough inputs') might affect one of two key performance indicators (KPIs). To earn full marks the response needed to demonstrate that the student understood the KPI and how it might change in these circumstances, and a link to BIG Construction was required.

It is pleasing to note that the majority of responses included only one KPI. This suggests that students used their reading time effectively to determine the focus of the response that they planned to write. It is worth noting that the students did not need to work towards a specific outcome. Marks were awarded for the explanation, not for reaching a pre-determined outcome. For example, some students argued that with fewer resources available some worksites would be closed down and, as a result, fewer accidents would occur. Others argued that when inputs did arrive the employees may try to rush to meet deadlines and, therefore, more accidents would occur. Both responses were rewarded.

The most common error was a failure to provide an adequate link to the business in the case study. Students should note that while it isn't necessary for them to have an intricate understanding of the way in which the businesses in case studies work, they must use the information provided to inform their response in a detailed way. Simply naming the business was not sufficient.

The following is an example of a high-scoring response.

The rate of productivity growth KPI measures the amount of inputs used in relation to outputs sold over a specific period of time. At BIG Construction, the inputs would be the timber and capital construction equipment, with the output being the actual construction service (or time to produce construction) and houses built. Thus, if BIG Construction is unable to source the correct building materials, they may see delays, and see an unfavourable decrease in productivity growth because inputs such as time to

complete scheduled tasks and cost of storing idle equipment or paying for idle labour will increase relative to the output (how much construction is actually being done).

Therefore the KPI of productivity growth is negatively impacted by halts to production due to not enough building materials, because less is being built and produced in longer periods and at higher costs.

Question 2c.

Mark	0	1	2	3	4	Average
%	29	13	24	24	10	1.8

For this question, students needed to include a business strategy, link that strategy to **domestic** business opportunities, justify the strategy by writing about a possible benefit (such as an improvement in a key performance indicator) and link this to BIG Construction.

Many students struggled with this task. Quite a few seemed to interpret the task as a general request to try and solve the problem that was made evident in the case study. As a consequence, responses were often written in general terms when a specific response was required.

A very common error was to refer to 'finding a new supplier' as a strategy without providing an appropriate justification. This strategy could have been justified; for example, 'a local supplier might help to reduce the negative environmental consequences associated with importing. This, in turn, might help to appeal to environmentally conscious customers, helping to open up a new market segment'.

Strategies that were often used successfully included franchising, merging with another business, diversifying the product range or implementing a new marketing strategy to appeal to new customers.

The following is an example of a high-scoring response.

A strategy BIG Construction could use is diversifying. This refers to expanding the product range sold by the business under the same name. BIG Construction could do this by diversifying to sell/build commercial buildings / skyscrapers as well as construction / house building services.

An advantage of this is that it would open up new markets for BIG Construction to provide their building services to, allowing them to possibly expand their customer base, as they would be able to sell their construction services to a greater amount of people, and complete other jobs than just 'new houses'. Possibly helping to improve their sales relative to competitors, and improve their percentage of market share, helping them seize new domestic opportunities.

Another advantage is that by providing high quality commercial services as part of their diversification, this could possibly attract more customers to their original services of building 'new houses'. Thus, this could possibly lead to a greater customer base, and a greater number of sales, helping increase their profit and helping them to expand domestically.

Question 3a.

Mark	0	1	2	Average
%	32	28	39	1.1

Students needed to provide a specific characteristic of a service business's operation system and then expand on this for the full mark allocation. While an example of a service business was not required it could have contributed to the allocation of the second mark if it helped to clarify the student's answer.

Students needed to be clear and specific about the characteristic. Some of the characteristics that were accepted were:

- production and consumption occur simultaneously
- the final product is intangible
- storing a service is generally impossible
- it is often true that the customer must be present for a service to occur (e.g. for a haircut)
- when the customer is present it is possible to tailor the product to the specific requirements of the customer.

