

Cambridge **TECHNICALS LEVEL 3**

BUSINESS

Cambridge
TECHNICALS
2016

Feedback on the June 2018 exam paper
(including selected exemplar candidate answers
and commentary)

Unit 15 – Change management

Version 1

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INTRODUCTION

This resource brings together the questions from the June 2018 examined unit (Unit 15), the marking guidance, the examiners comments and the exemplar answers into one place for easy reference.

We have also included exemplar candidate answers with commentary for questions 1(a), 1(c) and 2(c).

The examiner's comments are taken from the Report to Centre for this question paper.

The Question Paper, Mark Scheme and the Report to Centre are available from:

<https://interchange.ocr.org.uk/Modules/PastPapers/Pages/PastPapers.aspx?menuindex=97&menuid=250>

OCR
Oxford Cambridge and RSA

Level 3 Cambridge Technical in Business
05837/05878

Unit 15: Change management
Wednesday 13 June 2018 – Afternoon

Duration: 1 hour 30 minutes
C42518066

You must have:
• a clean copy of the resource booklet (insert C428)

You may use:
• a calculator

First Name Last Name

Centre Number Candidate Number

Date of Birth

INSTRUCTIONS

- Use black ink.
- Complete the boxes above with your name, centre number, candidate number and date of birth.
- Answer all the questions.
- Write your answer to each question in the space provided.
- If additional answer space is required, you should use the lined page(s) at the end of this booklet. The question number(s) must be clearly shown.

INFORMATION

- The total mark for this paper is 80.
- The marks for each question are shown in brackets []
- This document consists of 12 pages.

FOR EXAMINER USE ONLY	
Question No	Mark
1	/26
2	/54
Total	/80

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Cambridge Technicals in Business

Unit 15: Change management
Level 3 Cambridge Technical in Business
05834 - 05837

Mark Scheme for June 2018

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Cambridge Technicals Level 3 Business

05834-05837, 05878
Unit 15 Change Management
OCR Report to Centres June 2018

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Level 3 Cambridge Technical in Business
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Unit 15: Change management

RESOURCE BOOKLET
Wednesday 13 June 2018 – Afternoon

Duration: 1 hour 30 minutes

INFORMATION TO CANDIDATES

- This is a resource booklet.
- You should refer to it when answering the examination questions which are printed in a separate booklet.
- The business described in this booklet is fictitious.

INFORMATION FOR LEARNERS

- This document consists of 8 pages. Any blank pages are indicated.

INFORMATION FOR EXAMS OFFICER/INVIGILATOR

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GENERAL EXAMINER COMMENTS ON THE PAPER

This was the second session which this examination paper was available and it was pleasing to see that candidates again engaged well with the paper and its contents. It was particularly pleasing to see many candidates engage with the case study content in terms of using the context that it presented well in the responses given to the various questions on the paper. There was also generally good evidence that candidates had been prepared well for the paper in terms of the style of writing used and the structures used to answer the questions that were set. This allowed candidates to achieve good Level 3 responses to extended writing questions which allowed them to build marks well across the paper.

The case study material was familiar to candidates in terms of the way that it was presented and allowed candidates to make full use of the material across the responses that they gave. There was no evidence that there were any time pressures to be considered in the responses that were given and as such allowed those candidates that were fully prepared to answer all questions well. In this paper it is important that candidates can use case study material in their responses as it allows them to build answers well and naturally allows answers to move into higher level responses therefore.

In all areas of the specification there was generally good evidence that candidates were well prepared theoretically in terms of the knowledge required to address the questions that were set within the paper. There are a couple of exceptions to this which are outlined within the individual question feedbacks that are presented below. This understanding is important as candidates would not be able to grasp significant points within the case material in terms of its application to the questions set without this in place.

Resources which might help address the examiner comments:

From the link below, you'll find 'The OCR guide to examinations' (along with many other skills guides)

