

Portfolio marking guidance

**Edexcel General Certificate of Secondary
Education in Applied Business (Double Award)**

May 2004

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Introduction

GCSEs in vocational subjects

A range of GCSE (Double Award) specifications in vocational subjects has been introduced to replace and extend the range of Part One GNVQ courses at levels 1 and 2 of the National Framework of Qualifications. They can be taken as two-year courses from September 2002 and one-year courses from September 2003 for first awarding in summer 2004. This document has been prepared specifically to deal with the Edexcel GCSE in Applied Business (Double Award).

Edexcel GCSE in Applied Business (Double Award)

The Edexcel GCSE in Applied Business (Double Award) has been designed to provide a broad educational basis for further training, further education or for moving into employment within the business sector. The QCA Qualification Accreditation Number for this title is 002.

Portfolio marking guidance

This guide is designed to give guidance on how to apply the mark scheme, and to enable teachers of the Edexcel GCSE in Applied Business (Double Award) to form an impression of the kind of work that may be produced as the specification is applied. Each example of work is of a style and a standard as near as possible to the requirements of the new GCSE.

The examples have been extracted from courses with similar content, and analysed to give an indication of how they relate to the levels of response in the mark scheme. Examples of the standard of work felt to contain qualities or standards indicative of high, medium and low-level mark bands are provided. Examples are not intended to be used as examples of good practice.

This publication is designed for general guidance. Full details of the course requirements can be found in the specification, guidance on internal assessment and the assessment criteria. These publications should be referred to for more definitive information. The teacher's guide will also provide more detailed guidance on dealing with assessment criteria and planning teaching programmes.

Applying the mark bands

Portfolios will be marked by the centre, and externally moderated by Edexcel. Each of the internally assessed units has a marking grid, divided into three broad mark bands, showing how to award marks in relation to the task and the assessment objectives. The marking grids indicate the required assessment outcomes as well as the quality of the outcomes needed for achievement in each of the mark bands. Mark band 1 relates to the expectations given in the grade description for grade F, mark band 2 relates to the expectations for grade C, and mark band 3 relates to the expectations for grade A. For further information on grading, see the section *Grading and aggregation* which follows this section.

In general terms, progression across the bands is characterised by:

- increasing breadth and depth of understanding
- increasing coherence, evaluation and analysis
- increasing independence and originality.

The unit marking grid shows the allocation of marks by assessment criterion and by mark band. This grid should be used to determine marks for student achievement in each unit. Students can achieve marks in different bands for each assessment objective. The total mark achieved will depend on the extent to which the student has met the assessment criteria overall.

Within each assessment criterion, it is a general principle that shortcomings in some aspects of the assessment requirements may be balanced by better performance in others. However it is also important to note that for full marks in any particular assessment criterion, all the requirements should have been met.

Marks should not be awarded on the basis of a 'tick list' of factual content but on the overall response as it relates to the requirements stated within each mark band. Assessors should adopt a holistic approach and apply their professional judgement. The *Guidance for teachers* section in each unit gives specific details of how marks should be allocated.

There should be no reluctance to use the full mark range and if warranted assessors should award maximum marks. Students' responses should be considered positively. A mark of 0 should only be awarded where the student's work does not meet any of the required criteria.

The grade descriptions for the Edexcel GCSE in Applied Business (Double Award) refer to the levels of support and guidance required by students in carrying out investigations and tasks. All students are entitled to initial guidance in planning their work. When marking the work, assessors should apply the following guidelines:

- **'Some support and guidance'**: the student has to be guided and advised throughout to ensure that progress is made. The student relies on the support of the teacher, who has to assist in most aspects of the work. This level of support restricts the student's mark to band 1, irrespective of the quality of the outcomes.
- **'Limited assistance'**: the teacher supports the student initially in the choice of topic for investigation. Thereafter the teacher reacts to questions from the student and suggests a range of ideas that the student acts upon. The student frequently checks matters of detail. The teacher needs to assist in some aspects of the work. This level of support restricts the student's mark to bands 1 or 2, irrespective of the quality of the outcomes.
- **'Independently'**: the teacher supports the student initially in the choice of topic for the investigation or task. Thereafter the teacher occasionally assists the student, and only when asked, but monitors progress throughout. This level of support gives access to all three mark bands.

For internal record-keeping purposes, centres may wish to make a copy of the marking grid for each student and use it to record the mark for that unit. The GCSE, GCE, GNVQ Code of Practice requires assessors to show clearly how credit has been assigned. Guidance on how this may be done will be included in the separate support material that will accompany this specification.

Grading and aggregation

The mark bands used for internal assessment do not relate to pre-determined grade boundaries. Following each examination and moderation series Edexcel will set the grade boundaries for the two internally-assessed units and the externally-assessed unit at an awarding meeting.

The raw mark boundaries will be converted to uniform marks on a scale of 0-100. The final grade for the qualification will be determined by aggregating the uniform marks for the three units. The following table gives details of the uniform mark scales (UMS) used for the units and for the qualifications.

Unit results

The minimum uniform marks required for each grade:

Unit grade	A*	A	B	C	D	E	F	GVQ Business
Maximum uniform mark = 100	90	80	70	60	50	40	30	20

Candidates who do not achieve the standard required for a grade G will receive a uniform mark in the range 0-19 and be recorded as U (unclassified).

Qualification results

The minimum uniform marks required for each grade:

Qualification grade	A*A*	AA	BB	CC	DD	EE	FF	GG
Maximum uniform mark = 300	270	240	210	180	150	120	90	60

Candidates who do not achieve the standard required for a grade GG will receive a uniform mark in the range 0-59 and be recorded as U (unclassified).

Exemplars and Commentary

Unit 1: Investigating Business

Unit 1 – Exemplars

GCSE Applied Business
Unit 1
A Report Comparing Georg Fischer and Sainsburys PLC

Introduction

As part of my GCSE in Applied Business I will be producing a report. Which will compare the Georg Fischer Corporation and Sainsbury's plc. ✓ This report will include such topics as why the business chose their particular location, and how they operate their business. For example, both Georg Fischer and Sainsbury's Plc are international companies, meaning that they are well established and can reach a wider range of customers and suppliers. ✓

Aims and Objectives of Georg Fischer

Georg Fischer is an international business, with many subsidiary sites around the world, for example Georg Fischer has sites in Switzerland, Great Britain, USA and Germany. Georg Fischer produce iron castings for the auto-motive industry. Georg Fischer headquarters is in Switzerland, and is where the business started, the company is known internationally as Georg Fischer (the Swiss spelling of the name), however in English speaking countries it is known as George Fischer, this is that is easier for the people of the country to pronounce in their own language. ✓

Georg Fischer was established in 1802 in Switzerland, and has 15,000 employees with £1.7 billion annual turnover. The only Georg Fischer in the UK is in North Hykeham; it was founded in 1905, and has 400 employees. The site uses the sand casting method for making the castings for the auto motive industry. ✓

The company as a whole is a privately owned company, and is owned by its shareholders. The company is made up of 4 main groups, the biggest of which is the automotive products, with an annual turnover of 0.9 Billion, and 6600 employees.