In some cases students wrote about examples that might be correct in certain circumstances but required a clear explanation to be awarded marks. For example, some students stated that services are likely to be more labour intensive than capital intensive. Strong examples may help to support this, but airlines are capital intensive and they provide a service. Similarly, many clothing manufacturers create a physical product that requires significant labour inputs. This example was awarded marks if its description demonstrated an appropriate level of understanding. This highlights the fact that students cannot rely on memorised responses when completing the Business Management examination.

The following is an example of a high-scoring response.

The operations system of a service business is often much more customer focused, as the services are often much more catered to the customer, compared to the operations system of a manufacturing business which has little customer involvement. For example, KEJ's Cafe's operations system would involve more customer involvement, as customers may request specific menu alterations or drinks, which those in the operations system then must cater to in order to satisfy the customer and provide the service.

Question 3b.

Mark	0	1	2	3	4	5	6	Average
%	19	14	17	16	16	10	6	2.5

There were several elements to this question that students had to address for full marks. First, they needed to demonstrate a clear understanding of appraisals as a performance-management strategy throughout their answer. Then they had to identify a specific and relevant employee objective (for example, to be made full-time employees rather than working casually) and explain how this can be achieved through the appraisal process at KEJ's Café. Students had to also identify a relevant business objective for KEJ's Café (such as reducing staff turnover or boosting profit) and explain how this can be achieved through the appraisal process.

Many students confused this performance-management strategy with motivational strategies which were not relevant to this question. It is also true that students found it more difficult to write about employee objectives than business objectives. A requirement to understand employee objectives is clearly written in the study design; teachers are encouraged to refer to this document when they are planning their courses.

The following is an example of a high-scoring response.

Performance appraisal is a performance management strategy which relates to the evaluation of the performance of the seven casual staff at KEJ's Café on a range of different factors, including their customer service skills or quality of coffee or food they make. It involves providing employees with feedback and a clear path for improvement.

Performance appraisal could be used by the business to achieve the employee objective to make higher wages or incomes. As it is a café the performance appraisal process could act to highlight clear areas for employee improvement, as well as what they are doing well. This can act to make an employee be more

polite, or improve their customer service skills when interacting with customers, or make better coffee. This could increase (the) level of tips received from customers to employees. Thus increasing the total amount of money they take home from a work shift, thus helping to meet the employee's objective to make higher wages or incomes.

Secondly, one business objective is to make a profit (net profit relates to the total difference between revenue and expenses). Performance appraisal could provide feedback to employees and highlight areas that need improvement, thus improving the overall performance of employees. If KEJ's Café is able to provide high quality food (e.g. toast), coffee and customer service, it will see returning customers and develop a high reputation. Thus increasing sales and revenue, and helping to achieve the business objective to make profit.

Question 4a:

Mark	0	1	2	Average
%	60	20	20	0.6

Students generally struggled to write an appropriate response to this question. Many focused only on either mediation or arbitration (which can be a final step in the grievance procedure process) rather than outlining an internal process when an issue arises in the workplace between the employee and management. Students also needed to link their answer to the grievance to an increase in working hours referred to in the stimulus material. Many students chose to write about staff absenteeism instead, which did not align with the requirements of the task.

The process could have included:

- the employee speaking with the human resource manager about their concerns over the increased working hours
- submitting a complaint in writing that aligned with the small printing business's policy
- working with the human resource manager to reach a compromise over the issue of increased working hours
- as a final step in the process the grievance could be referred to mediation or arbitration, but only if the internal processes had not resulted in a satisfactory resolution.

Some elaboration was required for the full mark allocation for this task.

The following is an example of a high-scoring response.

A grievance procedure is a formalised set of steps that employees and employer can follow to resolve a workplace dispute. The employee would first submit a complaint to their supervisor/manager about the increase in working hours. If the dispute is not resolved there, they would be able to go to a senior level of management like the human resources manager of Jenna. If this fails, they could use an impartial third party to facilitate mediation and lastly, arbitration (more formal) could be used for FWG [Fair Work Commission] to make a legally binding decision.

