



National
Qualifications
SPECIMEN ONLY

SQ03/AH/01

Business Management

Date — Not applicable

Duration — 2 hours 45 minutes

Total marks — 80

SECTION 1 — 40 marks

Attempt ALL questions.

SECTION 2 — 40 marks

Attempt ALL questions.

Write your answers clearly in the answer booklet provided. In the answer booklet you must clearly identify the question number you are attempting.

Use **blue** or **black** ink.

It is recommended that you spend 15 minutes reading over the information provided in **SECTION 1** before responding to the questions.

Before leaving the examination room you must give your answer booklet to the Invigilator; if you do not, you may lose all the marks for this paper.



* S Q 0 3 A H 0 1 *

SECTION 1 — 40 marks

Read ALL the following information and attempt ALL the questions that follow.

BRITVIC PLC

Background

Britvic plc is one of the leading soft drink companies in Europe, with operations in Great Britain (GB), Ireland and France. It is the largest supplier of branded still soft drinks and the number two supplier of branded carbonated soft drinks in GB, and it is an industry leader in Ireland and France.

The company has developed a strong portfolio of its own iconic brands, including Robinsons, Tango and Ballygowan. In addition, in GB and Ireland, the company produces and sells a number of PepsiCo's famous soft drink brands, including Pepsi and 7UP, under exclusive agreements with PepsiCo.

Vision

Britvic's vision is to become one of the most admired soft drinks businesses in the world through:

- becoming the benchmark for the soft drinks industry in GB and Ireland
- fully exploiting global opportunities in kids, family and adult markets
- creating a simple focused operating model, empowering its people and matching resources and capability to the opportunities
- being a trusted and respected member of the communities in which it operates

Growth

Britvic has also been expanding into other territories, particularly the United States of America (USA). Britvic has successfully developed the business through a clear strategy of organic growth and international expansion based on creating and building scalable brands.

(Exhibit 1 gives an extract of Britvic's growth history)

Proposed merger with A G Barr PLC

In 2012 a merger was proposed with the soft drinks company A G Barr which would have created one of the largest soft drinks businesses in Europe, with annual sales of over £1.5 bn, a portfolio of leading brands and significant prospects for future growth.

This proposed merger was conceived following Britvic having to recall all Fruit Shoot stocks due to a design issue costing the company £25 m. The Office of Fair Trading referred the proposed merger to the Competition Commission for approval.

However, Britvic was able to resolve the issue and Fruit Shoot enjoyed a strong recovery. International growth opportunities gained momentum with new agreements in Spain and India for Fruit Shoot and for the brand in the USA, with distribution into 32 states. Progress was reflected in strong share price growth to 575 p.

SECTION 1 (continued)

During this time a new Chief Executive, Simon Litherland, was appointed to the company. He defined a new strategy and organisational model for Britvic, with a net investment of £40m underpinning annual costs savings of £30m by 2016. With a new strategy and leadership team in place there was a turnaround in the fortunes of the business, with Fruit Shoot avoiding long-term damage to the brand.

Following clearance from the Competition Commission for the merger to go ahead, Britvic's fortunes had changed substantially. Britvic's Board of Directors decided that a future independent of A G Barr was preferable to merging.

Relationship with PepsiCo

Britvic has enjoyed a successful long-standing relationship with PepsiCo since 1986. In 2003 the exclusive bottling agreement was renewed for a further 15 years. Following Britvic's admission to the London Stock Exchange in 2005 PepsiCo extended this agreement until 2023. This relationship gave Britvic the exclusive right to distribute the Pepsi and 7UP brands in GB and Ireland. It also gained access to all new carbonated drinks developed by PepsiCo for distribution in GB and Ireland. Britvic has access to PepsiCo's consumer insight, marketing best practice, brand and product development expertise and technological know-how.

Closures

Bottled water represents 16.5% of the soft drinks market in GB, equating to a volume of 1.5bn litres and is worth almost £1bn in retail sales value. Britvic had water production facilities in both GB and Ireland. In March 2014 the company closed production facilities in Huddersfield and Chelmsford as part of their wider plans to merge UK and Irish operations. The closure of the Huddersfield factory ended production of Drench and Pennine Spring Water allowing Ballygowan to become the single water brand for GB and Ireland. Ballygowan is bottled at source at a state-of-the-art facility in Co Limerick and is Ireland's leading water brand with a 21% market share.

The production line of Fruit Shoot was transferred from Chelmsford to the South of France.

Sustainable business strategy

In 2012 Britvic approved a new sustainable business strategy. This ensures that the company is well placed to address the key social and environmental risks facing it.

The strategy focuses on three key areas:

People – to be trusted and respected in the communities in which it operates

Planet – to ensure a future supply of resources whilst minimising its impact on the environment

Profit – to achieve continued profitable business growth

(Exhibit 2 gives further details of Britvic's sustainable business strategy)

Technology

The UK soft drinks market is fast growing with sales of £4.1 bn and within that, the draught drinks market is worth £2.2 bn (53%) of soft drinks sold.