The Aim for the Georg Fischer Corporation is:

'to serve our customers, shareholders and employees in a well balanced way by providing benefit and increasing wealth'

The Aim for the subsidiary company George Fischer of North Hykeham is:

'To hold a leading position in our market and to be profitable'

Companies use objectives so that they have a target to aim achieve and aim for. if a company didn't have any objectives then it would not do anything, as it had no specific 'thing' to achieve. By setting objectives business' can compare their performance to their targets.

Business' set their first objective, when they start out, as Survival✓, this is because before they can achieve anything and making a profit, the company has to survive and build a solid place in its market. ✓ many business fail to meet this target, as it is hard to break into a market, as a small, unheard of business. When this target has been met the company can set other targets to achieve.✓

Georg Fischer and the subsidiary George Fischer (North Hykeham) are both past this objective; therefore this is not one of their objectives. Georg Fischer has past this as they have been established since 1802 and are running strong today.✓ They are and have been making a large profit and are a key part in their market. One of the new sites on China however may have set this as their objective, as they are trying to break into the Chinese automotive market.✓

Another common objective of companies is to maximise sales, this objective is common because the point of business is to make money, and by maximising sales the company is making the most amount of money possible. ✓A company can achieve this by making the most from what they have. ✓

This would be an objective of George Fischer because the have lost a large client Massey Ferguson (a tractor manufacturer) to the Far East, this is due to cheaper charges for the same services, the workers and pay are far cheaper in the Far East. ✓ The loss meant that the company would have to lose 130 employees. ✓ The redundancies meant that the company did not have as many workers as before, and was not able to make as much as possible, and did not need to, as they did not have to make for the massey Ferguson anymore.✓

Another objective for George Fischer is to provide Voluntary Services to help the surrounding area. This is an important aim as the local community is where the company employees from, also is good for advertising for the company.✓ The business provides services such as visits into schools and allowing schools to visit them. ✓ The visits mean that the company teaches the surrounding community about how businesses operate. George Fischer provided me with the information I needed to write this report, there was a visitor to the school who talked to the class, showed a presentation, provided information sheets, showed an informative video and answered our questions. As well as visits to schools the company has a website that provides visitors with any information they may want to know about the business.✓ These services make the company totally access able and benefit the business by making it part of the community. The company is constantly achieving this by doing all of the above, but is this was not an objective then the company may stop providing the service it does, as it would not see this as part of their business plan.✓

BUSINESS ACTIVITY

WHAT DOES GEORG FISCHER DO?

Georg Fischer produces many products to industry, dealing mostly in the automotive industry. There are 3 main divisions in the Georg Fischer Company these are:

Automotive Products (The largest of the 4),
Piping Systems,
Plant Engineering,
& Finally, Manufacturing Technology.✓

Automotive products is the area that makes cast iron and aluminium components, and systems for vehicles. They also research and constantly develop the products they make in this area. This is the largest of the four.✓

Piping systems is the division of the business that deals with the production of metal and plastic components, and systems for water and gas distribution in industry, and in the home, such as radiator parts.✓

Another division is plant engineering; this is where they develop and supply customised plants for complex applications in the areas of plastic and the handling of bulk solids, also in foundry technology.✓

Manufacturing technology is the fourth division and deals with the manufacturing of machine tools. EDM (Electric Discharge Maching) is used for making tools and dies which will be used in mass production of metal and plastic components.✓

George Fischer in North Hykeham make high quality automotive parts, and uses the sand method of making iron castings for the automotive industry. The company is positioned so it can make and receive the goods it needs and the goods it produces efficiently. The company makes the parts to order amount only, and once made they deliver the parts to the customer. The company also educates the local community about its business, and offers school talks and visits.✓

The company trains new employees by using an apprentice scheme, and they are taught for years and trained by actually getting some experience in the job first. This apprentice means that means that the new staff will know exactly what they are doing and will fit right in.✓

George Fischer produce car parts go into cars, so it is therefore making a consumer good, as the part is being bought and put into something else not making anything else. If the parts however were used to actually build the car then they would be called a capital good, but the part is not making another machine, is only part of a car. The part is being used by the customer (there a consumer) to be part of the car; not making something else so this all means it must be a consumer good.✓

The company is in the secondary manufacturing industry✓ as it is taking a primary (raw material) product and turning it into a manufactured good.✓ This means that the business is obviously not providing a service or finding a raw material, but working with a raw material to turn it into something to be sold on,✓ this means that the business is dealing with good more than services.✓

HOW DOES GEORG FISCHER'S BUSINESS ACTIVITY WORK TOWARDS MEETING IT AIMS AND OBJECTIVES?

George Fischer creates products for the automotive industry; the company uses iron castings to make products. The company buys from its suppliers the iron to make the high quality products it aims to make. ✓ When the iron arrives from the supplier it undergoes a quality inspection to ensure it is of high enough quality, to be used in the production of automotive parts in the Georg Fischer factory. ✓ The metal used must be of high quality to make high quality products, and as Georg Fischer aims to make products of the highest quality it must use good quality metal, so the quality control checks are vital to the business, and keeps them buying from Georg Fischer. ✓

The school visits mean that the business meets another objective of providing services to the local community. This business activity means that the company is helping the community by educating local children about businesses and industry, a key factor, which is not necessary, but does help the business as well. The visits let the community know about the business and what the company does. The visits help children complete their course by providing information about the company and the market it competes in, or just gives the children an insight into how a real working company functions. ✓

To be the leader in their market is another objective of the company and this is helped by the constant research in manufacturing technology and the constant research in automotive part production. ✓ This research leads to them developing their products and how they make them, enabling them to move ahead with the times, and be one step ahead a lot of the time. ✓ This is to their advantage in the way that they can find something which may mean they can produce goods quicker meaning they can make more in a time limit ✓ which will help as they make to order so they will be faster than other businesses, or they may find a way of making better quality products which is another reason why they would be market leader. ✓ This would also help them to maximise their sales if they are using all of their resources. ✓

The business' apprentice scheme means that they are helping meet the objective of keeping their employees happy as they are teaching the new employees new skills ✓ which is another way of helping their community, and means that the employees fit in well and work to the best of their ability. ✓

HOW DOES GEORG FISCHER HAVE TO CHANGE TO KEEP UP WITH CHANGES OVER ITS LIFE TIME?

Over the years the business has to change to meet people's wants and needs, for example people used to grow most of their own food so therefore no one would need a super market to buy from and most people would be involved in something to do with the primary sector because people were not rich enough to pay for services and did most of it themselves. Now a day's people pay for certain things to be done for them because they can afford to so services have become more popular. ✓ During times of low income people do not pay for certain things as they can't afford to, and don't necessarily need such items. This would mean that the amount of things produced would change, all this would mean changes in who is employed in each sector: Primary, Secondary or Tertiary. The amount of people employed in these areas changes over years for example:

	1971	1981	1991	2001
Primary	6%	3%	3%	2%
Secondary	46%	39%	33%	30%
Tertiary	48%	58%	64%	68%

These changes in the employment status will affect Georg Fischer because if there are less people employed in the primary sector they may not have to make as many parts for tractor manufacturers, as people will not be making as many tractors as not as many people are farming anymore, which will mean a decrease in the amount of tractor parts needed.✓