Question 4ab.

Mark	0	1	2	3	4	Average
%	11	17	33	24	15	2.2

Students were required to provide a detailed description of two relevant participants in the workplace for the full mark allocation.

Suitable answers included:

- the human resource manager
- employees
- unions
- employer associations
- the Fair Work Commission.

Students were not required to link their answer to the stimulus material but rather to show a good understanding of the role of each in the workplace.

For example, if students were describing the role of the employee, they could have referred to what the employee offers i.e. their time and expertise in exchange for wages and salaries, and then go on to provide further details, such as that employees perform specific tasks and activities as directed by the relevant manager to help the business achieve its objectives.

Some students used terms that were general and, as a result, more difficult to mark. For example, it was common to read about managers, owners and employers in responses to this task. Students should be encouraged to avoid using vague language when a specific alternative is available. For example, it was difficult to earn full marks when writing about a manager when students had the option of writing about the human resources manager.

The following is an example of a high-scoring response.

A participant in the workforce are the employer's associations who are representations for the employer and in this case Jenna. They will provide advice and tips for Jenna in all areas of business operations but mainly when there is a change in legislation, like the new national minimum employment requirement, and represent Jenna when a dispute arises like it has in this case. An employer's association will represent Jenna in mediation and arbitration and help her resolve the issues around the increase in hours with her employee. In a process of enterprise bargaining they can also represent Jenna.

Another participant in the workplace is an employee union who protects and helps uphold the rights of the employees. When their client the employee has an issue with their employer like the increase in working hours the union can offer them suggestions of what to do. The advice could have been given to them to submit a grievance to the human resources manager. The union will advocate for the rights of employees by representing them in dispute resolution procedures like mediation and arbitration as well as enterprise bargaining when determining an enterprise award. They can also organise strikes for employees which is a withdrawal of labour to show their unhappiness with their wages and conditions. If the issue with the hours is not resolved at Jenna's business then a strike can occur.

Question 4be.

Mark	0	1	2	3	4	Average
%	6	12	31	36	15	2.5

According to the VCAA glossary of command terms the task word 'analyse' requires students to: identify components/elements and the significance of the relationship between them; draw out and relate implication; determine logic and reasonableness of information.

To successfully respond to this question students needed to demonstrate a good understanding of what staff absenteeism is, and make this clear throughout their response, rather than just simply defining this key performance indicator. Students also had to identify a relevant business objective for the small printing business (such as increased profit or market share) and then explain how increased staff absenteeism would impact this business objective. It was also important to link this to the case study. For example, when staff are absent it might lead to the cancellation of printing orders due to lack of staff, or not meeting customer expectations and deadlines, as there are not enough staff to complete the printing orders.

Students were able to explain the link between increasing staff absenteeism and the impact on the objective, but given that the task word was 'analyse' they needed more detail for the full mark allocation. A significant percentage of students seemed to believe that to analyse they needed to write about advantages and disadvantages. This was not possible in this task, but many tried to follow this approach anyway. As is suggested elsewhere in this report, the VCAA's glossary of command terms is a useful resource for resolving this apparent misconception.

The following is an example of a high-scoring response.

The rate of staff absenteeism refers to the number of employees neglecting to show up to work even though they are scheduled to be present at work. A rising rate in staff absenteeism means Jenna's printing business is suffering from low job satisfaction, thereby weak level of employee motivation and enthusiasm to work. This could negatively impact on the objective of profit maximisation. This is due to the fact that now Jenna does not have enough available staff to perform and carry out necessary duties to continue production. There would be insufficient labour resources to carry out printing services, thus resulting in the deterioration of labour productivity. This would hamper Jenna's business's ability to increase outputs, customer demands unfulfilled, losing sales, and thereby impairing the business's profit margins. Ultimately, an increase in staff absenteeism may severely impede Jenna's objective of maximising profits as employee job satisfaction is low – lacking the willingness to show up to work.

