

Advanced Higher Business Management Report Exemplar Instructions

- ◆ Look at your NAB with your teacher and **you decide** upon a strategy that your chosen business should undertake in the future.
- ◆ The report is much easier to complete if you choose a multi-level strategy. For example, to target a new market segment (which should be specified in the Report) by redesigning the product and devising a new promotional campaign.
- ◆ It is useful if you survey customers about the likely success of the strategy and include these results in your appendices. They will be useful to you throughout the report.
- ◆ **It must not be** a strategy that has already been carried out by the business.
- ◆ Don't use language such as *may* or *could* in your report. Make definite statements using *will* and back them up with evidence.

The report is split into two sections — Explanation **and** Analysis and Evaluation.

Explanation and Analysis

- (a) An explanation of what the business intends to do for a forthcoming specified time period (6 marks).
- ◆ Describe the strategy you are proposing (1 mark).
 - ◆ **Reasoned** explanations of why **each element of the strategy** is appropriate for the business. (For example, currently the maximum number of customers that the café can take is 10. Often the owners have to turn away customers at busy times. When the new extension is built, the café will be able to accommodate 20 customers).
 - ◆ **Reasoned** explanation of the time scale required **for each element** of the **strategy** (maximum 3 marks). For example, 2 months is a realistic time period to introduce a new product range. This is because the café will need to conduct market research to see what their customers would like to see introduced. This will involve preparing questionnaires, handing them out and analysing the results. In an interview with the owner we decided this should be carried out over a period of 1 month so that we can get a good cross section of customers. Suitable suppliers need to be chosen for the products and then the menus will need to be reprinted to include all the new products. The menus are printed by the café themselves and therefore this will only take one day to carry out.

The information should be closely linked to the information gathered as part of *Researching a Business* NAB.

- (b) An explanation of how the strategy fits in with the objectives of the business (5 marks).

The objectives that you include in this section **must** be the same as the ones mentioned in the *Researching a Business* NAB. If there are new objectives mentioned then there must be a reason given for adding it.

There must be a clear link between this section and the first. There are no marks awarded for objectives linked to strategies not discussed in (a).

- ◆ Each reasoned evaluation of how an element of the strategy will help to achieve a particular objective (1 mark).
- ◆ Each explanation or why a particular objective may not be met by the strategy (1 mark, maximum 2 marks).

For example. The café's first objective is to increase profits. In the short run costs will increase as the café plans to build the extension using retained profits. However, in the long run profits will increase as the potential revenue from the increase in customers has doubled. At the moment the café is losing customers to 'Baguette Express' as it is not stocking baguettes. When it expands its product range to stock baguettes at lower prices than their rival they will see an increase in revenue, this will in turn increase profits.

- (c) Analysis of how this intended future strategy relates to the current strengths, weaknesses, opportunities and threats faced by the business. (8 marks).

The Strengths, Weaknesses, Opportunities and Threats in this section should be the same as those included in the NAB. If any are different then a reason must be given. No credit is given for SWOT items under the wrong headings even if the connection and explanation is correct. The marks are given for **connections** made between elements of the strategy with an element of the SWOT.

- ◆ Each **justified** connection made between an element of the strategy and an element of the SWOT (1 mark, maximum 3 marks per heading).
- ◆ Each explanation of an aspect of the SWOT not addressed by the strategy (1 mark, maximum 2 marks).

For example, a strength of the café is **competitive prices**. The strategy fits in with this as there will be no increase in prices in the café when the extension is built as it is being financed through retained profits. The threat of **competitors entering the market** will not directly be addressed by the strategy as the business cannot stop them entering the market. However, the new product range and increased space will increase current customer loyalty.

- (d) An analysis of the resources required for the intended future strategy (6 marks).

You should support what you say with evidence from your NAB or your appendices. Time is not a resource.

- ◆ Each explanation of why particular resources are needed to implement the strategy (1 mark).
- ◆ Each **justified** explanation of a step the organisation has to take to acquire the resources (1 mark).
- ◆ Each **justified** explanation of why the organisation may have difficulty in obtaining or using the specified resources (1 mark).