Changes in the economy affect all businesses and their activity, the amount of money people have to spend will affect Georg Fischers because they produce car parts, and if people have a lot of money to spend they may buy more cars which will mean the car manufacturers will need more parts in order to make the cars. It would also affect them if the average income went down then people then people then people would not be buying as many cars because they do not need one, or the cannot afford a new one, or even afford to keep one running, this would mean that the amount of parts needed would decrease, meaning they are not selling as many, therefore bringing in less money.✓The decrease in demand for parts would mean, Georg Fischer would have to make some employees redundant as they this would mean they had less people to pay a wage, and would mean that the profit loss would not mean too much of a decrease as they are paying less people. There also would not be need for so many employees as they do not need to make as many parts.✓

Trends and Fashions affect Georg Fischer also, as if it became more popular to walk or use another form of transport than a car, there would be less call for car parts, and the company would not need to make as many parts yet again.✓ The company would have to under go the same changes as before.✓

If Georg Fischer started to produce more and more parts then the value of their parts would decrease, so although they would be making more and more parts, which could lead to the sale of more parts, but would also affect the market it deals with as well, so it would affect all the competitors who would have to try to compete.✓

New developments in poorer countries also affects the company, as customers can get parts from another company cheaper because the workers are cheaper, meaning they do not have to pay them as much, which leads them to being able to make the same profit by supplying parts cheaper. This would mean the Georg Fischer would lose business to other parts of the world. Georg Fischer will have to either pay their workers less in order to compete or they will lose their customers to other businesses who offer the same product for less.✓

Automation also affects Georg Fischer, as over the years technology is developing meaning more jobs usually done by people can be done by a machine. When this happens it means production will be cheaper in the long run, for the business as they do not have to pay the machine a wage, and a machine is generally a lot less hassle, as they do not need paid holidays, or sick days. If a company can get a machine to do a job instead of people it usually means a cheaper way for business ✓This would mean they the business can lower it's prices because it can make the product cheaper, or it could make more of the product. This can affect Georg Fischer in more ways than one, as if they had the technology it means that they could change their systems to accommodate the machine and lay off people not needed. They could make more money by selling the product cheaper, and attracting more customers, therefore an increase in profit.✓ Automation could also have a negative effect on Georg Fischer because if they weren't the ones with the machine they could fall behind in the market place.✓Georg Fischer already have a division in their business activity, which is devoted to

the research and development of machinery, which helps them with this change.✓ They could however provide a service of mechanics to fix machines that are made, as they are likely to break down at sometime and this would mean a profit for them by providing this service.✓

What Does Sainsbury Plc Do?

One of the objectives of Sainsbury Plc is to provide goods and services to the local or wider community. The company tries to meet this objective by selling over 23,000 products, with 40% of these being Sainsbury's own brand, ✓ in the supermarkets. There are lots of supermarkets across the country so it reaches a lot of different communities. The supermarkets provide the customers with not only goods for their weekly shop but some stores also have a pharmacy, coffee shop, petrol station and bakers. The companies they own, as this is what a supermarket is supposed to provide. ✓

Another objective of the company is to be environmentally friendly. ✓ This is important as they want the customers to come back, and if the company were not looking after the environment then the customers would not come back. The company therefore provides recycling points at their supermarkets, and offers something called a carrier bag for life system, which means that for 10p the customer can buy a large, strong reusable bag that will last them for ever, if it breaks the customer is entitled to a free replacement ✓, this means that because the customer is using the same strong bag over and over again ✓. They do not need another plastic bag every week and that more plastic does not need to be used and thrown away by making another one. The carrier bags the company provides are also made from recycled plastic as well, meaning that the plastic isn't being thrown away but reused, protecting the environment. ✓

The supermarkets aim to provide the customer with the high quality service by making quality food a priority. The company has invested in their own food range and have during the last year improved or developed over 2, 300 products. ✓ The lines are checked constantly, and the company employs a mystery shopper to check how they are treated, and how good everyday quality of the food and the store are. ✓

The company also aims to be available to everyone. The company is 2nd in the UK online grocery market and has 436 stores spread across the UK. ✓ The company also owns supermarket chains in the US as well meaning that the company reaches across to abroad rather than only being available to one country. The company also has its own bank, this means that it does not just reach people who shop with them. ✓

If the company were to stop providing the services then the company may not be known and would lose its notability in the area.

The company also aims to be environmentally friendly. ✓ The company shows it is trying to achieve this because it has a dust filter in its chimney, ✓ this is so that there is a lot less pollution going into the air from the site. The company looks after the environment because if it didn't then it would lose employees because no one would want to live near it, because the area would have polluted air that would cause illness and smog. ✓ The surrounding area would not be very pleasant and lives of people, animals and local wildlife spots would be lost. ✓ The company is still polluting the air around it slightly, but not at great extent that it is dangerous, so the target is not fully met, but also is met as far as possible at the current time. ✓

The company aims to provide high quality services. This is an objective because if the company did not provide good quality services then it would lose clients to other companies. The company has a good customer service department and is always accessible. The company provides the customer with high quality services by making only the amount that a

company demands and for the set deadline. ✓ This means that the company is only making the amount needed, rather than a lot of poorly made parts. ✓

Aims and Objectives of Sainsbury's Plc

Sainsbury's Plc is a company that is widely known in the UK and the US as a leading food retailer, the company owns Sainsbury's Supermarkets, Sainsbury's Banks (UK only) and Shaws Supermarkets and Star Market in the US. ✓ The company is a Plc, which means it is a public limited company. The company is spread across the UK with many of their supermarkets across the regions. ✓ The supermarkets are the UK's longest-standing major food retailing chain, established in 1869 by John James and Mary Ann Sainsbury. Sainsbury's Supermarkets employs over 145, 000 people, 605 of these are part time, with the other 405 working full time, 62% of the employees are women. The group's annual turn over in 2002 was £18.2 billion. ✓ Sainsbury's supermarkets serve over 11 million customers a week has 436 stores in the UK. Shaw's supermarket Inc. has been owned by Sainsbury's since 1987, and serves over 4 million customers a week. ✓

The aim for Sainsbury's Plc is:

'To be the first choice for food, delivering products of outstanding quality and great service at a competitive cost working faster, simpler and together'

Another objective is to be the customers first choice for food shopping, the business helps met this by providing a good customer service department, and by having everything the customer needs under one roof. If there is more for the customer then they are more likely to shop there. Supermarkets that provide more are going to attract more custom as they have more to offer, and supermarkets are all about convenience, so people are after getting the most from the shop, if they can get more variety in one place then that is where they will go, for the simple fact that it is more accessible and easy to get everything in one go. Another business activity that contributes to the eventual meeting of the objective is that they develop the retail design sites, and have a lot of stores nation wide, making them available to a lot of people, because people want to buy locally and are not prepared to go far to do their weekly shop.

The business also helps meet the objective of providing great service. By constantly checking it's lines vigorously. And with over 40% of food products sold in store being Sainsbury's own brand, the supermarket can assure it's customers high quality food. Also the company provides mystery shopper test to ensure that the service the customer receives is of high quality as well. The aim is to be one step ahead of the other

supermarkets, and the other supermarkets do not mainly provide such high quality items as Sainsbury's. This is a plus as well as a minus for the company, as it means offering something more, but it also means putting people with less money out of its market, making other supermarkets attract customers.

HOW DOES SAINSBURYS PLC HAVE TO CHANGE TO KEEP UP WITH CHANGES OVER ITS LIFE TIME?