<http://www.ocr.org.uk/i-want-to/skills-guides/>

Command verbs definitions

<http://www.ocr.org.uk/Images/273311-command-verbs-definitions.pdf>

Question 1 – resource

Resource 1

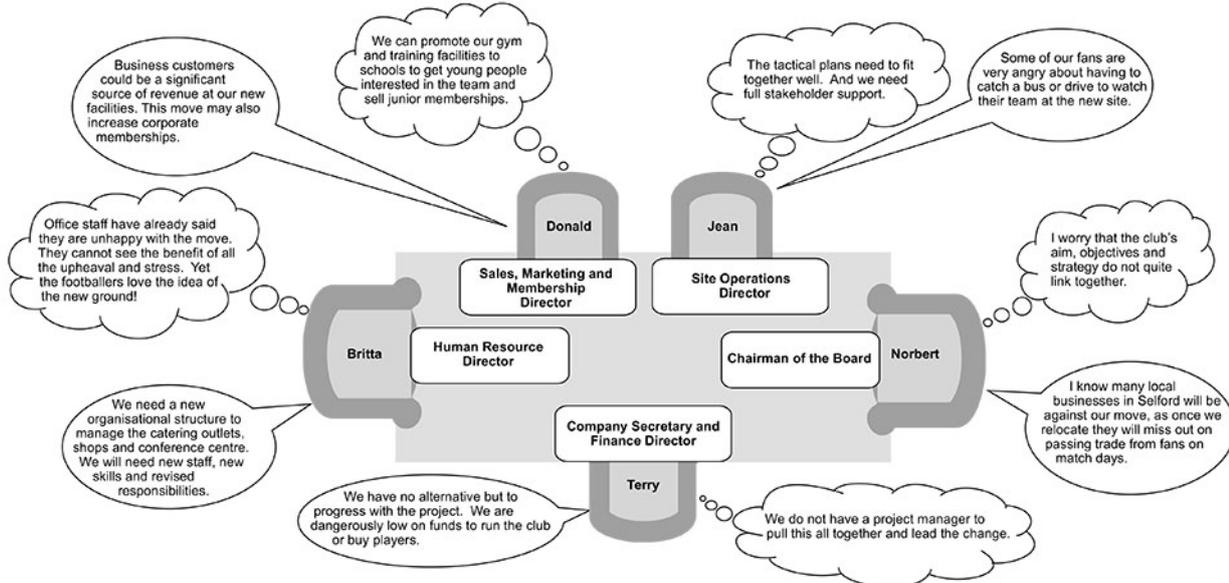
Selford Gate Football Club Ltd (SGFC Ltd) is selling its old, outdated town-centre ground in Selford and using the money raised to relocate. A property developer is buying the old football ground to turn it into a new shopping centre.

The old football ground is not commercially viable. The club is running out of money and cannot afford the maintenance and repair bills. The old football ground is now a health and safety risk. There is also a real lack of space to develop shops, bars, cafés and restaurants which could provide much needed income for the club. For example, there is no room for corporate hospitality where business customers could eat and drink, nor space for a proper 'club shop' to allow the sale of replica football strips and club merchandise.

SGFC Ltd's new location is to be six miles outside of Selford. The new purpose-built venue will comprise a modern football centre with safe seating, a conference centre with business entertainment facilities, an education centre, a 'club shop' and several bars and cafés. The new venue is on the outskirts of Siltridge, a nearby town. Siltridge is home to SGFC Ltd's arch rival Siltridge Town. The residents of Siltridge have already started a petition against the move as they fear the loss of their own football team's identity and traffic congestion when SGFC Ltd has home matches on.

Despite the objections and problems, SGFC Ltd's board of directors is committed to the project. The board knows that it needs the money from the sale of the old ground to buy new players. The board has called a change management meeting. Below is a summary of the main contributions and thoughts of those who attended this meeting.

Key:  verbal contribution  unexpressed thought



Question 1(a)

Answer **all** the questions.

Use the information provided in the **Resource Booklet** to answer the following questions.

1 Refer to **Resource 1**.

(a) Outline **two internal** drivers of change at *SGFC Ltd*.

1. **Indicative content:**

- finance
- space
- safety.

2. **Exemplar response:**

Change is driven by the need to reduce the risk of closure (**1**) which is quite likely if the ground remains in a dangerous state (**1**).

[4]

Mark scheme guidance

One mark for each correct identification up to a maximum of two identifications, plus up to one further mark for each of two developments.

Driver must be from the case study.

Do not award "to relocate".

Examiner comments

Overall the question was not well answered as many candidates could not distinguish specific drivers for change that related to the case study. This was particularly the case for lower ability candidates who were not able to access this question as required. There also seemed to be confusion about driver for change which was the focus of the question and benefits of the change taking place which is not the same thing. Centres should ensure that candidates know the difference between these things in relation to questions of this nature. Where candidates were able to identify drivers then they invariably were able to go on to develop their selected drivers within the context of the case study. This is an important skill for candidates to have as the applied nature of the paper dictates the need to be able to develop answers in a contextual manner to achieve the higher level of marks on the paper.

Exemplar Candidate Work

Question 1(a) – Low level answer

1 Refer to Resource 1.

(a) Outline two internal drivers of change at SGFC Ltd.

1 One internal driver of change could be that the business budget and is running out of money

2 Another internal driver of change could be that SGFC is re relocating to a different location

[4]

Commentary

In the first answer the candidate has correctly identified that one driver for change is that the football club is "running out of money" which is taken as being for financial reasons. This achieves the first mark however no development mark has been achieved as the point made has not been developed. In the second answer the candidate has stated that relocating to a different location is a second driver for change. This is the actual change that has taken place and is therefore not considered as a driver, or reason why change has taken place.

To move the answer into a medium level answer then a second driver for change should be stated. This could involve the stating drivers such as the need for more space to develop the football club or to address the safety issues that existed within the club. Another way to improve the answer would be to provide a development through stating why the driver stated would be needed for change.