Leisure Market

Britvic has recently launched a new range of draught packages appealing to pubs, clubs and leisure facilities which it claims will improve the consumer experience and increase dwell-time and sales. This includes new flow control technology ensuring that customers receive a consistent high quality drink every time. Using the latest digital technology Britvic has modernised its drinks dispensers to increase purchasing and appeal. New Pepsi glassware enhances carbonation of the liquid and helps measure the ice content in each serve. The glasses are visually appealing and also feature BLIPPAR technology.

Britvic is the first soft drinks company to launch 'BLIPPABLE' glasses, which use mobile augmented reality and image recognition technology to create a more exciting experience. Customers can download the BLIPPAR app to scan the glasses, access exclusive content, and enter competitions quickly, which Britvic hopes will improve the customer experience and increase dwell-time.

Production

Britvic's biggest production site is based in Rugby and produces up to half of all its drinks. This is Britvic's only factory that makes drinks in cans and equates to 75% of the factory's total production. This factory also allows production of drinks free from preservatives but without need for refrigeration. The cans are manufactured and delivered directly via a conveyer belt through an underground tunnel from a supplier factory next door.

Britvic blow mould all plastic bottles in the factory reducing environmental and financial costs of transport. This has reduced energy used by delivery from suppliers by 90%.

(Exhibit 3 gives some further information on Britvic's financial performance, market position and size of its operations)

**The above information is taken from Britvic PLC's annual report of 2013. Unless stated otherwise, the above, and accompanying exhibits, are current as at 1 September 2014 and refer to the organisation's situation at that date.*

Exhibit 1

Extract of Britvic's growth history

Mid-19th century	<ul style="list-style-type: none">• A Chelmsford chemist begins creating homemade soft drinks.
1986	<ul style="list-style-type: none">• First 20-year bottling arrangement with PepsiCo agreed in the UK.
2005	<ul style="list-style-type: none">• Launched as PLC.
2007	<ul style="list-style-type: none">• Britvic Ireland formed on acquisition of Contrell and Cochrane Soft Drinks for €249.2 m.
2010	<ul style="list-style-type: none">• Britvic France was formed on acquisition of Fruite, a French soft drinks company, for £202 m to provide a bridgehead into continental Europe. The French soft drinks market is worth €12.5 bn.• In Australia, Fruit Shoot was launched. Under agreement, Bickford's manufacture, market and sell the brand, with Britvic supplying key juice and flavour ingredients.
2012	<ul style="list-style-type: none">• Agreement with three of the top bottlers of Pepsi allowing manufacture of its leading soft drinks brand, Fruit Shoot, in the USA for the first time.
2013	<ul style="list-style-type: none">• 15-year bottling agreement for Fruit Shoot in the USA with PepsiCo Americas Beverages, allowing distribution of Fruit Shoot to grow to 32 states.• A long-term exclusive bottling agreement with PepsiCo Americas Beverages, for both expanded distribution and additional manufacturing capacity. This will see Fruit Shoot available in 41 states.• An agreement was made with PepsiCo South-West Europe for the national distribution of Fruit Shoot in Spain.• A distribution agreement for Fruit Shoot with the Narang Group will see the brand available to consumers in India mid-2014.

Exhibit 2

Sustainable business strategy

People	<ul style="list-style-type: none">• Globally Britvic supports a clean water project in Ethiopia and UNICEF’s emergency relief fund.• Britvic supports a number of charities and actively encourages its employees to get involved through volunteering.• In partnership with Barnardos, Britvic supports young people at risk of dropping out of the school system. They created a training programme to help build confidence in young people and encourage them to stay in education.• Britvic’s ‘wellness@work’ programme encourages employees to live healthier lifestyles. This includes organised exercise at many of its sites and healthy eating in staff canteens.• Britvic supports the government’s “Change4Life” programme.• Marketing shows its brands promoting healthy and active lifestyles.• Britvic France sponsors the Tour de France through its Teisseire brand.
Planet	<ul style="list-style-type: none">• Environmental initiatives have been implemented such as waste prevention reviews, equipment insulation and rinse water recovery systems. In the GB Beckton factory site, this system is expected to save 33 m litres of water annually.• Britvic is working with suppliers to understand their environmental impact. This led to the sustainable procurement of fruit.
Profit	<ul style="list-style-type: none">• As part of the “Transform your Patch” campaign, Britvic teamed up with the environmental regeneration charity, Groundwork, to regenerate more than 180 outdoor spaces. “Transform Your Patch” was one of the most ambitious community-led regeneration schemes to take place in the UK. Every soft drink purchased from any of the participating brands, represented a 1 cm² piece of land that was transformed.

