PES

2018 BUSINESS MANAGEMENT UNIT 4

Outcome 2

IMPLEMENTING CHANGE

QUESTION BOOK

Structure of book

Number of	Number of questions	Number of	
Questions	to be answered	marks	
3	3	50	
Instructions: Answer all questions in the space provided			
Duration of task: 80 minutes and 10 minutes reading time			

- Students are permitted to bring into the SAC room: pens, pencils, highlighters, erasers, sharpeners and rulers
- Students are NOT permitted to bring into the SAC room: blank sheets of paper and/or white out liquid/tape.

Materials supplied

• Question and Answer Book of 11 pages.

Instructions

- Write your name and your teacher's name in the space provided on the front page of this Book.
- Answer all questions in the spaces provided.

Students are not permitted to bring mobile phones and/or any other unauthorised electronic devices into the SAC room.

Greenways Wholesale Nursery (GWN) specialise in selling fresh potted herbs to supermarkets, restaurants and plant retailers. Jordan Collins, CEO addressed a strategic planning meeting with the senior managers following a year of poor business results.

'This meeting will determine our futures. None of our jobs are secure and, in fact, the ability of the business to continue operations will depend on the decisions made by this group. We have not met either efficiency or effectiveness indicators over the last 12 months and our investments into new technology have failed to deliver the promised increase in productivity growth and net profit. We waste nearly a third of our total production with stock being rejected at the quality inspection stage. The rise in customer returns and number of customer complaints is also damaging our reputation. Most of our experienced sales staff have left and been hired by our competitors.

Today I am relying on the expertise of my senior management team to use the data provided to fix these problems so we can move forward'

Jordan Collins, CEO

Greenways Wholesale Nursery has just received the following data covering the last 12 months of operations:

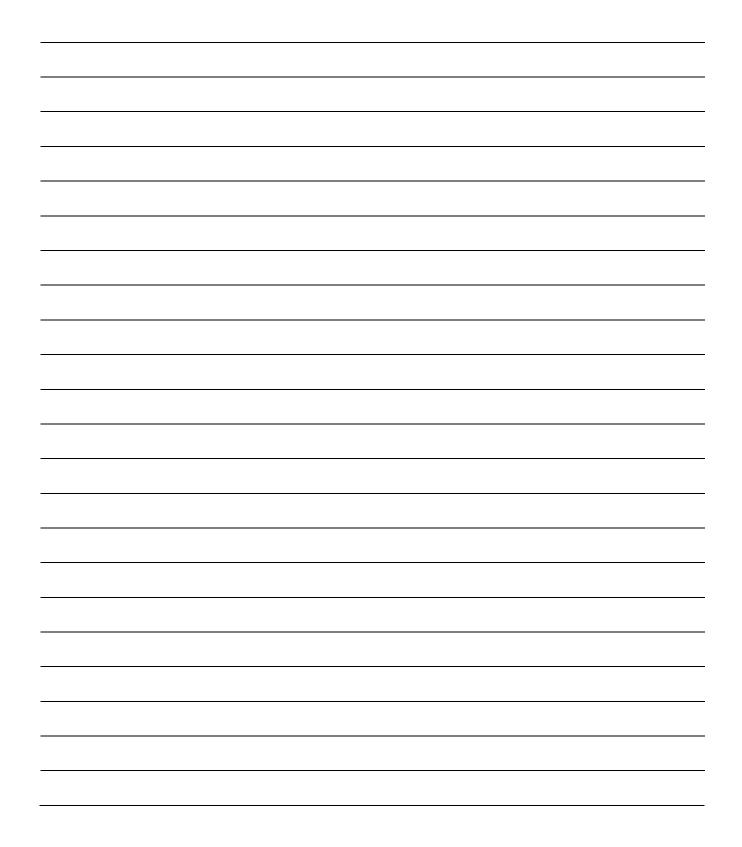
Key Performance Indicators:	2016 (12 months to June 30)	2017 (12 months to June 30)
Number of sales (Units)	4.5 M	2.9 M
Number of customer complaints	1 200	8 000
Level of wastage (industry average 12.3%)	16%	29.2%
Net profit figures	\$2.8M	\$1.4M

Note: This is a fictional article

Question 1 (26 marks)

 Propose and justify three different management strategies that could be used by Greenways Wholesale Nursery (GWN) to respond to the data for three of the key performance indicators (KPI's) in the above case study.

9 marks



Greenways Wholesale Nursery (GWN) is facing the need for major change.

b. Explain the importance of leadership in change management by the CEO, Jordan Collins.

High risk strategies include the use of manipulation and threat.

c. Discuss the use of high risk strategies by the CEO, Jordan Collins at Greenways Wholesale Nursery (GWN).

4 marks

3 marks

d. Explain how the use of two low-risk strategies could help to overcome employee resistance to change.

4	m	ar	ks
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Options being considered by senior management at Greenways Wholesale Nursery (GWN) include downsizing or changing suppliers.

e. Discuss **two** corporate social responsibility considerations when implementing change at Greenways Wholesale Nursery (GWN).

6 marks

Question 2 (8 marks)

Using a contemporary business case study, from the past four years, outline how it employed Lewin's threestep change model. Describe the effect of change on employees as stakeholders of the business you have studied.



Question 3 (6 marks)

Businesses are dynamic entities and under constant pressure to change.

Outline the key principles of Senge's 'Learning Organisation'. Explain how the principles encourage the successful introduction of change.

Question 4 (10 marks)

Lee's Lighting is a family owned small business located in South Melbourne. The business sells a range of locally designed, exclusive interior and exterior light fittings. The business is very popular with corporate designers who appreciate Lee's range of unique light fittings and outstanding customer service, however similar lighting designs have appeared in competitor businesses at less than half the price and the owner, Alex Lee is concerned at the decline in sales and market share recorded over the last two years.

Note: This is a fictional article

Analyse **two** domestic and **two** global opportunities that could be explored by Alex Lee to expand his business's market share. Explain the importance of using key performance indicators to evaluate the effectiveness of the business transformation of Lee's Lighting.



Total 50 marks

END OF QUESTION AND ANSWER BOOK

Extra	Writing	Space
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