Question 5

Mark	0	1	2	3	4	5	6	7	8	9	10	Average
%	10	7	9	10	12	14	15	12	7	3	1	4.4

The short prompt that was provided for Question 5 introduced a number of business-management concepts, each of which needed to be explored for a response to be awarded a high mark. Specifically, strong responses needed to include information about a contemporary business case study, a period of change and an evaluation of the use of high-risk strategies in that context.

Students are to be commended for making an effort to respond to this task, despite the percentage of students achieving a score of zero. This occurred because many responses were unable to stay within the parameters of the task.

Although the 10-mark response is not an essay, students and teachers are encouraged to incorporate appropriate essay-writing strategies when approaching this task. Specifically, students who started their response with a plan were often able to write a more targeted response. Similarly, students who used paragraphs to break their response down into sections were generally able to make clear points throughout their response. For example, a good response might have a paragraph setting up the case study, one paragraph exploring the positive aspects of high-risk strategies, a new paragraph examining the negative consequences of high-risk strategies and then an evaluative statement as part of a final paragraph. It wasn't necessary to write in this way but it did demonstrate a clarity of thought that was impressive.

Students were not required to suggest alternative strategies to earn full marks; however, some students were able to use alternative options to demonstrate ways in which the weaknesses of high-risk strategies can be overcome. In these cases, the alternatives that were presented did add to the overall quality of the response.

The following is an example of a high-scoring response.

In 2019 Aldi supermarkets stated that by 2025 they would remove 25% of the plastic packaging that is used for its own products in Australia. By 2021 the business had taken significant steps towards achieving this challenging target; early in 2022 it was reported that over 2000 tonnes of plastic packaging had already been removed. This suggests that the changes being made by Aldi were being implemented very quickly.

High risk strategies are those that can be used by managers during a period of change which, if successful, will help the business to move quickly but if unsuccessful can lead to significant negative consequences. For example, some managers will resort to using threats or manipulation in order to ensure that business changes progress quickly. For Aldi, business owners may have been told to find ways to reduce plastic packaging or have their permission to open under the Aldi brand removed (a threat). Alternatively, branches may have seen certain products disappear from online ordering portals (manipulation) to artificially improve data for certain stores.

These strategies can be effective when a business is working to achieve a specific outcome with a short deadline. It is also true that high risk strategies are less likely to be questioned by employees due to a fear of the consequences that can occur. Aldi is working to achieve their goal by 2025; as they get closer to this deadline the senior managers might find that using high risk strategies becomes a more attractive option. On the other hand, when high risk strategies are queried by employees the managers might find it difficult to justify the way in which they are being used. This can lead to resistance from employees which can ultimately slow the process of change. If the senior managers at Aldi tried using these strategies too early in the change process it might make it more difficult for them to transition to reducing the overall amount of plastic waste that is produced.

As a result of the weaknesses associated with the use of high risk strategies, it is not true to say that 'all managers' will end up using this approach some of the time. It is possible that managers who use an autocratic or persuasive style might be more inclined to use these strategies, but some managers operate with a very different style. Despite the fast pace of the changes at Aldi during 2019-2022 senior managers who adopt a participative style might have achieved these outcomes through the use of low risk strategies. For example, open, two-way communication may have encouraged all managers to support the process of change. It may also have meant that the business was able to gather new ideas about the ways in which plastic waste could be reduced, helping to achieve the observed outcomes faster.

Overall, the statement can be considered inaccurate. It is true to say that some managers will choose to use high risk strategies during a period of business transformation, but successful change can also be achieved without resorting to this approach.

Section B – Case study

Question 1

Mark	0	1	2	Average
%	23	35	42	1.2

This question required students to outline a CSR consideration for Blartem Clothing when implementing change.

To gain full marks it was important that students provided the information required in the task. The task did not stipulate that a definition of CSR was required, so no marks were awarded for providing one.