If the average income was down, and people were in a recession, Sainsbury's would have to change the type of product it supplies, with most of its food being of high quality, but costing more than the cheaper economy type foods of other supermarkets, this would mean people had less to spend so they would buy the cheaper foods, so Sainsbury's prices would have to change, so they could stop making such high quality foods in order to survive, if they did this Sainsbury's would still do well, because everyone has to eat, so they would at least sell a lot each week. They would also have to change the bank rates in this situation, as everyone would have less money going into bank, but would still want to save.

Trends over the years would also affect the way Sainsbury's operates, because if eating low fat foods was in, then they would have to sell more low fat foods, in order to make the most money. The supermarket also has to take current fashion into account within its clothing range in order to keep up with the fashions.

Sainsbury PLC has a number of different businesses within its corporation, and started as a business selling food products, which is currently, its main business. It owns 3 supermarkets, 1 line is spread across the UK (the original family business of Sainsburys), and 2 in the US (which are smaller chains than the UK). The 2 in the US are named StarMart and Shaw's Supermarket.

All of the above mentioned supermarkets provide a service of convenience for shoppers by having everything needed in the weekly shop in one place, and the added bonus of internet shopping, where you order online, and the food is sent to your door. The Sainsbury's supermarkets include such features in the store as banks, cafes and newsagents. The supermarkets not only sell food, but toiletries, toys. Clothes and flowers. This is all for the convenience of the shopper. The business provides, all the fore mentioned services, and mainly deal with sale of goods. The banks inside the supermarkets are Sainsbury's own banks and offer all the services of money advice, and savings that people will need. This is yet again a service to the customer, but does not involve the sale of goods. The Bank is present in 127 stores across the country, it is a very successful area, and is also for convenience if customers, as they get can get the money they need to spend in store from the bank as they enter, and the money and what they spend it on is all there in one place.

There is also a property company, which sells, and develops retail sites. This means that they are making money from developing sites, which could benefit themselves, as they are part of the retail business.

The organisation as a whole provides mainly Client services, with a bank, property sales and development ideas and plans, as well as the sale of goods in a convenience supermarket. They also develop their own food range but most of the business deals with service. There is also a service area in every store, which is the customer service department. The organisation as a whole fits into the tertiary sector, as it provides a service mostly, and sells the goods, not produces them.

HOW DOES SAINSBURY'S PLC BUSINESS ACTIVITY WORK TOWARDS MEETING ITS AIMS AND OBJECTIVES?

Sainsbury's business activity of producing and developing its own food range means that is helping to meet the objective of providing outstanding quality food products to its customer because this means it is developing its own food range, so it knows exactly the quality of the food, and the development means it is getting better, ensuring high quality food. The shop also specialises in luxury food items, which means that the customer is receiving food of the highest quality.

If it became fashionable to eat out often then they would lose out because they wouldn't have people buying as much in store.

New developments in the shopping also affect the business like the internet is a popular resource for communication, retail and research, so in order to keep up with the times Sainsburys must keep up to date with the latest internet facilities and ways of working, like their newest development of internet shopping, they will have to make this available all over the country, as it is not fully accessible everywhere. Employment figures and wages also effects Sainsburys, as many people work in supermarkets, but are not earning a lot, so if the minimum wage increases then they will have to pay there people more.

People like to shop and work when they want, so therefore a lot of shops are becoming 24 hours, Sainsburys is not yet 24 hours but in order to keep up with the times they must change some how, to keep the customers they are losing by not being open all the time.

AO2 OWNERSHIP

Georg Fischer is a Private Limited Company, this means that they are a joint stock company and their shares are not openly traded on the stock exchange. This means that they do not have to give all of their stock information to the public, although some information does have to be available in the form of an annual report, this cost the company a minimum of £700 a year. This £700 is not a lot to such a large company as Georg Fischer, who publish all their information from their head office in Switzerland. This is an advantage as it is a lot more costly to publish all the information about the company, and its shares. Another advantage of this point is that it helps attract people to put money in, as they know that all the information is not going to be published, and the company does not have the risk of bad publicity from the information. The shares of the company are also dealt with in the main head quarters.

A private company like Georg Fischer, can only sell their shares to known people, unlike a public limited company who can trade openly on a stock exchange, and sells shares to the public. Georg Fischer have put another rule to their shares, that the shareholder must be swiss, this is not a rule for all private limited companies but helps Georg Fischer as a company. This means that all shareholders are in one country and easy to consult about things, where as the company as a whole is internationally spread, and if they were to have shareholders in each of the countries it would create a lot more work. The advantage of knowing the shareholders is that you know who they are, and what sort of people your dealing with; some may have more interest in the company than others. It also keeps the business safe from take over, as no one person can buy up a lot of shares and take over.

Another advantage of being a company in general is that you have limited liability; this means that as a shareholder putting money into the business, if the business fails then you only lose what you put in, and not any of your personal belongings. This helps to attract people to put money into the business if they know that they aren't going to lose their home, or belongings. This is a good advantage, and helps attract people, but is not needed in such a large company as Georg Fischer, as they are unlikely to fail anytime soon, but it is also the reason when becoming a company; the business will start as a private limited company.

A disadvantage of being a private limited company is when in need of money, for a new piece of equipment, development or growth (such as a new factory) the business cannot just raise money by selling more shares. So raising money for something could be a problem, although they have a lot of money not all can be spent on just a new site, and they may need more money than they can just borrow from the main headquarters. The headquarters in Switzerland deals with all the money of the company, and if in need of money the subsidiary companies have to borrow from the head office.

Sainsbury's used to be a partnership, but expanded and is now a Plc, which stands for Public Limited Company. This means that they are a joint stock company who trade shares openly on the stock exchange. They have limited liability, as do Georg Fischer, and this helps them attract more share holders when in need, although Sainsbury's are a very large company (as they would have to be a Plc) that they do not need to really.

Sainsbury's is a plc, which is good for such a large company. The fact that when in need of money to build a new store or invest in a new store or in a new product range, all of these cost money, and Sainsbury's has the means of just selling more shares to gain more money. This new money goes to the new developments and can be used to take over other businesses, as Sainsbury's does, like the chain of supermarkets they own in America.

It also helps put them one step ahead as they invest the money they are making from selling shares into developing a new means of technology, this would mean they have more to offer or they could sell their products more cheaply. This being one step ahead is important for Sainsbury's as they are one of the main competitors on the British Supermarkets market, and the competition is close, and there is not a lot between the few main leaders, such as Asda and Tesco's.

The extra money to set up new locations helps them spread, and meet objectives, such as to be available locally to everyone, and if they have a lot of stores in different places, then they are available close to everyone, and if they have a lot of stores in different places, then they are available close to everyone.

There are of course disadvantages of being a public limited company, and that is that they have to release an annual report of all their stock information, and this costs them roughly £100,000 a year, and is a lot of work, and they have to employ a lot of people to check information etc. This is a very large sum of money, and is a reason why the company has to be so large to be a public limited company. There aren't many public limited companies and this is due to the need for sheer size to be one. The process of being one takes a lot to set up, and is very costly, but is very beneficial as shown, if you can afford it then it works very well.

Another problem is that shareholders are only often interested in short term investment and there is nothing to stop them doing this, this is not very beneficial for the company.