It should also be noted that the question asks for internal drivers which should come from the case study material provided and should also be internal in nature rather than external driver which would not gain any credit.

Exemplar Candidate Work

Question 1(a) – High level answer

1 Refer to Resource 1.

(a) Outline two internal drivers of change at SGFC Ltd.

1. A driver of change for SGFC Ltd is budgetary problems as it tells me in the source that the club is running out of money. This may cause decline in profits made resulting in (loss) for the business.
2. Another driver of change is that the old football ground is now a health and safety risk. This is a driver of change because if an employee or customer gets hurt the business will be liable for the damages. [4]

Commentary

In both responses given, the candidate has correctly identified two internal drivers for change. In the first response the candidate has identified that one driver could be the financial issues that the club is facing in terms of the budgetary problems that the football club faces. There is no development of this point which limits this part response to one mark. If this was provided, then a second mark would be achieved by the candidate.

In the second response, the candidate correctly identifies that one internal driver for change relates to the health and safety risks posed by the old stadium that the club has had. The candidate also then goes on to develop this answer by stating why this is an internal driver for change in terms of damages that the football club would be liable for. This is a well-constructed answer and achieves the two marks that are on offer for this part response. This shows good practice in terms of stating the driver and then clearly developing this to achieve the second mark on offer.

Question 1(b)

(b) Analyse **four** likely barriers to change at *SGFC Ltd*.

Which one of these four barriers is likely to have the greatest impact on *SGFC Ltd* if it is not managed successfully?

Give reasons for your choice.

[16]

Use levels of response criteria.

Responses include:

- lack of employee engagement/resistance to change
- lack of plan cohesion
- lack of a Project Manager
- lack of skills or structure needed
- lack of funds
- protests from local stakeholders.

Exemplar response:

There is no identified project manager (**L1**) to plan activity and support a smooth move (**L2**). This may lead to project failure because of poor planning and implementation (**L3**).

The staff are reported to have said they are unhappy with the move (**L1**) as they see potential problems (**L2**), which may lead to staff not supporting the move and causing disruption in the workplace (**L3**).

Some fans may not support the move as they may find it hard to get to the new location (**L1**) especially if they usually walk to the ground (**L2**).

This could result in possible reduced gate numbers. (**L3**).

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Furthermore, a real barrier is the absence of a clear strategy which fits together (**L1**) this means that some actions may be left out (**L2**). This may have an impact on the final outcome of the move and the extent of the benefits that can be realised e.g. additional funds for players (**L3**).

At this stage the most important barrier is the lack of a project manager as they would be able to pull the plan together and spend time addressing the other issues. Issues such as office staff buy-in and coordination of transport to the new location for fans living in Salford, as well as a marketing campaign to support the retention of the club's identity and existing fan base need to be addressed if the move is to be successful for the football club (**L4**).

Mark scheme guidance

Levels of response

Level 4 (13 – 16 marks)

Candidate evaluates which barrier to change is likely to have the greatest impact on *SGFC Ltd* if not managed successfully.

Level 3 (9 – 12 marks)

Candidate analyses barrier(s) to change likely to impact on *SGFC Ltd* if not managed successfully.

Level 2 (5 – 8 marks)

Candidate explains barrier(s) to change likely to impact on *SGFC Ltd* if not managed successfully.

Level 1 (1 – 4 marks)

Candidate identifies barrier(s) to change likely to impact on *SGFC Ltd*.

For Level 4:

13 marks – a judgement has been reached about which barrier has the greatest impact with a reasoned comment as to why.

14 marks – a judgement has been reached with contextual argument as to why it has been chosen.

15 marks – a judgement has been reached with reasoning and reference to why others were not selected.

16 marks – detailed and reasoned judgement is reached with a full comparative and contextual discussion as to why others were rejected.

NB All four barriers must have been analysed to enter Level 4.

Examiner comments

Most candidates were able to access this question as the setting for the question has been similar across the sample assessment material and the initial sitting of the paper in the January 2018 session. Most candidates in their responses were able to demonstrate an understanding of what barriers to change are and were able to successfully select these from the case material. Where there was some misunderstanding was in the confusion between barriers to the change which was the focus of the question, and limiters to the success of the change. The former relates to things which may affect the change occurring whilst the latter focuses on how successful the change is likely to be. Whilst there is a subtle difference between the two, one would allow the question to be successfully answered whilst the other would not.

Candidates invariably managed to achieve answers in the range of the top of Level 2 and the bottom of Level 3 through being able to identify relevant barriers, explain them in context and comment on the impact that these barriers would have to the change. The main reason why candidates were not able to progress answers into Level 4 was because they did not consider the required number of relevant barriers within the responses. As the question asked for consideration of four barriers then this is what was required in order to access Level 4. Another reason was because of the lack of a valid conclusion. In several responses candidates had considered appropriately the required number of responses but disappointingly did not progress answers further to conclude which was the most significant barrier with appropriate reasoning. Care should be taken to ensure that reasoning is not a restatement of points previously made but centres should ensure that conclusions can be drawn from the evidence presented in the previous part of a candidate's response.

