



Rewarding Learning

ADVANCED SUBSIDIARY (AS)
General Certificate of Education
January 2012

StudentBounty.com

GCE Applied Business

Assessment Unit AS 3

assessing

External Influences on
the Business Enterprise

[A3B31]



WEDNESDAY 11 JANUARY, AFTERNOON

TIME

1 hour 30 minutes.

INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number on the Answer Booklet provided.
Answer **all six** questions.

INFORMATION FOR CANDIDATES

The total mark for this paper is 80.
Quality of written communication will be assessed in **all** questions except Question 1.
Figures in brackets printed down the right-hand side of pages indicate the marks awarded to each question or part question.
This paper is accompanied by a Case Study. You must **not** use your own annotated copy of this Case Study.

ADVICE TO CANDIDATES

You are advised to take account of the marks for each part question in allocating the available examination time.

6957.11RR

BLANK PAGE

Answer **all six** questions.

- 1 Identify the market sector that Sperrin Metal Storage Solutions operates in. Explain the importance of that sector to the Northern Ireland economy.
- 2 Sperrin Metal trades with customers located in the Middle East and the Far East. Explain how each of the following trade barriers might affect Sperrin Metal:
- Tariffs
 - Quotas
 - Exchange Rate Controls [9]
- 3 Discuss **four** conditions that may have led to an increase in demand for Sperrin Metal Storage Solutions' products. [12]
- 4 Sperrin Metal Storage Solutions takes advantage of market opportunities. Analyse the impact of this on **five** stakeholder groups. [15]
- 5 Evaluate **four** ways in which Sperrin Metal Storage Solutions could seek to improve competitiveness. [20]
- 6 Evaluate **one** way in which each of the following Government Policies may affect Sperrin Metal Storage Solutions:
- Fiscal Policy
 - Monetary Policy
 - Supply Side Policy
 - Regional Policy [20]

THIS IS THE END OF THE QUESTION PAPER



Rewarding Learning

ADVANCED SUBSIDIARY (AS)
General Certificate of Education
January 2012

GCE Applied Business

Case Study

Assessment Unit AS 3

assessing

External Influences on the Business Enterprise

[A3B31]

WEDNESDAY 11 JANUARY, AFTERNOON



A3B31CSI

You must use **this** clean copy of the Case Study in the examination and not your own annotated copy.

Sperrin Metal Storage Solutions

Sperrin Metal Storage Solutions (Sperrin Metal) is a company which produces and sells shelving and racking products, lockers and cubicles. Sperrin Metal operates from a 70 000² ft state-of-the-art manufacturing facility in Draperstown (Northern Ireland) and a 40 000² ft plant at Bury St Edmunds (England). Currently Sperrin Metal employs 102 staff at its Draperstown plant and 53 employees at Bury St Edmunds. Sperrin Metal has an in-house technical team, marketing department, sales force and quality department. Annual turnover currently exceeds £12,000,000.

Sperrin Metal is a truly global firm with considerable market share throughout Europe, the Middle East and the Far East. It operates both on the basis of direct sales to customers, and in certain markets, through a specially chosen distributor network. Over 80% of its product output is exported – a fact recognised by the numerous awards Sperrin Metal has gained over the years.

Quality is at the forefront of the success of Sperrin Metal and the company manufactures products which comply with British Standards ISO 9001: 2008. Sperrin Metal has been awarded the Queen's Award for Export on three occasions and is a member of the Storage Equipment Manufacturers' Association (SEMA). SEMA is the British Trade Association of the Storage Equipment Industry, an organisation committed to promoting and extending the safe design, installation and use of storage equipment. SEMA has set high quality standards for the supply of racking, to which Sperrin Metal's Pallet Racking systems conform.

Sperrin Metal's commitment to customer care and excellent service means it constantly measures, monitors and reviews its quality objectives to ensure that quality remains at the highest level at all times. Its main aim is to exceed customers' expectations at every stage from initial enquiry through to after sales. Sperrin Metal's success and growth since 1963 is testament to its value on producing high quality products.

The Company's Board recognises that environmental performance is an important part of the Company's strategic planning and of its day-to-day operations. To this end it has developed a policy to cover all aspects of how the company interacts with its environment. This policy forms part of the overall strategic planning. Sperrin Metal always considers the environmental impact of such action and is eager to comply with all relevant legislation. Sperrin Metal places emphasis on the education and training of employees on environmental issues such as monitoring, reviewing and improving transport and packaging, recycling and the efficient use of water and energy. It is important that the company liaises with the local community on relevant issues which may affect it.

Sperrin Metal is continually enhancing and improving its products and services. For example, Sperrin Metal was recently approached by a client who required custom-built pallets for tyre storage. Having used a mainland European Product, the customer was keen to source a local supplier and reduce the long sixteen week lead-time. Sperrin Metal's design team embraced the challenge and produced a product that exceeded the customer's requirements. Not only was the customer now sourcing from a local supplier but the lead-time was reduced to four weeks.

During 2009 the company experienced substantial growth of its library shelving product ranges, by completing its largest library project to date – supplying over 3000 bays of shelving to a leading Irish University. The size of the project has proven the extensive capabilities of the company's manufacturing facility and added to its ever-increasing product portfolio. There has

also been an increase in demand from the Scottish market, with Sperrin Metal lockers and changing products installed in various schools throughout Scotland. Sperrin Metal anticipates continued growth will continue for the foreseeable future.

With the help of Invest NI, Sperrin Metal has acquired Helmsman which is a major employer in the Suffolk area with a workforce of over 100. Helmsman is one of the UK's leading suppliers of personal storage, changing room equipment, electronic access and guest management systems. The Helmsman brand has become synonymous with quality, reliability and value for money. As a result of the purchase, Sperrin Metal's range will now include leisure lockers, washroom seating and cubicles. This has enabled Sperrin Metal to gain access to the UK storage market through Helmsman's established customer base.

Commenting on this recent acquisition Mr. Pat Gormley, chairman of Sperrin Metal said: "We identified opportunities in the UK locker market, and by purchasing Helmsman, a recognised brand leader, we are now in a position to take advantage of these opportunities and increase our market share. By developing our business in the UK, we can look to further establish our distribution networks in Europe in order to boost our exports there."

© Sperrin Metal Storage Solutions and © Centaur Media plc. 'Sperrin Metal buys Helmsman', *The Engineer*, 17 March 2008.