The company also has to obey certain stock market rules and these cost money also.

There is also the possibility of losing control, as they are so many shareholders, and when becoming a private limited company Sainsbury's founding family soon lost control and there is now not one family member in the business. This is common for a public limited company. In this company it is possible for someone to buy up shares under different names, and when they have 51% of the shares they have control of the company, however it would take a lot of money to take over such a large company and is very unlikely to happen.

I think that Georg Fischer is in the best type of ownership it could be at this time, however should grow to a much larger business, then it should benefit from becoming a Plc. Georg Fischer is not large enough to become a Plc, and is doing well as it is. Although it would benefit largely from becoming a Plc because it would be able to raise money much quicker by just selling shares, and could use to make a new site to break into an untouched area but this is a very costly area becoming a Plc, and Georg Fischer is not large enough, and might not attract enough shareholders to raise enough money to survive in this business. £100,000 is a lot more money for an annual report than £700, and this would need more shareholders just to pay for that. There are a lot of rules for trading on the stock exchange that cost money also. So although there would be some advantage, they are just simply not big enough, and there is too great a risk, that it is not worth risking the successful company that is already working. I think Georg Fischer's shouldn't change and they should stay as they are.

Sainsbury's is best as it is, a Plc. They are a huge company and are very successful as a Plc. They could become a franchise but I do not think this would work. The franchise would be difficult for a supermarket, and the company also owns a bank and property business, which is all difficult to franchise, as Sainsbury's needs to keep control of all their business. Although they could become a franchise and spread to other countries and untouched areas, but this would take a lot of work, and would mean employing a lot more people, and would take a lot of research. This expansion, like all expansions is a lot more people, and would take a lot of research. This expansion, like all expansions is a lot of work, but even more so in a franchise, and is unlikely to work anyway.

AO2 LOCATION

George Fischer is located on Station Road, North Hykeham in the UK. North Hykeham is very close to the centre of Lincoln, and is in the county of Lincolnshire, the 2nd largest county in England. There is only one Georg Fischer subsidiary in the UK. They deal with customers such as; Volvo, Ford, BMW, Mercedes, D.A.F. and Chrysler.

Location of Competitors: there are no local competitors, as their main competitors are mostly in the Pacific Rim, the wages are lower, therefore the products produced there are cheaper. This causes George Fischer to lose customers, meaning a loss of money. They have already lost a major client, Massy Ferguson, to a cheaper charging company in the Pacific Rim. George Fischer in the UK has to charge more for their products, because people in the UK get paid higher wages than in the Pacific Rim for the same work. However their closest competitors are in Sheffield, this puts the competitors at an advantage, because there are steel works in Sheffield where both companies will need to get their raw materials from, as George Fischer uses steel as well as iron. This means that George Fischer will have to transport their raw materials to the factory 50 miles away, whereas their competitors only have to transport theirs a few miles. The competitors being closer to the raw materials means they save on transportation costs. George Fischer have to incorporate the price of transporting the raw materials from the suppliers. George Fischer have only 5 competitors in the UK; all the others are mostly in the far east. If George Fischer did have any really close competition it would not affect their trade much, because they trade on such a world-wide market. It does not affect businesses in the secondary sector; such as it would if they were a tertiary business, which have to attract customers from the local public, who pass by.

Transport Links – the business' location means they are close to a railway link, and although the road that they are located on is narrow for transporting vehicles they are close to a main road, which leads to a motorway. This makes the business relatively easy to find, and accessible. The motorway is a main access road to Lincoln, and also Sheffield (where the competitors and raw materials are). The nearest airport for international shipments is Humberside, which is 36.5 miles away. Therefore the transport links are good, for everyone to reach the location, however the road it is located on is not very wide, causing the large transportation lorries problems. The main access roads however are very close, and are good for the transportation of large goods, meaning that the transportation links are mostly of a good standard for the business.

Close to Raw Materials – George Fischers are about 1 hrs drive away from the local steel suppliers, so this means that they are not too far away from their suppliers, so transport costs are low. However they are at a disadvantage as one of their competitors in the UK are closer, as they are located in the same area as the steel works. This means their transport costs are even lower. The transportation of such large amounts of raw material also means that the business is well located, as it does not want to be any further away because it would mean long haul transportation of large goods, which is expensive, and would mean the business having to incorporate the cost of transportation into their cost, making their product more expensive. The good transport links also make life easier for the business staff to get to work.

Labour – The business is located close to many housing estates, and there are a lot of people who live locally. This means that they are a lot of people available locally to work for the company. This means that they can have a sufficient work force. Lincoln is also famous for its engineering quality. This means they have a local skilled workforce to employ from, giving them employees with the right type of qualifications. Alstom is also a manufacturing, in the centre of Lincoln, however they are not competition as they make turbines. This is an advantage to George Fischer's as they are not competition, however they are both in manufacturing, so they can benefit from each other, for example if Alstom had to make some

workers redundant, then George Fischer could employ the workers, who would have the right type of skills. They are both in the secondary sector, and the workers will be skilled in the same type of labour.

Near to the market – the only problem the company faces from not being close to its customers is the transportation of bulky goods. However there are no other problems with this, and the company is not affected by a large company is set up by a large parent company, so therefore the customer attracts business through this, and does not need to be close to be so close to its customers as to attract them.

Cost of land – the cost of land does not affect the company as it is part of such a large organisation that the cost of land is irrelevant as the company gets a loan from the main office. However if the company were to expand the cost would matter, as they have to pay back the money to the main office, and if the land locally is expensive it will prevent the company from expansion. The local land is not very expensive. Compared to places such as London down south, but is privately owned. No other factors affect the location of George Fischer.

Sainsbury's is located on the outskirts of Lincoln, and is one of 463 stores across the UK. Their head office is at Holborn, London. Being a tertiary business they have a lot to consider when locating in an area, such as population, access, cost of land and other traders.

Location of competitors – Sainsbury's is a tertiary company therefore are affected by having local competitors. If a customer of the business sees a cheaper way of doing their shopping, by going to a local competitor of Sainsbury's then they will take their custom elsewhere. Similarly if a local competitor offers the customer more, or more services then they are likely to go there. If they lose custom this means they will lose money, so if they have local competitors they have to try and offer more, or be cheaper than the other store. As Lincoln is such a large city there are a lot of competition for the company, as all the major competitors; such as Asda and tesco are all as large and widespread across the UK, and are competition for the company everywhere. The closest of all the large competitors to Sainsbury's in Lincoln is Asda, which is about 15 minutes drive away.

Transport Links – Sainsbury's is close to a main access road (A46) and has access to a lot of different , and has access to a lot of different places on this road, meaning suppliers can come from a variety of places easily. The lorries bringing the supplies to the business have easy access to the supermarket, because not only is it close to a main access road, but also is located on a main road of the area, that is busy, but controlled by traffic lights. The supermarket also has a large site, with plenty of room for the lorries to turn round in. this is important as the food products, etc is delivered in bulk, and therefore the transportation of such bulky amounts needs a lot of room.

Close to suppliers – this means that no matter how far away the suppliers are they have access to the site at their convenience. However it is expensive for Sainsbury's as they have to pay for transport to bring the supplies needed to the store. There are no local suppliers, and as there are other supermarkets in the area who also be needing to pay for supplies they are at no loss or advantage. Sainsbury's has its own suppliers and as they are part of such a large chain they are not themselves affected by this, the main company has to pay mostly.