For example, a new sign will be needed to put in the window of the café to promote the new extension to new and existing customers. This will cost £250 from the printers (evidence in appendices). This is essential as customers who have previously been turned away in busy times will now be aware of the café's extension and will be more willing to come in.

Evaluation

- (a) An analysis of the implications of the strategy for the current functional areas of the business (6 marks).

There should be no repetition in this section from the section on resources needed for the current strategy. You should indicate **precisely** how they will be affected by the strategy. The functional areas can include Marketing, Operations, Finance, Human Resources, Research & Development or Administration.

- ◆ Each reasoned explanation of a change in a functional area that will be needed for the strategy (1 mark, maximum 2 marks per area)
- ◆ Each reasoned explanation of why a functional area may not be affected (1 mark)

For example, staff will need to work extra hours before the extension is open to arrange tables/chairs, decorating and organising the layout.

- (b) The strengths and weaknesses of the information used by the business or the candidate to decide on its future strategy (8 marks).

This section is about information that you used to develop the strategy. Information must relate to forming the strategy not finding out what the strategy is. For example, interviews with the owner, looking at suppliers websites. Marks will only be awarded when the justification or evaluation is related to information to support the strategy in the appendices.

- ◆ Each justified comment about the likely accuracy of specified pieces of information or sources that were used to develop the strategy (1 mark).
- ◆ Each evaluation of the relevance of a particular piece of information to devising the strategy (1 mark).
- ◆ Each evaluative comment about the cost of obtaining specific information relative to its usefulness (1 mark).
- ◆ A justified conclusion about the comprehensiveness of the information with regard to developing the strategy (1 mark).
- ◆ Each explanation of why needed information was impossible/ difficult to access (1 mark, maximum 2 marks).

For example, my questionnaire was really helpful as it gave me an understanding of why the customers that come to the café during the week do not come again at the weekends. They had been turned away before due to lack of space on Saturdays. This helped me choose my strategy of expansion to increase profits. When I contacted the builder about the cost of an expansion he was only able to give me a rough estimate of the costings of the extension, this is not completely accurate therefore the financial information is only partially accurate.

- (c) An assessment of the extent to which the future strategy meets the expectations of key stakeholders in the business (6 marks).

The stakeholders in this section must be the same as the stakeholders identified in the NAB. Each stakeholder can have more than one explanation of how their expectations are affected by the strategy.

The first thing you should do is explain what the stakeholders expectations are. Then you should explain how these expectations **will not** be affected by the strategy.

- ◆ Each explanation of how the strategy meets the expectations of a stakeholder discussed in the NAB (1 mark).
- ◆ Each explanation of how the strategy is likely to affect a particular stakeholder positively or negatively (1 mark).

Maximum of 3 marks per stakeholder.

For example, the employees' expectations are clear; they want wage increases and an improvement in skills. Their skills will improve when the organisation increases its product range to baguettes and fresh coffee as they will be trained to produce more things. This will mean that when they apply for other jobs they will have more skills than other applicants. In the long run the extension will make the business more profitable. This means that the business can afford to reward its employees if the profits and revenue have increased.

- (d) The overall extent to which the strategy is likely to be successful (5 marks).

It is important in this section that you use your evidence to make realistic conclusions about the likely success of the strategy. Measures of success of the strategy must include a comparison.

- ◆ Each realistic conclusion about the likely success, or lack of success, of the strategy, justified by evidence in the report. You could include a force field analysis (1 mark).
- ◆ Each explanation of a method of measuring the success of the strategy (1 mark, maximum 2 marks).

For example, the café can measure the success of the strategy by looking at the sales figures before and after the strategy is implemented and compare them. If they have increased then the strategy has been a success as the strategy is to increase revenue through building an extension and increasing the product range.

My research (See Appendix 2) suggests that 100% of existing customers will use the café at the weekend when the extension is built. This means that the café will have an increase in revenue with the increase in customers. This means the strategy is likely to be a success.

Now check your word count. 5 marks will be deducted for reports over 3,850 and 10 marks for reports over 4,500 words.