The command term ‘outline’ requires more information than just identifying a consideration. Therefore some explanation of the consideration, or why it was socially responsible, was required. The consideration also had to be relevant to, and explained in the context of, change at Blartem Clothing. High-scoring answers referenced the change to making activewear in addition to their formal wear.

Common mistakes were:

- only naming and not outlining the consideration
- providing a generic explanation that was not in the context of change at Blartem Clothing
- explaining legal considerations which are outside the realm of CSR
- explaining the ‘triple bottom line’ rather than a specific CSR consideration.

The following is an example of a high-scoring response.

One corporate social responsibility (CSR) consideration for Blartem Clothing when implementing its new activewear range is choice of suppliers. The Operations Manager needs to find new suppliers that produce active wear material (e.g. breathable synthetic fabric) for the new range. Whilst searching for a new supplier, Blartem Clothing should consider sourcing from local suppliers to support local businesses and employment, and to ensure minimal transportation to reduce the business’ carbon footprint, hence going above and beyond legal expectation to locally source suppliers.

Question 2

Mark	0	1	2	3	Average
%	56	9	18	14	0.9

Students were required to explain how global outsourcing can be used by Blartem Clothing to ensure that one business objective can be met.

High-scoring answers were able to explain that global outsourcing would require Blartem Clothing to pay another business, located overseas, to undertake a part of their operations (such as manufacturing the new activewear). They were also often able to explain a link between possible reduced wages expense (due to different labour laws in some other countries that allow for lower wages to be paid), or access to expertise overseas, and how that could increase profit.

The question did not specify what aspect of operations could be globally outsourced. Therefore answers did not need to be restricted to manufacturing and other aspects of operations were also accepted.

The most common error was confusing global outsourcing with global sourcing of inputs or overseas manufacture. For full marks it was necessary for the answer to be clear that Blartem Clothing was paying another business, not just manufacturing in another country.

Other common errors were:

- misreading the case study and incorrectly explaining that Blartem made fabric, rather than clothing
- not using a business objective. While it was possible for students to choose an objective other than those in the study design, it still needed to be a measurable objective; thus answers such as 'have a successful business' were not accepted.

The following is an example of a high-scoring response.

Blartem could implement global outsourcing which refers to transferring specific business activities to an external business in an overseas country. This could be used to meet the objective of increasing market share (total proportion of industry sales). This is because it means Blartem Clothing has greater access to cheaper labour rates, thus decreasing their expenditure. Through this it means Blartem Clothing can utilise their revenue into other areas such as training programs to make staff 'effective', thus improving their competitive advantage and consequently potentially market share over other clothing manufacturers. Additionally, global outsourcing means Blartem Clothing has access potentially to skills that are unavailable domestically, such as call centres, due to domestic skill shortages. Consequently, this access can improve speed in Blartem Clothing production and increase their market share.

Question 3

Mark	0	1	2	3	4	Average
%	27	14	27	21	11	1.8

In this question, students needed to justify the use of Senge's Learning Organisation during the period of change at Blartem Clothing.

This question could have been approached in two ways: either with a focus on the advantages of using the theory itself, or through the advantages of applying principles of the theory to Blartem Clothing. In either approach, reference to more than one principle of the theory was required (but didn't necessarily need to be applied) for full marks.

High-scoring answers were able to be specific to Blartem's situation and how the use of the theory could help their employees to successfully change to making activewear, by explaining how at least two of the principles would help.

The command term 'justify' does not require disadvantages or limitations, nor similarities and differences between the principles or between Senge and other theories. Many students also responded with a generic explanation of what is involved in the theory, rather than justifying how it could help Blartem Clothing.

The following is an example of a high-scoring response.

Senge's Learning Organisation is a theory that focuses on facilitating the growth of its members and continuously allowing members to adapt to changing environments through mental models, personal mastery, building a shared vision, team learning and systems thinking.

