

Friday 10 June 2022 – Afternoon

Level 3 Cambridge Technical in Business

05837/05878 Unit 15: Change management

RESOURCE BOOKLET

Time allowed: 1 hour 30 minutes
C428/2206



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INSTRUCTIONS

- You should refer to this resource booklet when answering the exam questions which are contained in a separate booklet.
- Do **not** send this resource booklet for marking. Keep it in the centre or recycle it.

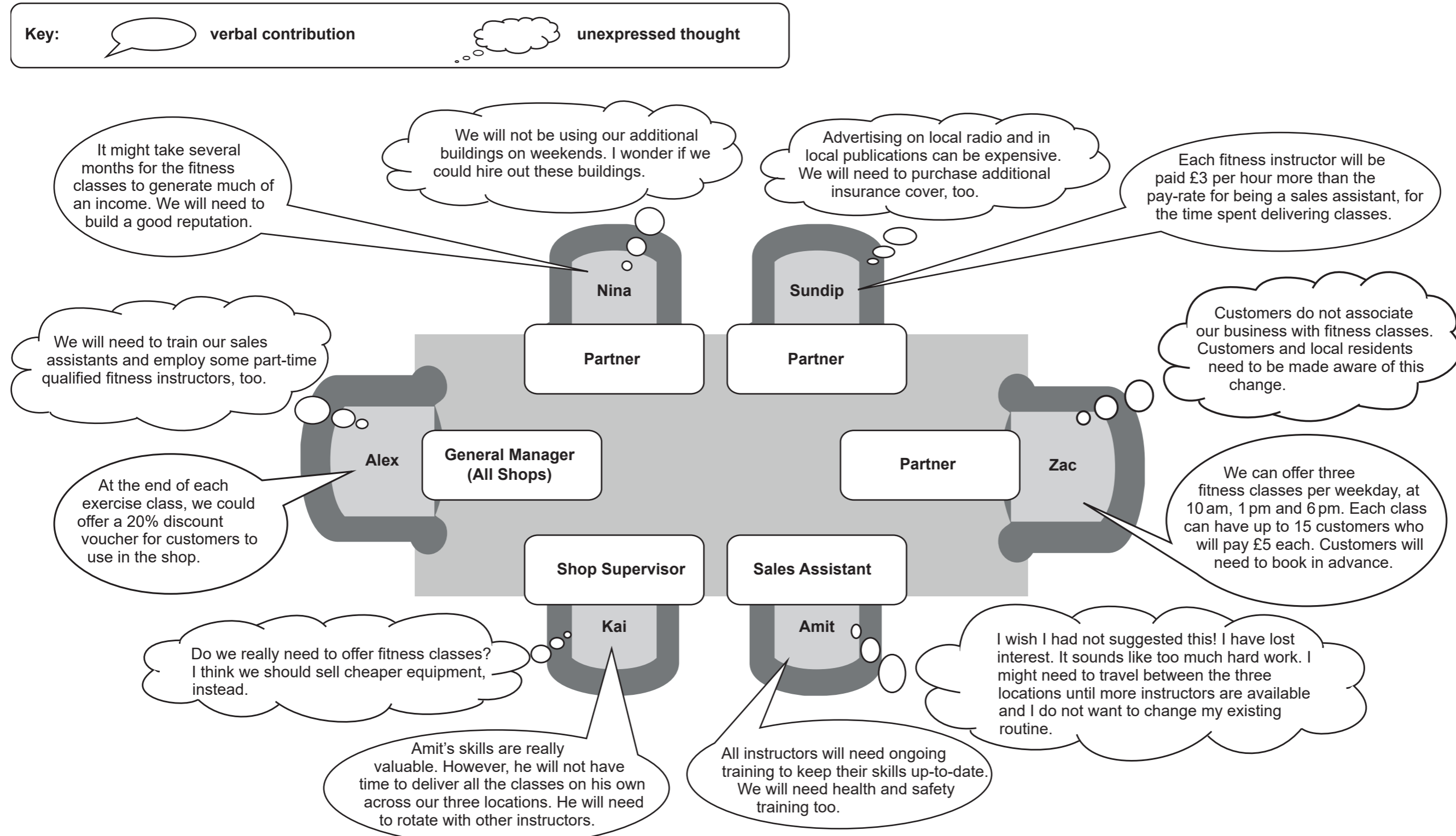
INFORMATION

- The business described in this resource booklet is fictitious.
- This document has **5** pages.

Resource 1

Maxi Exercise sells fitness equipment. The business is owned by three partners, Nina, Sundip and Zac. *Maxi Exercise* currently operates from three shops, each located in a different city centre in the north of England. *Maxi Exercise* sells high-quality, branded, fitness equipment intended for home use. Its bestselling products include exercise bikes, rowing machines, weight benches and multi-gyms. The shops also sell a range of fitness accessories such as water bottles, gym mats and activity trackers. In the last two years, *Maxi Exercise* has found it difficult to remain profitable. There has been an increase in competition from local businesses selling low-priced, budget brand, fitness equipment. In addition, market research shows that exercising at local gyms has become more popular than exercising at home. Nina blames these changes on recession and rising unemployment in the local area.

Amit, one of *Maxi Exercise's* sales assistants, is also a qualified fitness instructor. Some months ago, Amit suggested to the partners that each shop should offer fitness classes. The partners have decided that now is the right time for the business to offer these fitness classes. The business will lease three additional buildings, each near to one of its three shops. These additional buildings will be converted to provide a safe space for exercising, as well as changing facilities and toilets. Initially, *Maxi Exercise* will run fitness classes on weekdays, during shop hours and in the evenings. The partners are expecting sales assistants to train as fitness instructors so that, where possible, they can deliver fitness classes and continue to work in the shops. Additional fitness instructors will also need to be recruited. Nina, Sundip and Zac organised a change management meeting to discuss these plans. Below is a summary of the main contributions and thoughts of those who attended this meeting.



Resource 2

Maxi Exercise has now been offering fitness classes for nine months. The partners have been collecting feedback from customers to understand more about the performance of the classes. In addition, the partners have obtained some data about similar fitness classes offered by competitors in each of the three cities. This has been used to compare the performance of competitors' classes and *Maxi Exercise's* classes. Sundip has also produced some data on the Key Performance Indicators for the fitness classes.

Feedback from customers who have attended fitness classes at *Maxi Exercise*

- "Some of the trainers do not seem very confident. I don't think I will attend any more classes."
Miss Z
- "I attend Maxi Exercise classes because they are cheaper than competitor classes and the facilities are modern."
Ms D
- "I have only just found out about these classes. I wish I had known about them nine months ago, as I would have joined much sooner."
Mr T
- "My sessions with Amit are great. He is knowledgeable and clearly cares about fitness."
Mrs R

A comparison of competitors' classes and *Maxi Exercise's* classes

	Competitors' fitness classes	<i>Maxi Exercise's</i> fitness classes
Percentage of classes cancelled by the instructor	4.5%	0.9%
Average number of customers cancelling before payment is due (per week)	1	3
Average number of accidents per month	3	1

Maxi Exercise (Fitness Classes): Key Performance Indicators

	Expected	Actual
Punctuality of fitness instructors	98%	72%
Average number of customer complaints per week	2	1
Average number of customers per week	540	203



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