

2879 The Business Thematic Enquiry

Theme for 2004

The theme for January 2004 and June 2004 is **Location**.

1 **Location**

The location of a business is, in most instances, a central feature of its success and decisions have frequently to be made about re-location or about the location of a new branch. The decision is also one in which the State at all levels is commonly involved in either a supportive or a controlling role.

The factors which lead to a location decision are both internal (often associated with attempts to grow or to survive) - and external (relating to the actions of other businesses and the objectives of government at local, national and international level). Candidates should be able to select, from the factors which could influence a location decision, those which are of greatest importance in a given situation described in the set case study.

In the situations presented to the candidate in each of the case studies for 2004 there will be scope to consider the operations management, human, marketing and financial aspects of the problem or its solution. There will be a specific focus in the title chosen for the report and an expectation that the report will be written in a way which answers the question posed in the title. It is impossible to consider all the facets of such problems in the time available. Good answers will be ones which see the problem from one or two perspectives which the candidate considers most significant. To give focus to study and assist preparation for the examination, candidates should be aware that the central focus for each of the examinations in 2004 will be:

- *January 2004* A medium sized road haulage firm seeking to maintain the momentum of its steady growth through relocation;
- *June 2004* The owners of a small shop required to relocate and seeking to find the best site.

The notes which follow are designed to provide a basis for, and guidance in, preparing candidates for entry to the examination in January and June of 2004 **only**. Before reading the notes you might find it helpful to read:

- the formal requirements for Unit 2879 and the criteria used to assess the report, which can be found in the OCR specification;
- the Principal Examiner's reports on the Unit 2879 examinations in 2002 and 2003.

2 The Formal Structure of the Paper

In each paper there will be **two** tasks and the rubric of the paper will include the statements below:

Required:

You are required to write a report for the business, advising its management of the best approach to a location decision. In writing your report you should use the evidence given in the case and the evidence you have gathered from your studies of problems and strategies associated with location. The title for your report will be given and you must write it in a way which proposes and argues a solution to the problem stated.

***Task 1: Write a plan for your report in which you make clear:* (10)**

- (i) the problem as you see it, and the need to solve it;
- (ii) the context in which this problem must be solved;
- (iii) the objectives you consider appropriate in the light of the problem as you see it, and the potential solutions you intend to investigate;
- (iv) any assumptions you make and the reasons for them.

You are advised to spend between 10 and 15 minutes on this task.

***Task 2: Write your report.* (80)**

In your report you must satisfy the criteria on which this assessment is based, and therefore should ensure that you:

- (i) provide terms of reference for the report;
- (ii) select appropriate evidence for this task (be sure to use a balance of evidence from both the case and the work which you have done in preparation);
- (iii) present the evidence logically in line with your assumptions and objectives;
- (iv) consider the situation and arrive at a supported recommendation.

3 Completing These Tasks

The Plan

The plan carries only 10 of the marks. These are the five from Criterion 1 and half the marks from Criterion 2. Its value, however, lies in the thought and structure which goes into the process, and the positive effect this then has on the report itself. To gain the marks it is essential that the candidate completes the first three elements and includes in element four any assumptions that are being made which will indicate the perspective from which the candidate is writing the report. Examples of what is meant by this can be seen in the Principal Examiner's reports for unit 2879.

The Report

Criterion 9 assesses the extent to which the requirement for a well structured report format has been used. There is no house style for this but there should be a logical separation into sections which are appropriately headed and a clear conclusion which addresses the issue(s) included in the title.

Right answers are not assumed. Any answer which follows a logical and supported argument in line with a selected perspective is sufficient, provided the connection between the perspective being developed and the nature of the question posed is made clear:

Example

The case **might** contain a financial constraint or an issue relating to external pressures. It could be that these matters must be addressed before any planned re-location can take place. The candidate may argue that such issues are crucial to the intended outcome. A report which focused entirely on the selected issue(s) and did not relate it back to the question posed would not have answered the question.

4 Assessment

Assessment will be by OCR examiners using the criteria set out in the specification for unit 2879. Each of these criteria will be applied to the work as a whole. Candidates may demonstrate the skills being assessed in any part of the report. Candidates should be aware of the skills they must demonstrate and have developed them during their course of study.

5 Time Management

The report is expected to be short. It should be capable of being written in not more than 50 minutes. This is because candidates will need at least:

- 10+ minutes to read the case;
- 10+ minutes to prepare the plan (Task 1, Section 2 above);
- 10+ minutes to read through and amend the work.

