

## 2879 The Business Thematic Enquiry

### Theme for 2006

The theme for January 2006 and June 2006 is **Strategies for Survival**.

#### 1 **Strategies for Survival**

The need to survive is a problem which many, particularly small and new, businesses have to face. In such situations risks are taken which might have been avoided by businesses which were more secure.

Cases for 2006 will outline situations in which a business has a choice between two or more strategies for survival. The candidate will be expected to make a reasoned and supported decision.

In the situations presented to the candidate in each of the case studies for 2006 there will be scope to consider the operations management, human relations, 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 2006 will be:

*January 2006:* A small limited company producing men's clothing which is struggling to meet delivery dates for a major customer. It is wrestling with the costs and benefits of two different ways of solving the problem and faced with closure unless it succeeds.

*June 2006:* The owners of a medium sized country estate have formed a limited company in order to open the grounds and house to the public and raise the funds to retain ownership of the estate. They have struggled along for more than 10 years, but now face falling income and rising costs. They need to find ways of remaining competitive to survive.

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 2006 **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, 2003, 2004 and 2005.

## **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 Board advising its Directors of the best approach to a survival situation outlined in the case. The case itself is the main source of evidence and every effort should be made to write a report which is based on the case evidence and not on a generalised theoretical understanding of the issues which has been prepared in advance.

In writing your report you should use the evidence given in the case and the evidence you have gathered from your studies of businesses seeking to survive. The title will be given and the report must be structured and written in a way which proposes and argues a solution to the problem stated.

It is desirable to take a stance on a particular issue or focus. For example, a candidate may well decide that there is a central human, marketing or financial problem which must be solved as a pre-requisite to making a rational decision. However, the report must propose an answer to the question posed and not just a solution to the issue the candidate has identified.

### **The Requirements as stated on the Paper**

The instructions on the paper require two tasks to be completed. The first is a preparatory task which should not include any argument about the central problem. The purpose of Task 1 is to enable the candidate to meet the assessment requirements of Criterion 1 and to set report related objectives. This includes the opportunity to make assumptions which might limit the focus of the Task 2. For Example: "I assume the necessary finance is available" would be a sensible assumption in a situation where there is no evidence to suggest problems in raising finance.

#### **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) your objectives in your approach to the problem;
- (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 and evidence to support the chosen perspective is selected from the case and interpreted and analysed correctly.

#### **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 consideration of survival strategies 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 practice 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 business survival situations 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 must be genuine **use of** such knowledge and not its mere presentation.

### Example

For example, candidates may be aware of an instance in which a business has faced survival difficulties and found a strategy which worked. There may be lessons in this experience which could be applied to the case with which they have to deal. But the details must be sufficient to make clear that the example is real and the evidence offered must be used and not just written about.

Whilst failure to survive is most often associated with either marketing problems or financial difficulties it should not be assumed that these will be the only, or even the most important, issues which are presented in the cases for 2006.

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;
- does not distort or neglect the evidence.

## **7 Strategies for Survival in the OCR A-level Specification**

This theme is at the core of OCR A level Business Studies in two senses. First, all businesses have the objective to survive. The problems associated with survival are introduced early in the course with the problems that new and small businesses face. Threats to the survival of a business can come from financial causes when a firm has insufficient working capital or when it over-trades. They can come from marketing problems when demand changes or when competition from other firms or other products is too much. The cause may be found in human relations problems when absenteeism, lateness and high labour turnover or labour disputes prevent production, increase costs or lower efficiency. New technology can rapidly rob a firm of its market because the product is no longer needed or because better and cheaper methods of production have been found. A firm may fail to survive because one or more of the external factors have threatened it. This could be the requirements of new legislation or the level of economic activity.

In short, preparation for this module in 2006 does not require any special knowledge base. It is more about the ability to apply selected elements of that knowledge to the situation presented in each case.

Secondly, what the candidate is expected to look for in these cases is a strategy for survival. The ability to develop and justify a strategy is tested a little in each AS module and is fully tested in every A2 module. Hence, this should be a familiar requirement within 2879.

## **8 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 and strategic approach required to demonstrate problem-solving skills in unit 2879. At A2, strategies for survival should be 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 such as the Chamber of Commerce, The Rotary Club or the British Institute of Management can all be of considerable use in

preparation.

- Local or national survival cases are observable within the Centre's community or in local and national news sources almost every week.
- Many of the past cases in Business Studies examinations could be considered as a strategy case and conditions which threaten survival can always be seen. A suitable title can be 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 effectively 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.

It is also advised that practice in writing a report plan in the form of the four tasks presented in the case is advisable. However, plans which are not based on a case are content free and, therefore, it is difficult to provide a definition of a problem, a context in which it exists and objectives in solving it. Therefore, any plan writing experience should always be based on an actual case. However, virtually any past case can provide such a scenario.