Question 1(c)

- (c) Produce a plan of action showing for *SGFC Ltd* based on the **four** soft elements of McKinsey's 7-S model for change.

Evaluate the suitability of your plan of action for *SGFC Ltd*.

[16]

Use levels of response criteria.

Indicative content:

- Shared values
- Skills
- Styles
- Staff.

Exemplar response:

One soft element of McKinsey's 7-S model is 'shared values' (**L1**). Shared values are more likely to be developed if *SGFC Ltd* holds meetings with each of its key stakeholder groups, for example shareholders, directors, managers, office staff, fans and local businesses. (**L2**). This plan is suitable because it should lead to more understanding of the issues and greater consensus (**L3**).

To develop new skills (**L1**), *SGFC Ltd* should coordinate training initiatives e.g. for the catering and corporate hospitality (**L2**). This should lead to better food quality and success of the new business. (**L3**)

SGFC Ltd should adopt an engaging style of explanation with fans (**L1**). This can be achieved by ongoing dialogue with fans through the media and the Internet (**L2**). This plan is suitable because it should lead to fans having a greater buy-in to the change process and continued support (**L3**).

The football club should give significant consideration to its staff (**L1**). Staff should be kept informed on a regular basis using, say, emails or staff bulletins, placing a priority on staff morale (**L2**). This should lead to staff being more supportive and, therefore, less resistant to the change. (**L3**)

On the one hand the plan is suitable as it addresses the hearts and minds of stakeholders (**L4**) especially the staff and fans who are the key groups (**L4**). However, it lacks the specific steps of creating urgency, removing obstacles and creating short-term wins that Kotter includes in his process for leading change (**L4**). This may lead to the plan of action lacking impetus and the change may proceed more slowly than it otherwise might (**L4**).

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Mark scheme guidance

Levels of response

Level 4 (13 – 16 marks)

Candidate evaluates the suitability of their plan of action for *SGFC Ltd* based on the soft elements of McKinsey's 7-S model.

Level 3 (9 – 12 marks)

Candidate analyses the component(s) of their plan of action based on the soft element(s) of McKinsey's 7-S model.

Level 2 (5 – 8 marks)

Candidate uses the soft element(s) of McKinsey's 7-S model to create a plan of action.

Level 1 (1 – 4 marks)

Candidate identifies soft element(s) of McKinsey's 7-S model.

For Level 4:

13 marks – one valid point of argument.

14 marks – two valid points of argument.

15 marks – three valid points of argument.

16 marks – four valid points of argument.

This question includes three embedded marks for applying knowledge from Unit 1. One mark from Unit 1 LO1 Understand different types of businesses and their objectives, one mark from Unit 1 LO5 Understand the relationship between business and stakeholders and one mark from Unit 1 LO7 Understand why businesses plan.

Examiner comments

This question focused on the use of McKinsey's 7S change management model, and the soft S elements of it, to suggest a strategy that can be followed to implement the required change. Responses to this question were very varied including some very good Level 4 answers through to responses where candidates did not even attempt the question. There were a larger than expected number of the latter type of response which indicates that centres need to focus more on the delivery and application of the various change management theories in context to allow candidates to produce a response to a question of this nature.

When candidates were able to offer responses, most were able to identify the four soft elements of McKinsey's theory which garnered a Level 1 mark for theoretical understanding. As the question required candidates to develop a change management plan using this theory then candidates were required to identify actions relating to these theories to access marks at Level 2. The most popular area for development were skills and the identification of the need for training. Staffing issues were less well addressed as candidates seemed to mix this up with skills causing confusion with responses given. Better candidates were able to develop their answers to achieve Level 3 through consideration of the impact of the actions suggested. Very few answers were seen moving into Level 4 and centres should look to develop the skill of evaluating the suitability of using stated change management theories in the context of case material.

Exemplar Candidate Work

Question 1(c) – Low level answer

- Skills, Style, Stage, Shared value*
- (c) Produce a plan of action showing for SGFC Ltd based on the four soft elements of McKinsey's 7-S model for change.

Evaluate the suitability of your plan of action for SGFC Ltd.

[16]

The McKinsey 7-S model is a model that is used to help the business to make change.

There are seven interlinked steps of which four are known as soft S's called Skills, style, stage and shared value.

SGFC should look at all four of the soft S's because it will help them to implement the change. They should consider skills to see when moving the grounds these soft S's will come into play. They will consider what skills they need in order to correctly manage the change and the new grounds after the change is implemented. For the style they will need to see what type of implementation style they are going to use and why they want to use it. For stage they will need to consider the management teams to what they should consist of. For shared value SGFC should see

Commentary

This question requires candidates to know, explain, apply and evaluate the 4 soft S's from the stated change management theory to the situation stated in the case material. A level 1 response requires candidates to state what the key elements of the theory are which should be developed into level 2 by using the soft elements identified to create a plan of action to implement the proposed change. An answer achieving level 3 analyses the impacts or consequences of the actions of those elements of the action plan that has been identified in level 2. To achieve level 4 then the candidate should then go on to evaluate the suitability or likely success of the action plan that they have suggested.