Thus, Blartem Clothing could use these disciplines such as systems thinking during their activewear growth by looking at the organisation widely, and identifying how the business change could affect all areas. For example, the CEO and operation manager have identified how the activewear will affect other parts of the business such as how the Human Resources manager will need to adjust training programs and the finance area involved in considering the costs of the expansion. Blartem should utilise 'systems maps' and take a long-term approach.

Moreover, Blartem could also utilise the discipline of personal mastery which involves improving personal development through business activities. Blartem has raised issues regarding how they will need to have 'high quality training programs' therefore allowing employees to obtain proficiency and grow as individuals, helping their changes.

Thus, the use of this strategy would help Blartem to continuously improve and grow during their change.

Question 4

Mark	0	1	2	3	4	Average
%	19	11	27	29	14	2.1

Students who answered this question well were able to clearly explain Lewin's Force Field Analysis theory and were able to apply it to help decide whether to introduce activewear at Blartem Clothing. They explained how the driving and restraining forces in the scenario should be identified, weighted or ranked, then strategies put in place so that the driving forces were strengthened, and the restraining forces lessened to the point where if the driving forces were weighted higher the change to introducing activewear was likely to be successful. The driving and restraining forces used were linked to Blartem Clothing and the prompts in the case study, and not used generically.

Students who did not answer this question well wrote in general terms about driving and restraining forces without application to the case study. Some students also confused Lewin's Force Field Analysis with Lewin's Three Step Change Model.

Note that students did not need to write a step-by-step response to gain full marks. The task required students to explain how the theory could be used to decide whether or not to introduce a new product line. Responses that focused on using the theory to consider which forces needed to be strengthened and which needed to be weakened were often awarded marks.

The following is an example of a high-scoring response.

Lewin's Force Field Analysis theory suggests that a change can be determined to be successful or not based on two principles: driving and restraining forces. Blartem's manager could utilise Force Field Analysis by identifying driving forces which push for change, and restraining forces which resist change. For example, a driving force for Blartem's may be the manager, or the CEO, as they may believe producing activewear will increase their customer base, widening the target market. However, a restraining force may be financial costs associated with market research for activewear and trends associated with that industry. The Blartem's manager would need to rank and weigh up both forces, determining which has a total greater strength. If driving forces exceed, then activewear should be produced. If restraining exceed, then Blartem's should consider an Action Plan to weaken restraining forces and strengthen driving forces.

Question 5

Mark	0	1	2	3	4	5	6	Average
%	9	11	19	21	22	12	6	3.0

Students were required to explain how two of the given strategies could be used to improve the efficiency of operations by Blartem as it changed its manufacturing process to produce the new range of activewear.

Responses that scored highly did more than explain how the strategy could improve efficiency of operations in general terms; they were specific to the way in which Blartem Clothing's operations needed to change to produce the new activewear.

To explain efficiency well, a distinct explanation of how resource use could be minimised was required (rather than a general explanation of productivity). Lower-scoring responses simply described the strategies, rather than answering the question being asked.

Common mistakes were:

- providing a generic explanation of the strategy without explaining how Blartem Clothing could use it while changing its manufacturing process with the new machinery
- including disadvantages or limitations of the strategy; this was not required by the question as the command term was 'explain' rather than 'discuss' or 'evaluate'
- confusing automated production lines with CAD or CAM, or confusing a master production schedule with a materials requirement plan
- explaining how the strategy could improve effectiveness, rather than efficiency.

Note that simply using the name of the business was not enough to demonstrate application to Blartem Clothing.

The following is an example of a high-scoring response.