Exhibit 3

Additional Information

Financial:

	2013	2012	2011
Revenue (£m)	1,321.9	1,256.4	1,290.4
Profit (£m)	82.6	62.9	77.9
Cash flow (£m)	91.5	47.6	43.0
Market capitalisation (£m)	1,398.0	866.0	760.0

UK market position:

- Number 1 supplier of still drinks
- Number 2 supplier of carbonated drinks
- Second largest soft drinks supplier
- Leading portfolio including the number 1 and 2 brands

Size of operations:

- 3,300 employees at facilities in GB, France and Ireland
- GB – four factories, three offices and a distribution centre
- France – four factories
- Ireland – two factories, two offices and a distribution centre

The following questions are based on ALL the information provided and on knowledge and understanding you have gained whilst studying the Course.

1. Analyse Britvic's decision regarding the proposed merger with A G Barr. Your response must include a force field diagram. 8
2. Using evidence from the case study, describe how Britvic might measure its success. 4
3. Explain Britvic's decision to close the Chelmsford and Huddersfield factories. 4
4. Explain how the adoption of the "sustainable business strategy" can ensure future success for Britvic. 8
5. Explore the costs and benefits to Britvic of its relationship with PepsiCo. 6
6. Explain the benefits to Britvic and its stakeholders of using technology in both its production and leisure market. 6
7. Using evidence from Exhibit 1, explain how Britvic has achieved worldwide growth. 4

SECTION 2 — 40 marks

Attempt ALL questions

- | | | |
|-----|---|----|
| 8. | Organisations from the Association of South East Asian Nations (ASEAN) and China have become more powerful.
Explore the effects of these nations on UK businesses. | 10 |
| 9. | Describe analytical techniques and their use in decision-making in an organisation. | 10 |
| 10. | Explain the steps an organisation may take to minimise the threat of prosecution under the Equality Act 2010. | 10 |
| 11. | (a) Discuss a leadership theory. | 4 |
| | (b) Compare the leadership skills and qualities of a Chief Executive Officer (CEO) to those of a departmental manager in a large organisation. | 6 |

[END OF SPECIMEN QUESTION PAPER]

Acknowledgement of Copyright

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Business Management

Marking Instructions

These Marking Instructions have been provided to show how SQA would mark this Specimen Question Paper.

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General Marking Principles for Advanced Higher Business Management

This information is provided to help you understand the general principles you must apply when marking candidate responses to questions in this Paper. These principles must be read in conjunction with the Detailed Marking Instructions, which identify the key features required in candidate responses.

- (a) Marks for each candidate response must always be assigned in line with these General Marking Principles and the Detailed Marking Instructions for this assessment.
- (b) Marking should always be positive. This means that, for each candidate response, marks are accumulated for the demonstration of relevant skills, knowledge and understanding: they are not deducted from a maximum on the basis of errors or omissions.
- (c) For each candidate response, the following provides an overview of the marking principles. Refer to the Detailed Marking Instructions for further guidance on how these principles should be applied.

Marks will be awarded as follows for:

(i) Questions that ask candidates to **Describe ...**

Candidates must make relevant factual points, which may be characteristics and/or features, as appropriate to the question asked. These points may relate to a concept, process or situation.

Candidates may provide straightforward points or a smaller number of developed points, or a combination of these.

Up to the total mark allocation for this question:

- **1 mark** should be given for each relevant factual point
- **1 mark** should be given for any further development of a relevant point, including exemplification when appropriate

(ii) Questions that ask candidates to **Explain ...**

Candidates must make accurate relevant points that relate cause and effect and/or make the relationships clear. These points may relate to a concept, process or situation.

Candidates may provide straightforward points of explanation or a smaller number of developed points, or a combination of these.

Up to the total mark allocation for this question:

- **1 mark** should be given for each relevant point of explanation
- **1 mark** should be given for any further development of a relevant point, including exemplification when appropriate

(iii) Questions that ask candidates to **Compare ...**

Candidates must demonstrate knowledge and understanding of the similarities and/or differences between things, methods or choices, for example. The relevant comparison points could include theoretical concepts.

Up to the total mark allocation for this question:

- **1 mark** should be given for each accurate point of comparison

(iv) Questions that ask candidates to **Discuss ...**

Candidates must make points that communicate issues, ideas, or information about a given topic or context that will make a case for and/or against. It is not always necessary to give both sides of the debate in responses.

Up to the total mark allocation for this question:

- **1 mark** should be given for each accurate point of knowledge that is clearly relevant
- **1 mark** should be given for any further development of a relevant point, including exemplification or a conclusion when appropriate

(v) Questions that ask candidates to **Analyse...**

Candidates must demonstrate the ability to identify/describe/explain relevant parts, and the relationship between the parts and/or the whole. Candidates should be able to draw out and relate any implications and/or analyse data.