The answer shown achieves the top end of level 1 (4 marks) as the candidate has correctly identified the four soft elements of change management theory that has been stated in the question. The candidate does not provide any development of these elements to progress the answer into level 2 therefore. No other material has been provided to allow the candidate to progress this answer beyond the marks that have been achieved.

To improve this answer to a medium level then the candidate should have looked to provide actions that could be suggested by the 4S's that a candidate may have stated in their answers. These may include for example:

- Shared values (L1) implemented by holding open meetings with key stakeholders to explain the changes (L2)
- Develop skills (L1) through providing training programmes for staff to fill new roles available in the club move (L2)
- Style (L1) can be implemented through having constant dialogue with fans and local media about the changes being experienced in the club (L2)
- Staff (L1) can be involved through communicating change decisions with them through internal communication channels regarding the changes being faced (L2).

This would move the answer up to the top of level 2 and would only require the candidate to explaining an impact of one of these actions to move the answer into level 3. Candidates should get into the practice of developing points in this way to progress answers towards the top of level 2 or bottom of level 3 as a consequence.

Exemplar Candidate Work

Question 1(c) – Medium level answer

- (c) Produce a plan of action showing for SGFC Ltd based on the four soft elements of McKinsey's 7-S model for change.

Evaluate the suitability of your plan of action for SGFC Ltd.

[16]

Soft S:
Staff
Style
Skills
Shared
Values.

There are many actions to plan for SGFC when going through the change of relocating. The first action that the manager needs to do is ~~consider~~ consulte ~~with~~ (talk) with the stakeholders. Talking to the stakeholders is important because stakeholders such as staff need to understand what is happening and why is this change happening the business. relating to McKinsey's 7-S model. One soft S relating to managers talking to employees is style. The right type of leadership will would show what is happening and maybe with the right type of style leadership, employees may agree to the change.

The next step for plan is for the managers is to pick a project champion. This will help the club because one person will be selected to help around the business. ~~and~~ This will empower some employees. Empowering employees will help for the them to start agreeing to the change. To link is to the soft S of McKinsey. Then one soft S that fits is ~~staff~~ having the right type of staff with the right attitude towards the business will help the business success and ~~for employees to agree to the change.~~

The next step is to ~~be~~ make sure that all aims, objectives and the vision is clear and easy to understand fits is skills. The managers picked a staff to be the Project team champion because they have the right, attitudes, values and culture to be come one.

The next step is to make sure that all aims, objectives and the vision is clear and easy to understand. This is because employee will not get confused with what is happening and know all about the business aims and objectives. The soft S that links to this action is shared values. If all stakeholders know about the aims and objectives and understand it inside and out and is happy with it then the club will have the same ~~share~~ shared values, cultures and attitudes about the business. They will do what they can to try and all achieve the aims and objectives.

The last action is to celebrate because if these objectives are achieved then employees such as staff should be happy that their objectives have been made met. Linking to soft S, staff should linking to the soft Ss, the staff should be happy that their aims and objectives have been met.

Overall the action that is most effective is having an project champion. This is because employee will feel comfortable with a new leader getting them tasks to do. This would empower employee into doing more for the club.

Commentary

In this answer, the candidate has correctly identified the four soft S's of McKinsey's theory to achieve level 1 and has then developed each of these by identifying a potential change action that would allow the development of these points in the context of the football club. The candidate though has not moved the answer forward by commenting on potential impacts or consequences of these actions to access a mark within level 3.

To start moving this answer forward into a higher level answer, the candidate should start by looking to developing the level 2 points further through commenting on impacts or consequences of these actions on the football club. For example, one action that the candidate identifies early in their answer is that there should be consultation with their staff. An impact of this could be that the staff become more motivated as they may feel that they have had an influence on the change that will take place.

By developing their other actions in a similar way, then it will allow the candidate to move their answer to the top of level 3. The candidate will then be able to access level 4 through the evaluation of the actions that they have suggested. This might be completed through the consideration of why the different actions and their impacts are likely (or not) to lead to the change plan being successful in terms of the required outcome.

Exemplar Candidate Work

Question 1(c) – High level answer

- (c) Produce a plan of action showing for SGFC Ltd based on the four soft elements of McKinsey's 7-S model for change.

Evaluate the suitability of your plan of action for SGFC Ltd.

[16]

SGFC Ltd will have to stop what they are doing to manage the change because it is not working for them and will be unsuccessful otherwise.