Blartem could use automated production lines. Automated production lines are where a series of workstations and machines are arranged in a sequence to perform tasks automatically, with little to no employee involvement. As Blartem Clothing changes its manufacturing process to produce the new range of activewear, Blartem can use automated production lines (APL) to improve the efficiency of its operations. Automated production lines can produce outputs and assemble products quicker than humans and they can operate 24/7, therefore more activewear can be produced to meet customer demand. This can reduce the time taken to produce the activewear, therefore improving the efficiency of Blartem Clothing's operations. APLs can also produce products with more consistency and accuracy than humans, therefore this reduces the likelihood of defective activewear that needs to be discarded, therefore reducing wastage and improving Blartem Clothing's operations.

Blartem Clothing can also use a master production schedule (MPS). A Master Production Schedule is a computerised method of materials requirement planning that ensures the exact materials and resources are available when needed in the operations system. An MPS can reduce overordering of materials and the likelihood of products laying idle in storage and being potentially damaged, therefore this can improve the efficiency of Blartem Clothing's operations as it reduces the risks of materials being damaged and needing to be discarded, therefore reducing wastage and improving the operations of Blartem Clothing. An MPS can also reduce the risk of underordering and insufficient materials on hand, therefore this reduces the likelihood of low product availability and Blartem Clothing being unable to meet customer demand, therefore increasing sales and profits. This can improve the efficiency of Blartem Clothing's operations as it reduces the risk of customer demand not being met and costing Blartem Clothing money, (thus) improving their operations.

Question 6

Mark	0	1	2	3	4	5	6	Average
%	23	6	14	17	20	13	6	2.7

Students were required to discuss how Blartem Clothing could use one of Porter's Generic Strategies as it enters the competitive market for activewear.

The command term 'discuss' required students to explain the strengths and limitations of Blartem Clothing using one of Porter's strategies for its activewear. Responses that scored highly were able to explain each strength and limitation of their chosen strategy with specific application to Blartem Clothing and activewear. In general those who wrote about the 'differentiation' strategy found it easier to achieve this goal.

An explanation of how Blartem Clothing could use the strategy was required (e.g. differentiating their activewear by using moisture-wicking fabric, or having extra pockets) in order to be able to fully explain the strengths and limitations of using the strategy. One way to differentiate is to create very high-quality products; however, as there are many existing high-quality activewear products already on the market, students struggled to discuss the advantages of this approach in relation to gaining competitive advantage. As this question appears in Part B of the exam, explicit application to Blartem Clothing was required.

As the question only asked for one strategy to be discussed, responses that discussed both strategies were only awarded marks for the first one. Although the command term 'discuss' required both strengths and limitations to be explained, there did not need to be an even number of each.

There was clearly some confusion about Porter's Lower Cost strategy. Many explained it as simply 'selling products at a lower price'. Passing on the savings gained through reducing the cost of production can be one use of the strategy, but it is not the entirety of the strategy and an explanation of lowering costs and its effect on profit was required.

The following is an example of a high-scoring response.

Blartem Clothing could seek to use differentiation, which is where they seek to be unique in the activewear industry in some way that is valued by customers. An advantage of this is that it allows Blartem Clothing to produce activewear clothing that is superior to rivals because they could use higher quality materials that gives their activewear greater durability. This may lead to Blartem advertising their superior features, and therefore potentially attracting customers wanting higher quality activewear, which could increase their competitive advantage. Another advantage is that they could charge a premium price because of the potential superior quality of their activewear. As the activewear could be more customer attractive, this therefore could increase the profit if their competitive advantage means higher sales, as profit is revenue minus expenses.

However, a disadvantage is that it can fail to attract price conscious consumers because the premium price could mean that not everyone is able to afford the activewear. This may lead to Blartem Clothing not being able to attract as many customers, especially if the activewear industry contains many price conscious consumers. Therefore they could fail to gain a sustainable competitive advantage over rivals selling cheaper activewear. Another disadvantage is that their high-quality activewear could be copied or mimicked by competitors because they may decide to source their materials from the same supplier as Blartem Clothing. This may lead to Blartem Clothing failing to increase sales (or) gain a competitive advantage and therefore profit if their unique position is being copied by other activewear manufacturing companies, losing them their edge.