Labour – there are 3 large housing estates on the businesses' 'doorstep' and with no need for skilled labour the company has a large choice of workers for their workforce. There is a lot of labour near by, and the skills such as good communication skills, and customer service can

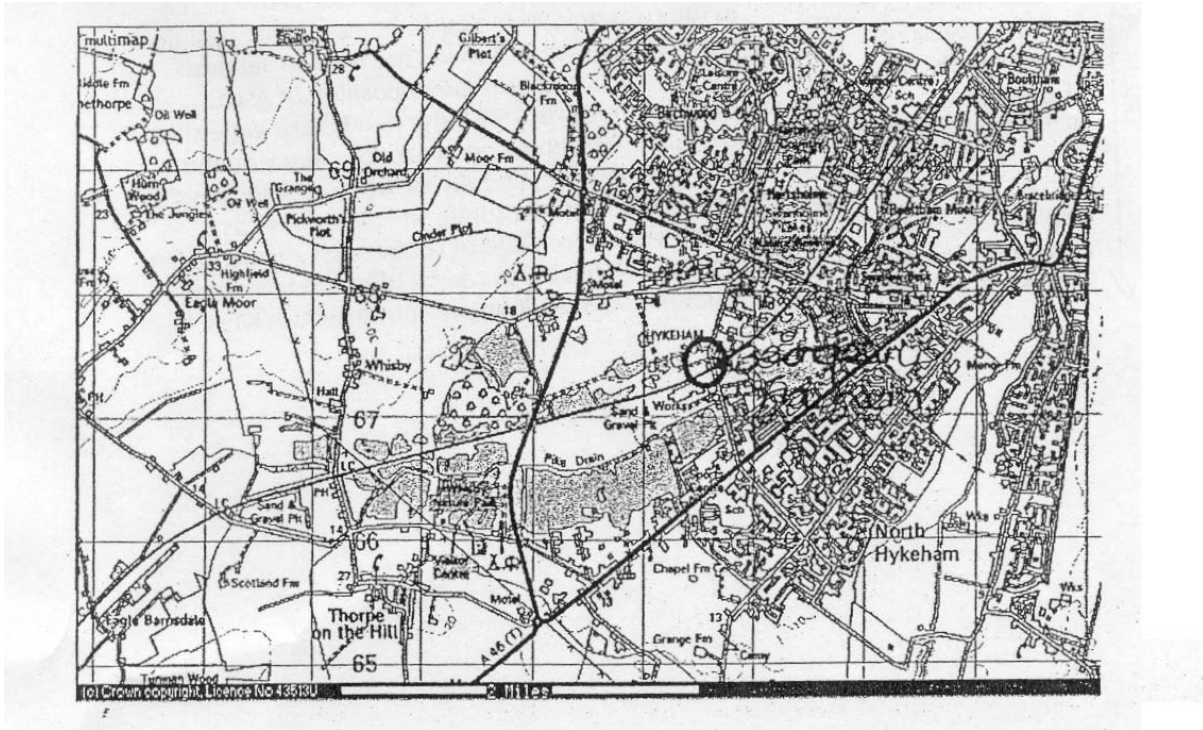
be trained, or do not need to be as they have a few competitors who will need to teach their staff the same, so the skills needed are locally available as well.

Close to the market – this closeness to large housing estates means that they can appeal to a lot of customers who live close by as this is one of the main qualities customers look for when going shopping to supermarkets such as Sainsbury's. This key factor is vital when running a supermarket, and is what gives each supermarket a lead over its competitors as they are more likely to attract the people in the area that they are near, than any other. This is because tertiary businesses have to rely on such things as being close to the customer, as the customer wants the best deal, and the easiest way. The customers of Sainsbury's however are not very far away from Asda also though, so Sainsbury's still has to face the opposition of Asda.

Cost of land – the cost of land is important as Sainsbury's needs such large sites that the land has to be fairly cheap, as they cannot spend a lot of money on the land. The cost of land in Lincoln is not expensive, and the situation of Sainsbury's in Lincoln means they have a very large edge of town centre site. Sainsbury's as a whole has 60% of its sites in the town centre or edge of centre sites, meaning that they are the most expensive of an area so Sainsbury's cannot afford to have such large sites everywhere. Many of the stores are built on previously derelict sites.

AO2 Location

Maps to show the location of George Fischer

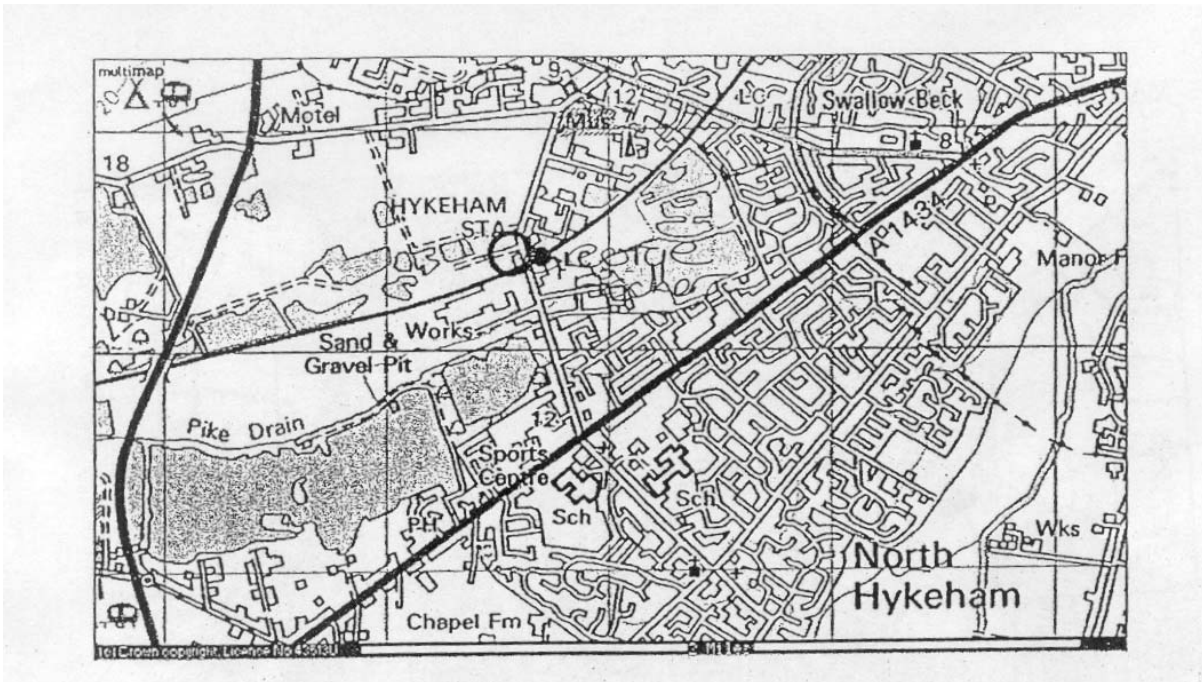


This map shows George Fischer and the surrounding areas.