Up to the total mark allocation for this question:

- **1 mark** should be given for each accurate point of analysis
- **1 mark** should be given for any further development of a relevant point, including exemplification when appropriate

(vi) Questions that ask candidates to **Evaluate...**

Candidates must demonstrate the ability to make a reasoned judgement in terms of the effectiveness or usefulness of something based on criteria. Candidates should be able to determine the value of something within context.

Up to the total mark allocation for this question:

- **1 mark** should be given for each accurate point of evaluation
- **1 mark** should be given for any further development of a relevant point, including exemplification when appropriate

(vi) Questions that ask candidates to **Explore...**

Candidates must demonstrate the ability to carry out a detailed examination or enquiry, or follow a process in order to find out something.

Up to the total mark allocation for this question:

- **1 mark** should be given for each accurate point
- **1 mark** should be given for any further development of a relevant point, including exemplification when appropriate

Detailed Marking Instructions for each question

SECTION 1

Question	Possible response	Max mark	Additional guidance									
1	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%; text-align: left;">Drivers</th> <th style="width: 40%; text-align: center;">Equilibrium</th> <th style="width: 30%; text-align: right;">Resistors</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <p>Largest soft drinks business in Europe – annual sales over £1.15 bn</p> <hr style="width: 80%; margin: 0 auto;"/> <p>Recall of Fruit Shoot costing company £25 m</p> <hr style="width: 80%; margin: 0 auto;"/> </td> <td style="vertical-align: top; text-align: center;"> <p>Fruit Shoot enjoyed a strong recovery</p> <hr style="width: 80%; margin: 0 auto;"/> <p>Growth opportunities in Spain, India and USA</p> <hr style="width: 80%; margin: 0 auto;"/> <p>New CEO with new strategy</p> <hr style="width: 80%; margin: 0 auto;"/> <p>Turnaround in fortunes of the business</p> <hr style="width: 80%; margin: 0 auto;"/> <p>Referral to Competition Commission</p> <hr style="width: 80%; margin: 0 auto;"/> </td> <td></td> </tr> <tr> <td colspan="3" style="text-align: center;"> <p>Assets for Change Finance in place to undertake the merger</p> </td> </tr> </tbody> </table> <p>Responses could include the following:</p> <p>Drivers</p> <ul style="list-style-type: none"> • One of the strongest drivers is the potential to become the biggest soft drinks business in Europe, as this will give Britvic a high volume of sales – over £1.5 bn. • Another driver was that Britvic had to recall all stocks of Fruit Shoot, which meant Britvic had made loses of £25 m – so merging with A G Barr would give it other brands to sell. 	Drivers	Equilibrium	Resistors	<p>Largest soft drinks business in Europe – annual sales over £1.15 bn</p> <hr style="width: 80%; margin: 0 auto;"/> <p>Recall of Fruit Shoot costing company £25 m</p> <hr style="width: 80%; margin: 0 auto;"/>	<p>Fruit Shoot enjoyed a strong recovery</p> <hr style="width: 80%; margin: 0 auto;"/> <p>Growth opportunities in Spain, India and USA</p> <hr style="width: 80%; margin: 0 auto;"/> <p>New CEO with new strategy</p> <hr style="width: 80%; margin: 0 auto;"/> <p>Turnaround in fortunes of the business</p> <hr style="width: 80%; margin: 0 auto;"/> <p>Referral to Competition Commission</p> <hr style="width: 80%; margin: 0 auto;"/>		<p>Assets for Change Finance in place to undertake the merger</p>			8	<p>Candidates’ responses must be based on the information from the case study.</p> <p>Up to 4 marks for an accurate, fully labelled, force field diagram.</p> <p>1 mark for each point of analysis.</p> <p>Up to a maximum of 5 marks for analysis of any individual drivers, resistors and assets for change.</p> <p>A maximum of 1 mark for an overall evaluation.</p> <p>A maximum of 6 marks if there is no diagram.</p>
Drivers	Equilibrium	Resistors										
<p>Largest soft drinks business in Europe – annual sales over £1.15 bn</p> <hr style="width: 80%; margin: 0 auto;"/> <p>Recall of Fruit Shoot costing company £25 m</p> <hr style="width: 80%; margin: 0 auto;"/>	<p>Fruit Shoot enjoyed a strong recovery</p> <hr style="width: 80%; margin: 0 auto;"/> <p>Growth opportunities in Spain, India and USA</p> <hr style="width: 80%; margin: 0 auto;"/> <p>New CEO with new strategy</p> <hr style="width: 80%; margin: 0 auto;"/> <p>Turnaround in fortunes of the business</p> <hr style="width: 80%; margin: 0 auto;"/> <p>Referral to Competition Commission</p> <hr style="width: 80%; margin: 0 auto;"/>											
<p>Assets for Change Finance in place to undertake the merger</p>												

