

**ADVANCED SUBSIDIARY GCE UNIT  
APPLIED BUSINESS**

**F243/CS**

Unit 4: The Impact of Customer Service

**CASE STUDY**

**PRE-RELEASE MATERIAL FOR JUNE 2007 EXAMINATION**

**JUNE 2007**

**To be opened on receipt**



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**INSTRUCTIONS TO TEACHERS**

- This case study **must** be opened and given to candidates on receipt.

**INFORMATION FOR CANDIDATES**

- You **must** make yourself familiar with the case study before you sit the examination.
- You **must not** take notes into the examination.
- A clean copy of the case study will be given to you with the question paper.

This document consists of **6** printed pages and **2** blank pages.

## Session Wetsuits (SW)

### Starting Out

Ben Peace was a former lifeguard and professional surfer from a large seaside tourist town in Devon. He retired from the world of surfing in his early thirties and got a job working as a wetsuit designer for a multinational company in France. He learnt how to design and produce wetsuits and accessories such as boots and gloves to a high standard. After five years with the company Ben returned to his home town and started up his own manufacturing firm, Session Wetsuits (SW). SW produces and sells wetsuits and related products to local watersports shops. SW grew rapidly and now supplies the majority of specialist shops in the area with a range of products. 5

Ben employs 20 people in his small factory and does not sell directly to the public, although this is something he feels he might do in the future, particularly if his products become popular on a nationwide scale. The wetsuit market is increasingly competitive and, at times, he has found it hard to compete with the larger manufacturers which are able to offer retailers pricing discounts because of massive economies of scale. Such manufacturers also benefit from a strong brand image built up over decades. SW has been trading since the late 1990s and it has only been recently that it has been able to make a decent profit. Ben's customer base has been steadily growing and he knows that a lot of this is down to his business being local. In an age where the majority of wetsuit manufacturers have moved their production to the Far East, Ben prides himself on the fact that all his products are designed and made in the county and transported directly to the customers by the two delivery drivers which SW employs. He often sees surfers in his home town wearing SW gear and feels very proud that this is his own business. 10 15 20

### A Different Market

One of the markets that Ben would like SW to get into is the current trend for 'custom-made' wetsuits. The retailer would take down the exact measurements of the customer and would pass them on to the Production Department at SW, which would then manufacture a wetsuit exactly to the customer's specification and body shape. These would sell for a premium price and the retailer would get a percentage of the revenue. If Ben were to enter this market, then SW would be the only manufacturer in the county to do so. A couple of retailers expressed interest when Ben spoke to them, but it seems this idea may have to wait in light of SW's current situation. 25 30

### Success At Last

SW has recently become a victim of its own success. For the past two seasons the business has sponsored a local surfer, Dave Botterill, providing equipment and funding for him in return for the publicity generated for the business when Dave wins any tournaments or competitions. During the last season Dave hit the big time winning the British Surfing Championships. He was photographed in all the trade magazines wearing an SW wetsuit, boots and gloves and demand was such from the public that many surf shops not already stocking SW gear contacted Ben to ask if he would start supplying their shop. That, coupled with increased orders from the shops already stocking SW gear, meant that the business was fast becoming the most popular wetsuit manufacturer in the UK. 35 40

## Unable To Cope

However, this sudden surge in demand for SW products has given the business some problems. As orders came rushing in, the Production Department struggled to keep up with the larger quantities required and, as a result, the quality of some of the wetsuits and accessories suffered. Items were being returned by retailers who had noticed that some of the seams were coming apart. Another issue for Ben was that there was no one in charge of taking the orders – it was done by anyone who happened to pass by the telephone at the moment a retailer called. Ben knew this was no way to do business – orders were starting to go missing and he knew he had to do something about it before all future custom was lost. He decided to employ a member of staff to deal solely with customer orders and advertised in the local press and job centre for a full-time sales administrator.

## New Recruit

Fifteen people applied for the position and after a lengthy interview process Ben decided to employ a local lad, Adam Boddison. At 16, Adam had come fresh from GCSEs and knew everything there was to know about water sports and related equipment. He had surfed and water-skied since he was six and he had been reasonably successful in the British Surfing Junior Championships a couple of years earlier. He could not believe his luck when Ben offered him the job. He had always been a fan of SW gear and was determined to work hard and do as well as possible in the business. Ben felt that Adam would be an excellent person to work in sales administration as he knew exactly what the trends were regarding wetsuits and equipment and had a very persuasive manner.