Writing the report in the time available requires practise and puts a premium on the conciseness and preciseness of the candidate's written style. This should be a matter of practise in preparation.

6 Use of Evidence

The Business Thematic Enquiry is an alternative to the Business Project (unit 2878) which is based on the study of a specific problem. To ensure that unit 2879 is a real alternative, candidates are expected to make use of appropriate knowledge and understanding drawn from their study of location in preparation for the examination. Most of the evidence will come from the unseen case itself, but there will be many opportunities to support the points made with knowledge (both theoretical and practical) drawn from previous study. To gain the marks available there will have to be genuine **use of** such knowledge and not its mere presentation.

In the case itself, there will be a variety of ways to proceed and it is the *logic* of the answer which will earn the marks, not how "correct" is the solution. In the case there will be some information which is not relevant. This is to allow the candidate to show selectivity by using only the information which can be effectively used in supporting the candidate's argument.

To support a particular approach, the candidate may wish to make assumptions. This will be rewarded provided each assumption made:

- is clearly stated (this should be in the plan);
- is supported by argument;
- clearly assists the candidate's report;
- is not a distortion or a neglect of the evidence.

7 'Location' in the OCR A-level Specification

Location is a common element of the specification and some examples are given below, taken from each of the four compulsory components of the A-level. Location is viewed from the perspective of all stakeholders. Study of the topic includes understanding of its implications for the activities in which a business engages and the objectives it has. The case will present a situation in which it is

the intention of the management to find a new location. This could be because there is no option, as a means of extending the business in some way, or as a means of growing by establishing a new outlet for the activities of the business.

Location decisions are only made when there is a clear need for them and when re-location or an additional location appears to the business to be the most effective way to solve a problem. A location decision will have repercussions for all parts of a business and for many of its stakeholders. It can be undertaken in a variety of ways and may not always be desirable in given circumstances.

Some examples within the specification:

2879 is a unit examined on the basis of all the study undertaken in the AS examination, the opportunities taken for enriched understanding in studies outside the centre and the elements studied in **2880 Business Strategy**. The unit does not require any of the additional understanding of the specification of the “further” components **2874-2877**. However, candidates have the opportunity to use understanding gained through study of a further option to enrich the answer offered. The notes below relate to **location** as a topic and to factors which will commonly impinge on decisions about location:

From AS:

- the changing nature of objectives and the influence of such change on decisions and behaviour;
- the risks businesses take and the rewards they seek;
- stakeholder objectives and possible responses in given decision situations;
- the role of the state and of the law in locational decisions;
- the State as a source of constraints and of support;
- external costs associated with different choices;
- potential marketing implications of any move or new development;
- market research in as far as it might affect a particular choice;
- relative costs and benefits of any possible solution;
- the human problems which might be caused, at an existing site or at a new one, by the decision made.

From A2:

- formation of objectives and strategies for location;
- the impact that different stakeholder behaviour might have on the choice or implementation;
- appropriate ways of gathering and summarising data relevant to the decision;
- labour market factors;
- opportunities for market and economic growth relating to a given site;
- different styles and degrees of government intervention;

- presentation and argument for a preferred strategy;
- assessing likely performance on a given site;
- issues relating to the effective management of the change.

8 Examples from study in the community.

In every community there will be businesses which have either moved or established a new branch. There may well be others who are intending to move, either within or away from the area. The reasoning behind such changes can be investigated and will be helpful to candidates making similar decisions in the examination. Many of the effects of such decisions may well be crucial for the area and have effects which should be studied.

9 Sources of Information

- Standard textbooks. It is important that the ones used are of A Level standard. The text endorsed by OCR and published by CUP, provides a sufficient foundation and leads into the synoptic approach required to demonstrate problem-solving skills in unit 2879. At A2, location decisions considered holistically and effective strategies must be planned, executed, reviewed and modified.
- Past papers, marking strategies and examiner reports on unit 2879.
- Articles in Business Review.
- The Internet and reference libraries.
- News sources of all kinds and the activities of individual businesses or business groups like the Chamber of Commerce, The Rotary Club or the British Institute of Management, can all be of considerable use in preparation.
- A good starting point may well be to take a local location situation and debate potential choices. Alternatively many of the past cases in Business Studies examinations could be considered as a location cases, a suitable title suggested and a report written.

Experience has shown that it is not wise to over structure what candidates might do in the examination. The danger is that the eventual report, though well structured, will not focus well on the actual problem posed, will present too much theory and will make insufficient use of the case material in developing an argument. Practise in using the skills as assessed in the criteria is, however, essential to success.