Question	Possible response	Max mark	Additional guidance
	<p>Resistors</p> <ul style="list-style-type: none"> • One of the main resistors was that the company was able to sort out the Fruit Shoot problems and the brand made a good recovery. • A further resistor is that Fruit Shoot’s recovery then led to deals in Spain, India and USA, meaning the brand could continue to grow. • The new CEO came up with a new strategy to help the company, which meant that it was not as dependent on the merger with A G Barr. • The business started turning things around, allowing it to rely less on a merger with another organisation for it to succeed. • The possibility that the merger could be rejected or restricted by the Competition Commission. • The share price was increasing and a merger might cause a fall in share price. <p>Assets for change</p> <ul style="list-style-type: none"> • According to the financial information in Exhibit 3, the company could afford to finance a merger. <p>Overall evaluation</p> <ul style="list-style-type: none"> • It is clear that the five resistors were stronger than the two drivers, so the board decided against the merger with A G Barr. • Although the Competition Commission was a resistor, it did not materialise because clearance was given. <p>Accept any other suitable response.</p>		
2	<p>Responses could include the following:</p> <ul style="list-style-type: none"> • Britvic’s revenue has increased by approximately £31 m in the three years from 2011 to 2013. • Increase in profit from £77.9 m to £82.6 m in three years (1 mark), indicating that Britvic is keeping control of its costs. (1 development mark) • Increase in cash flow from £43 m to £91.5 m in three years. • Increase in market capitalisation £760 m to £1,398 m in three years. • Increase in share price to 575 p. • Renewed agreements with PepsiCo until 2023 (1 mark), indicating faith in a continued 	4	<p>Candidates’ responses must be based on the information from the case study.</p> <p>1 mark for each valid description. 1 mark for a development point.</p> <p>A maximum of 2 marks for measures of success not directly related to Britvic.</p>

Question	Possible response	Max mark	Additional guidance
	<p>successful partnership. (1 development mark)</p> <ul style="list-style-type: none"> • Second largest soft drinks supplier in the UK (1 mark), with the top two brands in its portfolio. (1 development mark) • It can be considered to be the market leader of still drinks, as it is the number one supplier in the UK. • Number two supplier of carbonated drinks. <p>Accept any other suitable response.</p>		
3	<p>Responses could include the following:</p> <ul style="list-style-type: none"> • A decision by the new CEO to define a new strategy that requires annual cost savings of £30 m by 2016. • With two water brands in its portfolio, closure of the Huddersfield factory would allow Ballygowan to fully focus on water production only for the UK and Ireland markets. (1 mark) Therefore, the marketing budget is not split between two brands and the entire budget can be spent on marketing one brand. (1 development mark) • The state of the art facility in Ireland would enable efficient production to ensure cost savings. (1 mark) It is good business sense to use the facility with the most up-to-date equipment. (1 development mark) <p>Accept any other suitable response.</p>	4	<p>Candidates' responses should be based on the information from the case study.</p> <p>1 mark for each valid explanation. 1 mark for a development point.</p> <p>A maximum of 2 marks to candidates who make general points, without relating them to the Britvic case study.</p>
4	<p>Responses could include the following:</p> <ul style="list-style-type: none"> • By engaging with charities, eg the clean water project in Ethiopia, both at home and abroad Britvic's profile will be raised (1 mark) and consequently sales should increase. (1 development mark) • By encouraging and supporting staff to take part in voluntary work, they will be more likely to retain staff (1 mark) and attract new staff more easily. (1 development mark) • By creating a training programme with Barnardos, Britvic is engaging with young people – a key market segment and future customers. (1 mark) • Through the "wellness@work" programme, staff will be more motivated so will work harder (1 mark) and benefits will come in the form of less absenteeism due to improved health. (1 development mark) 	8	<p>Candidates' responses should be based on the information from the case study.</p> <p>1 mark for each valid explanation. 1 mark for a development point.</p> <p>A maximum of 1 development mark for reference to increase of sales/profits.</p> <p>A maximum of 4 marks to candidates</p>

Question	Possible response	Max mark	Additional guidance
	<ul style="list-style-type: none"> • By supporting government-led initiatives, this might improve relations with the government when future plans need support. • By promoting healthy and active lifestyles through its marketing, it is engaging with all market segments which may increase sales revenue for the company. • Sponsorship of large scale “healthy and active” events will enable major exposure on an international scale, increasing sales and export opportunities. • Through implementation of environmental initiatives, Britvic can reduce costs in the short term (1 mark) and increase profits in the long term. (1 development mark) • By sourcing raw materials ethically, the company may incur additional costs but the promotion of this activity may allow an increase in price to offset this. • Through “Transform your Patch” Britvic is engaging with local communities, which will increase its brand awareness. <p>Accept any other suitable response.</p>		<p>who make general points, without relating them to the Britvic case study.</p>
5	<p>Responses could include the following:</p> <ul style="list-style-type: none"> • There is no guarantee that agreements will be renewed at the end of the agreed period however Britvic have had a long history with PepsiCo. (1 mark) Large organisations like PepsiCo are often financially stable and can afford to pull out of an agreement early, leaving Britvic in the lurch. (1 development mark) • PepsiCo is a powerful organisation, which may impact on the scope of control for Britvic. (1 mark) This may mean Britvic may lose control of the way it wants to market the products. (1 development mark) • PepsiCo has a number of successful brands, ensuring guaranteed sales. • The relationship has been extended to 2023, guaranteeing future income. • It is a successful long-standing relationship, proven by the agreement to both renew and extend it. • Britvic is the only UK organisation allowed to distribute Pepsi and associated brands in the GB and Ireland (1 mark); this allows them to eliminate competition. (1 development mark) • Access to all new drinks developed by PepsiCo limits the requirements for Britvic’s own research and development (1 mark); this can reduce costs and increase profits. (1 development mark) • Access to PepsiCo’s consumer insight and marketing best practice, which allows Britvic 	6	<p>Candidates’ responses should be based on the information from the case study.</p> <p>1 mark for each detailed point. 1 mark for a development point.</p> <p>A maximum of 3 marks to candidates who make general points, without relating to the Britvic case study.</p>