Key – (this is for all maps)

Competitors	—————
Access Roads	●
Suppliers	—————
Labour living near by	○
Customers	-----

A02 LOCATION

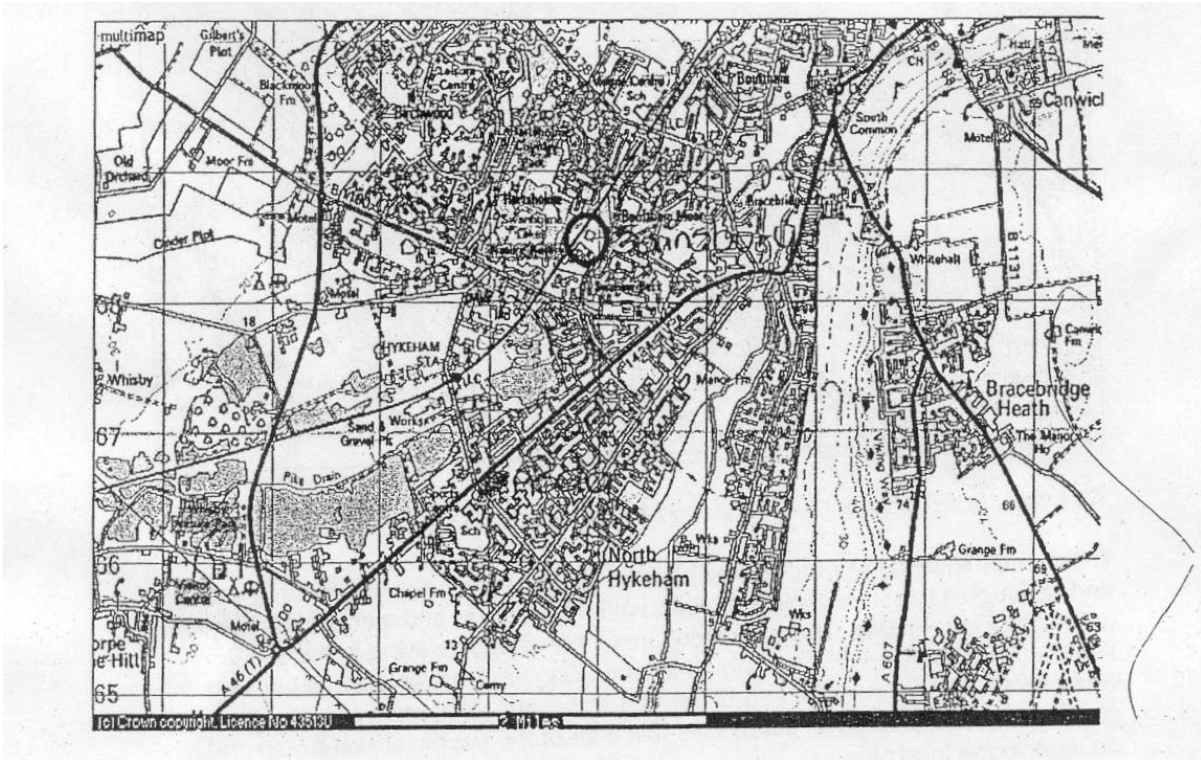


This map shows George Fischer's exact location in North Hykeham

These maps show that George Fischer has no competitors in the surrounding area, and although it has strong transport links with its suppliers and competitors they are not in a close radius. However there are plenty of people living in the surrounding area, who could be possible labourers. The large amount of housing estates means there are a lot of people living near by, and as you can see services such as schools are close by it indicates that a lot of people are educated and do work in the area.

A02 LOCATION

MAPS TO SHOW THE LOCATION OF SAINSBURY'S IN LINCOLN



This map shows Sainsbury's and the surrounding areas. See previous key.

A02 LOCATION

George Fischer is located in an area that is difficult to get large transportation to them, as the road it is situated on is narrow. This complicates transportation, and cause problems for the business and local traffic. The road is too narrow for the vehicles to turn easily and is often a busy road. The company can cause road blocks with the vehicles entering and leaving the premises, this means they cause local residents to be displeased with the company, which does not do their reputation any good. They also do not have much room to expand, which could cause problems in the future, if they ever find themselves in want of more room. They could benefit from being closer to their suppliers, as this would cut transportation costs. 1 hour's drive is not a lot, but in such often need for transportation of bulky good, they would benefit in the long run.

However they do have a main access road close by, so this makes them easily available and means they can reach a lot of different places, easily and quickly. They also have large, and unskilled work forces available, who live close by. They are also the only one in the UK, and this puts them at an advantage for bring unique. The area that George Fischer is located in is known for having a skilled work force in engineering, and is a great benefit to the company; this is a key factor and cannot be overlooked when locating in an area. Therefore George Fischer is located in the best area for them in the UK.

If they were to relocate, then a possible location would be somewhere with a closer airport, such as Manchester, however this would be expensive, and although they could reach other countries easier it may be difficult to get to because Manchester is so busy. Also it does not put them any closer to their suppliers. The skilled work force may not be so available in the area, and although it is large, the workforce is going to be hard to find, as there are a lot of other businesses in the area.

Another location they could set up in could be in an out of town location; this would mean more room for expansion. However there may be a lot of objection to the location as it may be harmful to the local wildlife, and will spoil local views. It will also be more difficult to get to, and could be too remote. It would also mean the workers would have to travel a long way to get to work, which some people may not be happy to do. Therefore I feel relocation is not a wise option for George Fischer.

Sainsbury's in Lincoln are located where a large customer and workforce are available. This works to their advantage as they have a basis upon which their business will thrive from a lot of people working close by. As they are a tertiary business this is vital, and is a key reason why Sainsburys are well located for their type of business. They have a main access road close by, and have a lot of room for the delivery trucks to get in and out with ease. They have close by competition, but this is likely in every area where there are a lot of people close by, with a supermarket. The store had very recently expanded, and now has little room to expand, if it is to keep its large car park. However there will be little need in a site so large. If the store were to relocate in Lincoln then I feel a better site is where Asda is sited, as they have all the advantages of Sainsbury's, except they are located near to schools, which provide them with a lot of custom before and after school. However this can also cause trouble, and may not be such a good idea if you do not have a lot of staffing early in the morning.

Another site would be in Waddington, however this would mean the loss of being so close to a lot of customers, and workforce, so would not be such a wise idea. Although there would be room for expansion. Therefore I think Sainsbury's is best situated where it is.

BUSINESS FUNCTIONS AND COMMUNICATION (B1, 2, 3)

The production function deals with the production of iron castings for the automotive industry. This means that they pull together all the company's resources, needed to produce the castings, such as the equipment needed: Lorries to transport the goods, getting the right metal from in to make the goods from. The production area in George Fischer are responsible for buying the correct steel and metal from the suppliers to make products, this means a constant flow of communication with suppliers to make the products, and other departments such as finance within business.