Firstly, I think that SGFC Ltd should carry out a skills audit with all the staff so they can find out what skills they are lacking, because this was a barrier to change. Once this has been identified, training for the staff should be implemented so they can gain the skills they need. For example, they lack catering skills so off-the-job training could be put in place so staff can acquire the skills. This links to McKinsey's 7-S model as staff and skills are one of the 4 soft S's, and doing this will improve staff skills ~~which are~~ ^{for catering} ~~allowing~~ ^{both} these outlets to be more successful.

Another thing that should be done is to produce a project team and assign a project manager. Doing this will allow them to plan for the change more and allow it to be carried out more successfully. This is because they will be able to lead and monitor the project and identify how they should carry it out, making

The project can run a lot smoother. This will also link to staff within the McKinsey 7-S model because they will need to change some staff ~~roles~~ within the business.

Furthermore, clear aims and objectives should be set up for the change as this will allow them to monitor the change and see if it's been successful for them. Setting clear aims and objectives will allow the project to be tailored to meet the objectives and monitor the progress. So if it is not on track they can sort the problems out as soon as possible. This will relate to shared values in the McKinsey 7-S model because everyone's ~~the~~ goals of the project will want to be met and can be put in the aims and objectives if agreed.

Finally, a communication method between stakeholders should be implemented as this will gather everyone's thoughts on the change and what they want to achieve. This will allow the project to be more successful as all stakeholders will be informed of what's happening, also everyone can put their thoughts in. Also taking to shared values ~~because~~ ^{because} all stakeholders will have a say in the project.

Overall, I believe that the plan of action is sustainable as they are small, easy tasks which can be implemented to make the project successful.

Commentary

In this response the candidate has identified the four soft elements required of the theory and has used these to identify actions which the football club could take to implement this change. Each of these changes has been developed further through the consideration of the impact or consequence of these changes on the football club and the implementation of the change. The candidate then provides one evaluative point in terms of the fact that the changes identified are small and easy steps to implement to make the change successful.

To further improve the answer towards full marks, the candidate should consider further evaluative points to move the response towards full marks. This could include comments to further justify the actions that had been selected by the candidate, but also could include any negative points that should be considered when examining consequences and impacts of the various change actions that the candidate has discussed within their answer.

Question 2 – resource

Resource 2

SGFC Ltd has now moved to its new location and has been operating for several months. The following document has been put together for discussion at the forthcoming board meeting. It shows data for the last four weeks of the season.

SGFC Ltd	4 Week Expected	4 Week Actual
Key Performance Indicators:		
Number of entrance tickets sold	4000	2000
Retail merchandise sales	£20 000	£40 000
Number of health and safety incidents	4	1
Number of days of office staff absence	10	50
Membership data:		
Number of junior memberships sold	300	600
Number of adult memberships sold	300	100
Number of senior memberships sold	300	100
Number of corporate memberships sold	100	300

Informal feedback received from SGFC Ltd's fan club members

"The new training ground for schools at the new site is fantastic. My son has joined as a junior member. He and the lads at his school love it so much. His school appreciates being able to use the new facilities." **Father of a new Junior Member**

"The new venue has great parking facilities for members. The congestion in Salford town centre on match days must have disappeared; the local residents of Salford must be pleased." **Adult Member**

"The club seems to have lost its identity with the town of Salford, although all the supporters live there! I have not renewed my membership and I will not go anymore." **Former Member**

"As a retired lady, I find the bus journey to matches very expensive, but the bus company seems to be doing well out of it!" **Senior Member**

Comments made at a recent Salford and Siltridg e Business Network Meeting

"Many of Salford's and Siltridg e's local businesses have bought corporate memberships, we love taking our clients there for dinner to watch a match." **Mrs Hockley, owner of Hockley Builders of Salford**

"Siltridg e Town Council feels that the new SGFC Ltd site is well-situated next to Siltridg e. The council appreciates the business rates the club pays to us, it increases our revenue." **Miss Tiley, Siltridg e Town Councillor**

Anonymous Comments recently posted on social media relating to SGFC Ltd

"SGFC Ltd is not as well supported now that it has moved out of Salford, but some fans still go and they really like the new 'club shop'."

"Office staff at the club are unhappy with the changes, they say it is all very disorganised with no one person in charge."

Question 2(a)

2 Refer to **Resource 2**.

(a) Identify **two** new services *SGFC Ltd* is providing as a result of the changes made.

1 **Indicative content:**

- school sports training facilities
- education centre

2

- gym
- training facilities
- retail of football merchandise e.g. replica football kit
- shop(s)
- bar(s)
- catering facilities (e.g. restaurant (1), café (1))
- corporate/business hospitality
- (better) parking facilities
- conference centre
- business entertainment facilities.

[2]

Exemplar response:

retail of replica football kit and merchandised football products (1).

Mark scheme guidance

One mark for each correct identification up to a maximum of two identifications.

Examiner comments

Most candidates were able to identify two new services that would be offered because of the change taking place. This showed that candidates were able to access the case study material well and identify the relevant information that was provided across the supporting information. As such this question was probably the most accessible on the paper and the work that centres have done in terms of using case material has been well rewarded in this instance.