Question	Possible response	Max mark	Additional guidance
	<p>to learn from an international market leader.</p> <ul style="list-style-type: none"> • Access to technological know-how allows Britvic to improve practices and efficiency. <p>Accept any other suitable response.</p>		
6	<p>Responses could include the following:</p> <ul style="list-style-type: none"> • New flow control ensures high quality drinks, improving customer satisfaction. • Digitally modernised drinks dispensers help attract a younger market (1 mark); this will also improve brand recognition. (1 development mark) • New glassware ensures fizziness/coolness of the drinks, improving the experience. • BLIPPAR technology gives Britvic a Unique Selling Point (USP), as consumers can engage directly via their mobile phone app. • Engagement through BLIPPAR increases dwell time, the time customers spend in an establishment (1 mark); this will lead to increased revenue for the retailer (1 development mark) and possibly lead to customers spending more in associated areas, eg food. (1 development mark) • The soft drinks market is growing fast, so technology like BLIPPAR allows Britvic to keep ahead of competitors. (1 mark) The industry is worth £2.2 bn and so it is important that they have a key stake. (1 development mark) • The conveyer belt allows Britvic to reduce transport costs moving cans from one facility to the other. • The conveyer belt allows Britvic to reduce production costs, as there is no need to pay for refrigeration. • Blow mould means suppliers can reduce their costs significantly. • Blow mould means government targets of reducing the carbon footprint can be met. <p>Accept any other suitable response.</p>	6	<p>Candidates' responses should be based on the information from the case study.</p> <p>1 mark for each valid explanation. 1 mark for a development point.</p> <p>A maximum of 3 marks to candidates who make general points, without relating to the Britvic case study.</p>
7	<p>Responses could include the following:</p> <ul style="list-style-type: none"> • The acquisition of Contrell and Cochrane Soft Drinks for €249.2 m allowed access to existing facilities in reasonably close proximity to the UK (1 mark); this allowed the purchase of existing successful brands.(1 development mark) • The acquisition of Fruite gave Britvic a foothold in Europe, allowing it to enter a large 	4	<p>Candidates' responses should be based on the information from the case study.</p> <p>1 mark for each valid explanation. 1 mark for a development point.</p>

Question	Possible response	Max mark	Additional guidance
	<p>and valuable new market.</p> <ul style="list-style-type: none"> • The agreement with Bickfords ensures less risk of failure in an unknown market. • Further agreements with PepsiCo Americas Beverages have allowed Britvic to sell its product in the USA market, reaching 41 states. • The agreement with Narang has allowed entry to a growing market in India. <p>Accept any other suitable response.</p>		<p>A maximum of 2 marks to candidates who make general points, without relating to the Britvic case study.</p>