## Problems

However, after a few weeks it was evident that Adam's administrative and interpersonal skills left a lot to be desired. He was extremely nervous when talking to the managers of shops on the telephone when organising sales and deliveries and often misinterpreted the information they were giving him. His computer skills were also poor and one Friday afternoon he managed to wipe several retailers' details from the database. Casey Leaver, the Financial Manager, was furious as the lost information contained details of how much money each shop still owed SW, as well as orders still to be delivered. Samantha Howarth, the Production Manager, was also angry with Adam. She needed him to pass on each retailer's requirements so that the products could be manufactured and sent out to them as soon as possible. Adam was unaware that this was part of his job until he received an angry e-mail from Samantha (see Fig. 1). As Adam got more and more in a mess, retailers across the county were receiving incorrect orders – products that were the wrong size or design or looked like they had been produced in a hurry. One of SW's most consistent customers, Wave Nation, had taken orders themselves from members of the public for the new range of SW gloves, only for the delivery to consist of 16 children's wetsuits.

## A Tip Off

One morning, Ben received a phone call from Justin Greaves, a good surfing friend of Ben's and owner of Greavsey's Surf Shack in the local high street. Justin was letting Ben know that despite several phone calls to Adam, his delivery of winter wetsuits had still not arrived.

"I spoke to Adam yesterday and he promised me that my order would be here today," said Justin. "I have to say that myself and other retailers are losing patience with your business, Ben. When the orders do finally arrive a lot of the time they are wrong and some of the quality you had previously has gone. A lot of your goods just aren't fit for purpose and some retailers I know are even talking of taking legal action against you. I wouldn't be surprised if a lot of them drop the brand altogether next season. I'm just letting you know so you can sort it out before it gets totally out of control."

## Changes Needed

Ben retrieved the latest sales figures from Casey and what Justin had told him seemed to be true. The amount of repeat business from retailers had definitely dropped off over the past few months. Ben knew he had to do something about it and called a meeting with Adam, where he tackled him about what was going on. Adam promptly burst into tears and promised to do better. Samantha in production was not so self-effacing when Ben asked her about the quality issues. “What do you expect? We’re rushing to get the orders out on time,” she snapped. 90 95

The bottom line was that the business as a whole was not making enough effort to keep its retailers happy. Ben’s staff seemed to be so wrapped up in their own jobs that they were not supporting each other and had lost sight of what the business was all about. However, Ben needed to handle the situation with them delicately. The organisation that he had worked for in France had a lot of demotivated employees and a high staff turnover. He could not afford to lose anyone with experience. Ben knew that he was extremely fortunate to be in the position where his business could potentially expand on a national scale, thanks to the publicity generated by Dave Botterill’s success. Yet, if something was not done soon to sort out the problems, it would be the end of SW for good. 100

## Moving Forward? 105

Ben needed to find out exactly where his business was going wrong and what his customers really wanted from SW. He felt the best way of finding out what his retailers thought was at the point when the orders were delivered. He planned to get each delivery driver to have an ‘informal chat’ with the retailer at the point of delivery to get feedback on how they were feeling about SW. If any bad points arose, then Ben planned to use this to put together some sort of customer service training for each member of staff. 110

However, when Ben sent a memo round to his staff letting them know of the plans, some employees were not impressed. Samantha was the most dismissive. “What’s customer service got to do with me?” she shouted. “I don’t deal with any customers, the sales administrator does. I don’t need any training.” 115

Ben was worried. He knew that SW was being seen as increasingly incompetent and difficult to deal with. He phoned Justin for some advice.

Justin said “Why don’t you employ a Customer Service Manager to oversee the whole process from the point of order to delivery? He or she could keep your staff in order and would be responsible for making sure that our retailers get exactly what we want from you.” 120

Ben was dubious. A lot of his staff were quite headstrong and he was not sure that employing a Customer Service Manager would go down very well. But the training idea had not been very popular either – only Adam had seemed keen. Whatever happened next, Ben knew that he had to get the staff on his side if SW was to move forward.

To: Adam Boddison  
From: Samantha Howarth

Adam

I find it very hard to believe that we have received NO ORDERS WHATSOEVER over the last week; either SW is going down the pan or you are not letting me know what the retailers want, so we can make it.

I suggest you e-mail me back ASAP with details of our customers' requirements, and while you're at it, phone up everyone who has placed an order with us to tell them that it will be late – thanks to your incompetence.

I don't know if Casey has told you but sales are down on this time last year so try and push the more expensive gear when someone makes an order – whether they want it or not.

Sam

**Fig. 1**





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