Question 2(b)

(b) Identify **two** external stakeholders of *SGFC Ltd*. In each case, explain how the stakeholder may benefit from the changes at *SGFC Ltd*.

Stakeholder 1	<p>Responses include:</p> <ul style="list-style-type: none"> • Schools • Local council • Members • Suppliers • Property developer • Shareholders • Local community/residents • General public • Customers • Transport businesses. <p>Exemplar response:</p> <p>Local schools (1) may benefit from the move as the new ground has educational facilities (1) which may motivate school children to take up more sport (1).</p>	
Explanation		
		[6]

Mark scheme guidance

One mark for each correct identification up to a maximum of two identifications, plus up to two further marks for each of two developments.

This question includes one embedded mark for applying knowledge from Unit 1 LO5 Understand the relationship between businesses and stakeholders.

Examiner comments

There were many candidates who were able to achieve all of the marks on offer through the identification of appropriate external stakeholders and then developing their answers to explain how the identified stakeholders would benefit from the changes made. Where candidates lost marks tended to be because their answers did not provide an explanation of the benefits for the selected stakeholders. This was largely because the responses given were statements of benefits as opposed to an explanation. Explanations require a linked expansion to be made of a point stated in an answer which is where candidates tended to lose marks consequently. Some candidates confused external stakeholders with internal stakeholders although these sorts of responses were not as common.

Question 2(c)

(c) Analyse the qualitative and quantitative data shown in **Resource 2**.

Advise *SGFC Ltd* of the most important issues it needs to address to keep the change management process on track.

Justify your answer.

[16]

Use levels of response criteria.

Issues include:

- ticket sales at 2,000 are 50% down against the prediction of 4,000
- adult and senior memberships at 100 each are both 33% of their 300 predicted sales
- there were 100 fewer non-corporate membership sales in the 4 week period than predicted
- office staff absences at 50 were significantly above predictions of 10, 5 times as many days off as expected
- bus journey to matches very expensive
- not as well supported since the move
- changes disorganised with no one person in charge
- members who walked before dislike the need to catch a bus
- Salford Football Club is losing its identity with its relocation.

Exemplar response:

Adult memberships (**L1**) and senior memberships (**L1**), indicating a shift in the core of the fan base (**L2**).

Ticket sales (**L1**), down by a half at 2000 against the prediction of 4000 (**L2**). As a consequence, sales revenue will be down impacting on the ability of the club to pay its bills in the short term and buy players in the long term (**L3**).

Staff absences (**L1**) indicating that the club will find it hard to complete all necessary tasks to run the club (**L3**).

New stakeholders like the schools and Corporate Members appear to be happy with the change, but the existing core stakeholders of the staff and traditional fans appear to not have been accommodated as well. Failure to retain their buy-in could be critical for the longer term success of the club, as it impacts on sales now and the service given to attract and keep not just the corporate members. It is essential that the hearts and minds as well as the practical needs of staff and members are addressed as the club exists for its members, supported by the staff. Corporate entertainment for example, which brings in additional revenue, will only be sustained with a thriving club of motivated workers and all fan groups buying into the change, no matter where the club is located or what new products and services are offered (**L4**).

Mark scheme guidance

Levels of response

Level 4 (13 – 16 marks)

Candidate evaluates issues that need to be addressed at *SGFC Ltd.*

Level 3 (9 – 12 marks)

Candidate analyses issue(s) that need to be addressed at *SGFC Ltd.*

Level 2 (5 – 8 marks)

Candidate explains issue(s) that need to be addressed at *SGFC Ltd.*

Level 1 (1 – 4 marks)

Candidate identifies issue(s) that need to be addressed at *SGFC Ltd.*

For Level 4:

13 marks – a judgement has been reached about which issue is the most important with weak justification.

14 marks – a judgement has been reached about which issue is the most important with sound justification.

15 marks – a judgement has been reached about which issue is the most important with detailed justification.

16 marks – a judgement has been reached about which issue is the most important with full justification.

This question includes one embedded mark for applying knowledge from Unit 1 LO8 To be able to assess the performance of business to inform future business activities and one embedded mark for LO4 Be able to use financial information to check the financial health of businesses.

Examiner comments

The focus of this question was to analyse the data provided in the case material and then advise which were the most significant issues that needed to be addressed. This fact caused problems as parts of the answer focused on data which was not actually an issue that needed to be addressed. Most candidates were able to identify issues that required addressing and were then able to explain why these were issues which gave a mark within Level 2. Fewer candidates were able to develop answers into Level 3 with some indication of what impact these issues would have on the football club which should be a natural step following on from the explanation of the issue in the first instance. Few candidates achieved Level 4 where they were expected to select and justify the most significant issue for the football club to address. By offering some indication of this with reasoning candidates would push their responses into the higher level as a consequence.

Exemplar Candidate Work

Question 2(c) – Low level answer

(c) Analyse the qualitative and quantitative data shown in Resource 2.