SECTION 2

Question	Possible response	Max mark	Additional guidance
8	<p>Responses could include the following:</p> <p>Positive effects</p> <ul style="list-style-type: none"> • Component parts needed for UK production can be made cheaper in Asia (lower wage rate/cheaper materials), which reduces the raw material costs to UK businesses. (1 mark) These reduced costs may also mean that prices can be reduced to be more competitive (1 development mark) or the UK businesses can be more profitable. (1 development mark) • Specialisation by ASEAN and Chinese organisations can produce higher quality parts, which can improve the quality of products manufactured in the UK (1 mark), eg Nissan – made in Japan, assembled in England. (1 development mark) • UK businesses can learn new production techniques from ASEAN and Chinese organisations, which can make them more efficient and competitive. • UK businesses who manufacture luxury products, can now increase sales to Asian consumers who are now more wealthy (1 mark), eg Jaguar sells a high amount of cars to wealthy customers in China. (1 development mark) • ASEAN and Chinese organisations have been investing in/buying UK businesses, which may keep struggling UK companies stable. (1 mark) This also means that local suppliers to these businesses have regular custom. (1 development mark) • Potential subsidies from the UK Government to UK businesses, in response to increased competition from ASEAN and Chinese organisations. <p>Negative effects</p> <ul style="list-style-type: none"> • Increased competition from ASEAN and Chinese organisations (lower prices, higher volume), which may mean that UK businesses have to reduce their prices to compete. (1 mark) This will also reduce the profitability of UK businesses. (1 development mark) This may also increase the risk of bankruptcy and/or being bought out by an Asian organisation. (1 development mark) • UK businesses may find it harder to expand into the Asian market as they are not as financially powerful as they were, compared to local organisations. (1 mark) This also means that future growth is reduced, which can affect long-term profitability/stability. (1 development mark) 	10	<p>1 mark for each detailed point. 1 mark for a development point.</p> <p>No marks for flipped responses.</p> <p>Eg if a candidate gets a mark for saying that UK businesses can learn new production techniques from ASEAN and Chinese organisations, which can make UK businesses more efficient and competitive, then no marks will be given for a direct flip that says ASEAN and Chinese organisations that have learned new production techniques from UK businesses may lead to increased competition for UK businesses.</p> <p>Examples should be relevant and up-to-date.</p> <p>Only accept “increased sales/revenue/profits ...” once as a positive effect and “decreased sales/revenue/profits ...” once as a negative effect.</p>

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	<ul style="list-style-type: none"> • UK-based suppliers to other UK businesses will also suffer reduced sales due to increased competition. • Cultural differences/language barriers when dealing with suppliers in ASEAN organisations could put pressure on UK businesses to recruit staff with language skills and this can be very expensive. • Distance from suppliers in China/ASEAN – transportation costs increase/less environmentally friendly/lead times could increase and this means that they may not be able to respond quickly to customers’ needs. <p>Accept any other suitable response.</p>		
9	<p>Responses could include the following:</p> <p>Force Field Analysis</p> <ul style="list-style-type: none"> • Force Field Analysis is a technique that is used to decide whether or not to undertake a change. • Drivers are factors that force change to happen. Knowing the relative strength and quantity of these will help to make a particular decision more likely. • Resistors are factors that hinder change. Knowing the relative strength and quantity of these will help evaluate if a decision will be less likely to be successful. • If drivers are greater than resistors then a decision to change is more likely. • Equilibrium is the point where the drivers and resistors are equal and change cannot occur; this helps decision-making, as you can decide how to increase the strength of the drivers and/or decrease the strength of the resistors in order to achieve a positive change. • Assets for change are factors that the organisation already has which will help the change process. The greater the quality and quantity of assets, the more likely a decision to change will succeed. <p>Critical Path Analysis (CPA):</p> <ul style="list-style-type: none"> • is a diagram that allows you to work out the quickest way to complete a project, by identifying the best order to perform all the necessary tasks • sets out all the individual activities that make up a larger project before you start, which means you will reduce the chance of unforeseen problems that may affect 	10	<p>1 mark for each valid description. 1 mark for a development point.</p> <p>To gain full marks, a candidate’s response must refer to how an element of an analytical technique is used to aid decision-making.</p> <p>To gain full marks, at least two analytical techniques must be described.</p> <p>Up to a maximum of 6 marks per technique.</p> <p>A maximum of 2 marks per technique, if not linked to decision-making.</p> <p>A maximum of 3 marks for the use of diagrams as part of the response.</p> <p>Watch for repetition in responses to</p>

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	<p>decision-making</p> <ul style="list-style-type: none"> • shows the order in which activities have to be undertaken, which will allow you to decide the necessary materials and employees at the right time, which will save wasted resources and time • shows which activities can only take place once other activities have been completed, which will allow correct decisions to be made to ensure efficient stock control (particularly with Just in Time production) • allows the project manager to decide which activities can be undertaken simultaneously, thereby reducing the overall time taken to complete the whole project • decisions can be made about when certain resources will be needed, eg a crane to be hired for a building site. This will reduce such costs, as they will not be needed for the length of the entire project • calculates earliest start time/latest start time (EST/LST) allowing “float time” to be identified and therefore allows decisions to be made to ensure that the critical tasks are monitored so they do not fall behind <p>Gantt Charts:</p> <ul style="list-style-type: none"> • identify what the various activities are, so that you can decide what resources are required • help to show how long each activity is scheduled to last, so that efficient timetabling of resources/stock/deliveries can be carried out • identify where activities overlap with other activities and by how much, so that you can plan how to divide your resources • can be used to identify the “Critical Path”, which will allow you to work out the overall timescale of the project <p>SWOT</p> <ul style="list-style-type: none"> • Analysing all internal and external factors will enable an organisation to have an overview of their overall effectiveness, so they can plan ways to improve. • Strengths identify what an organisation is good at and can help it decide how to take advantage of these internal factors. • Weaknesses identify internal factors that can be improved upon and can allow an organisation to devise ways to reduce/eliminate such problems. 		<p>Critical Path Analysis (CPA) and Gantt Charts.</p>

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	<ul style="list-style-type: none"> • Opportunities identify external factors that can help an organisation to plan how to exploit trends or gaps in the market. • Threats identify external factors that can help an organisation to plan how to minimise competitors or other obstacles. <p>Accept any other suitable response and other relevant techniques.</p>		
10	<p>Responses could include the following:</p> <ul style="list-style-type: none"> • Ensure that job advertisements avoid stereotypes on the basis of the protected characteristics, so that employment opportunities are available to all (1 mark), eg an organisation cannot advertise for a man or male characteristics when any gender could do the job. (1 development mark) • Offer training opportunities to develop employee skills without unlawful discrimination, so that training can be completed successfully by relevant employees (1 mark), eg offer training to women on maternity leave. (1 development mark) • Provide reasonable adjustments in terms of the workplace, to allow employees to carry out their work effectively (1 mark), eg adjustments to the physical environment such as desk height/ramps provided for disabled access. (1 development mark) • Provide reasonable adjustments for pregnant women, so that they can continue to work (1 mark), eg police women are taken off the beat when they are pregnant due to the risks to baby if involved in a disturbance that requires physical intervention. (1 development mark) • Offer flexible working arrangements that allow employees to manage family life (1 mark), eg an employer must be able to show a request for a job share has been fully considered, communicated and recorded. (1 development mark) or be able to work a condensed week, eg five days' work over four days. (1 development mark) • Create transparent procedures for dealing with HR policies, such as promotion, so that employees understand the decisions taken. (1 mark) • Conduct an equal pay audit, so that jobs of equal value receive the same pay. (1 mark) • Increase awareness of equality and diversity in the workplace, so that people in the protected characteristics are not discriminated against (1 mark), eg allow Muslims time during work to observe the requirements of Ramadan. (1 development mark) 	10	<p>1 mark for each valid explanation. 1 mark for a development point.</p> <p>A maximum of 4 marks for each step explained.</p>

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		<ul style="list-style-type: none"> Disciplinary documentation is provided in different formats, so that the employee understands the information (1 mark), eg written warning provided in braille. (1 development mark) <p>Accept any other suitable response.</p>		
11	a	<p>Responses could include the following:</p> <p>The Trait Theory</p> <ul style="list-style-type: none"> This theory suggests that the ability to lead a group of people is something you are born with, not something you learn. (1 mark) People should be selected as leaders based on their personal characteristics such as decisiveness, self-assurance and assertiveness. (1 development mark) However, the theory is criticised because it is difficult or impossible to measure traits objectively. Deciding which traits are needed for a particular leadership position is difficult. There are too many personality and physical traits that are said to affect the ability to lead. (1 mark) Does a leader have to have them all to be successful? (1 development mark) <p>The Contingency Theory</p> <ul style="list-style-type: none"> This theory is flexible as it uses the most suitable style of leadership dependent on a wide range of variables, such as the task or workforce skills. The underlying assumption is that a style of leadership that works in one set of circumstances, will not necessarily work in another. The theory suggests that the leader is not one with certain traits or with a single behaviour pattern, but one who is able to adopt different styles in different situations. Fiedler suggested that the nature of situations determined the type of leadership style a manager would use. (1 mark) He suggested that the style would be affected by leader-member relationship, the task and the leader's position power. (1 development mark) 	4	<p>1 mark for each valid discussion point.</p> <p>1 mark for a development point.</p>

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		<p>Accept any other suitable response, eg:</p> <ul style="list-style-type: none"> reference to Hersey and Blanchard’s “situational approach” any other theories of leadership 		
11	b	<p>Responses could include the following:</p> <ul style="list-style-type: none"> A CEO needs to have vision to set objectives of the organisation, whereas a manager needs to find ways to achieve these objectives. A CEO is deemed to be intelligent and articulate to communicate their vision to all stakeholders. A manager must also have these qualities in order to communicate to their department how they want things done. CEOs are often creative and innovative, coming up with new ideas to problems, however the manager does not have to come up with the ideas – he/she must put these ideas in place (1 mark). Anita Roddick came up with the idea of the Body Shop, which was years ahead of its time environmentally. (1 development mark). Both CEOs and managers need to motivate people in order to get them to achieve objectives. A CEO opens up horizons, whereas a manager narrows down horizons to achieve maximum output. A CEO shapes the organisation’s way forward with the decisions made, whereas the manager implements the decisions. A CEO needs to have vision to see the bigger picture, whereas a manager just needs to understand what his/her department’s role is in the picture. A CEO needs excellent communication skills as negotiator or spokesperson for the whole organisation with external stakeholders. A departmental manager will also need good communications skills, as they have to carry out the same role but only with regard to matters relating to their own department. <p>Accept any other suitable response.</p>	6	1 mark for each valid comparison.

[END OF SPECIMEN MARKING INSTRUCTIONS]