Advise SGFC Ltd of the most important issues it needs to address to keep the change management process on track.

Justify your answer.

[16]

The qualitative data shows that the fans ~~and~~ club members are happy ~~with~~ with the new location. One of them stated that "the new venue has great parking facilities for members. The congestion in Selkirk town centre on match days have diminished, the local residents must be pleased."

Another father of a new junior member said that "the new site is fantastic and his son loves it."

However there were still people who are not happy with the change such as 'former member' which said that "the club lost its identity and he has not renewed his membership" also a senior member complaint about bus fares which are expensive.

The local businesses seem to be happy and so is the Council which are happy with the revenue.

The quantitative data shows that the key performance indicators for number of entrance tickets sold has dropped by 2000 and number of staff absent has increased by 40. However they are doing well in retail merchandise sales which increased by £20,000 and number of safety incidents has decreased.

The membership data shows that junior membership has increased by 300 and corporate membership by 200. However, the adult and senior has decreased by 200.

The most important issue that needs to be addressed is the staff absent because it affects the productivity of the business and overall sales.

Commentary

In this response, the candidate has correctly identified four issues with the change that has taken place. It is important the items identified are issues (negatives) as opposed to benefits (positives). The four issues that the candidate has identified have been developed in terms of explaining the issue either using data from the case study material or through explaining why the issue is an issue. Therefore the candidate has achieved level 2. The candidate though has not made any reference the impacts or consequences of these impacts on the football club.

Given that the impacts are likely to be considered as being negatives, then it is likely that these consequences are likely to be negative also. These should be considered in the context of either the data or the case study provided. This will allow access to level 4 through the evaluation of these actions through consideration of judgements as to which of the issues identified are the most significant for the football club to consider.

Exemplar Candidate Work

Question 2(c) – High level answer

(c) Analyse the qualitative and quantitative data shown in Resource 2.

Advise SGFC Ltd of the most important issues it needs to address to keep the change management process on track.

Justify your answer.

[16]

There are many important issues SGFC Ltd will need to consider to address to keep the changes such as their KPI. The key performance indicators suggest they have expected more numbers of entrance tickets to be sold but in fact had actually sold half of those which is £2000 tickets. They can use this to check whether they will be expecting more after another several months to keep on track and see any differences. The KPI also showed very low. This could suggest that not many fans/people knew of the new location of the club and the club may need to invest in more marketing campaigns in order to raise their numbers of tickets they would expect to sell in the few weeks.

Another issue is the number of days the office staff absence. The KPI shows they had expected only 10 staff to be absent in four weeks whereas it had actually been 50 staff in total over the four week period to have been absent. This suggests the office staff may have still not adapted to the change which shows there has been an increase in absenteeism which should be looked at as the less staff on in the day the more work is being delayed and could result to labour turnover in the future. However, the

Club SFC Ltd could keep a track on their staff and possible reward them by motivating them by rewarding them to ~~show~~ get more staff into work or impose they could lose their job.

The qualitative data of internal feedback received from SFC Ltd from club members suggest there is no 'bus journey to the matches very expensive' by a senior member. This means the club will have a low turnout of club members to come to the matches which would decrease the profitability of the business and loss out on tickets being sold. ~~They could~~ They could keep a track on the amount of people turning up and offer a discount to their club members as they have to travel far and pay travel cost on top. This would allow customers feel better and come to the matches often.

Lastly the comments made ^{by} ~~at a recent Seljord~~
~~and Stridge business networking meeting suggest~~
~~the~~ informal feedback from a club member
 feel that "the club has lost its identity with the
 town of Seljord as all ~~supporter~~ supporters
 live there" ~~said~~ ^{and}. This suggests the club
 will need to rebrand their logo of the club
 as they have moved town. Not everyone feels
 like they ~~as~~ the club is representing ~~Sel~~
 Seljord ~~and~~ they could keep track of by
 giving former long-term club members
 season passes to the game.

Overall, I believe the most important issue here
 is the UFI which show there were not many
 tickets sold compare to any data which could
 affect the profitability of the ^{club} ~~business~~ and the
 change of new location may have been a wrong
 move for them if not managed well to recruit
 then the club may lose out of staff as well as
 club members.

Commentary

In this answer, the candidate has provided a combination of level 1 and level 2 points to allow the achievement of the top of level 2.

This has been achieved through making clear statements of issues from the case study as well as using data from the case study to explain the points that have been made regarding these. The candidate has then gone on to provide two level 3 points which will relate to the impact or consequence of the issues that had previously been discussed in the response given to that point. This allows access for the candidate to level 4 as level 3 points act as a gateway to achieve level 4. No minimum number of points at level 3 are required to achieve level 4 as no number had been stated in the question.

To improve this response, the candidate could provide further evaluative points beyond the one that they have made. This would therefore add depth to the answer that they give which would ensure that the level of detail in the judgement of the most significant issue would have been covered. This would mean that a fuller consideration of all of the issues will have been covered.



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