The production area is responsible for a lot of heavy machinery, these machines, and IT used to control them are all of the production process, and are vital parts to keep production lines going. If the company's lines go down the business would lose thousands an hour. The IT area (within the finance are in GF) is closely linked to the production line because of the heavy use of IT. As they provide a lot of support, as do the maintenance team. The production lines also require a lot of workers, and often with certain skills, this means that the human resources department would need to employ the workers to work on the production line. This would mean they would also need to know what the job entails, etc and the human resources area would also assign the employees pay. The production team buying the metal for the castings will need to have the metal checked by the quality assurance area if the products are to be made to the high standards that the company aim to produce. The sales team takes all the orders for the business, and George Fischer makes to order, and so the sales team has to let the production team know how many of the products are needed. The sales team will also need to know the cost of the parts the production line make. The finance area will need to know how much the area is spending, etc to not only find the area but to calculate the accounts of the business. The quality assurance area needs to check that the products made by the production area are of the highest quality and that there are no faults. All of these factors are pulled together by the production area and go into the process of production, of castings. With out this area the business would be lost as the department plays such a key role, in the actually manufacturing of the goods.

Quality assurance is another of the 6 functions within George Fischer; this department ensures the products made by G.F. are of the highest quality that they aim to produce. The checking of all products, and seeing that no faulty or poor quality products get through the production line to be sold do this. At each stage of production highly skilled employees will check the castings for faults, and pass the quality assurance test. If the products do not, the production line is stopped, and the whole batch are checked, which ever are not up to standard are taken away, and melted down to be used again. This reusing of such materials sees that the business is more environmentally friendly and that the business does not have to take into account cost of waste into their products, as the do not waste. The quality assurance area also has to check the material bought to make the goods, as if this is not of the good quality the business needs then it will be sent back, as it may effect the quality of the products made at George Fischer. The quality assurance department is closely linked to the Human Resources are as the Human Resources are will need to employ all the workers for quality assurance team, and see that they have all the correct knowledge needed for such a job. Quality assurance is also responsible for the training staff receive in G.F, and this means working closely with the human resources area as they also deal with this, this helps the business get the most from their employees, and sees that they work most effectively. The sales team can use the fact that G.F. has a quality assurance area that checks the products to their advantage, as they can tell customers that they are guaranteed to be pleased with the product as the area checks products, and their will be no faulty goods sold. Finance funds the quality assurance department, as in all other areas. Quality assurance needs the maintenance team, as this area will make sure the machines are working most effectively, and they can also make machines to check the quality of the products. This all

ensures the smooth running of the business. The maintenance also help by checking the systems for faults. Not many companies will have quality assurance departments, but may include the checking of products under a different department. The quality assurance area could be looked upon as a customer services area for the business, as they would see to any problems the customer had with the products.

Maintenance is another function of G.F. that is normally under another function in most businesses as they do not see it as such a large department, and so put it in with other responsibilities. Maintenance would normally be under admin or human resources, the maintenance team in G.F. has it's own department as it is so important to the business. This is because time is money to G.F. as they work 24 hours a day, and are constantly running, this is so they can keep to an international time table, and supply products to people all over the world, also because they make to order, and if they do not meet the deadlines work piles up, or they may lose custom. This function has a highly skilled team of workers, and some of these have designed the machines straight away, but to check them aswell. The maintenance team also do jobs such as repair the building itself, or decorating, seeing that all is presentable and functioning correctly. The skilled workers are employed in such a function on the basis that they repair any faults, if and when they occur to keep the business running, this helps the business met the aims to please the customer, and provide a high quality of service as well as product. Some business may employ people from other companies only when they need to, when a problem arises, however this can cost more and take longer. Maintenance and production are closely linked, as maintenance is responsible for the care of the machines the production area use, and will need to train the employees to use the machines. The maintenance team see that the sales team meet the sales targets on time, and that the sales team meet deadlines. Human resources see that the employees of this area have all the right skills and training.

Human resources are the department that deals with everything to do with everything to do with the employees of G.F. This area sees that the business has business has the correct number of employees, who also have the right skills. If the business has the correct number of employees, who also have the right skills. If the business does not they may need to employ more, and/or promote current employees to higher to higher positions or better conditions. they also have to deal with the other end of the scale, dismissing employees, for whatever reason. For example when the company has lost one of its main customers, Massi Ferguson, they had to lose a whole production line worth of employees, HR had to decide who to dismiss. Human resources also have to see that all have the right skills, qualifications and training. Arranging training days etc is only one such way of doing this. This area is also responsible for paying the employees of the business, this can mean close links with between the finance department, and HR as they need to discuss such things as pa, also. The HR department are responsible for the workers conditions and terms of employment. This all goes towards making the employees loyal, and seeing the business can actually run, as with no employees the business simply could not function and work its best. The HR area can also save the business money, because they could promote people as they know all about the employees and their skills etc and so if a higher position is available they can place someone there the business already knows about, and do not need to train, and also so no have to pay another set of wages. The HR department has to see that the business abides by the Health and Safety regulations of the government. H.R. has to employ people to work in every department in the business, and see that they have the right skills. Sales are in charge of selling the castings to the customers, and receiving their orders for the products, this means they have to meet the sales targets of the business, and are there to ensure the business sells as much as possible. This can mean contacting potential customers, as well as dealing with existing ones. They may sometimes need to offer the companies they sell to a competitive deal, to keep them, and beat competitors. For example when the business lost the Massi Ferguson deal this meant they were not meeting the sales target, and maybe should of, if possible, offered them a better deal than the pacific rim company, as well as

expenses in order to keep the accounts up to date. The sales area who take the orders will need to tell the production line how many they need and what of, as the production team make the goods for the customers that sales sell to.

The financial accounts department in George Fischer includes IT and IT support. This is unusual as this area is normally under admin, and finance is on its own; however George Fischer do not have an admin department. These two are together in George Fischer as their financial information is displayed and kept on highly sophisticated spreadsheets, and so the employees of the department already have a very high level of IT knowledge and skills, and so they know all the company needs for IT. This means that any computers within the business are taken care of by this area, for example in intranet of the business may need to be adapted or repaired. The financial side of the department takes care of all the money matters, and produces financial accounts. This means they need to know everything to do with money going in and coming out of the business. All this information is required so the business can arrange to borrow more, for something when in need, for example when they borrowed money from HQ to add a new production line. The finance department sees that business does not over spend and sees that the business spends its money effectively, and the best way. This means dealing with supplies, spends its money effectively, and the best way. This means dealing with supplies, paying bills and sectioning money to each department. The finance and IT area links to all areas as it pays for all of them, and needs all the information from them. The IT side sees that all the computers within the business run correctly, and have all software needed. If the business did not have the finance section then they would not have a record of all money spent etc and may become in debt because of this. If HQ did not have a finance area then they would not be able to keep track of the shares in the business, and would not be able to be a private limited company, especially as the finance area produces the required annual report. HR and finance would work together on who gets paid what for their hours of work, etc. Finance pays for all the metal that the production area uses, and this means finance have to deal with the suppliers. IT will have to be used to design the castings on CAD-Cam software. Sales will have to inform finance of all sales, and have receipts of their orders so they can calculate exact accounts.

George Fischer uses a variety of different means of communication within their business, as the functions are often linked and need to communicate externally also. They use telephone, e-mail, written and an intranet system to communicate within the business. Externally they use: telephone, fax, e-mail, Internet and written.

Production function

Internal Communication – email can be used to quickly send information to the sales department about products being made, and if there is any problems. It allows speedy communication between the functions, which is vital, as they both need the information straight away, and means that there is no sure way to know that the person receiving the email reads it straight away.

External communication – telephone allows the business to contact suppliers about metal needed and transportation matters, this means that all the information is clear between the two businesses, it's cheap and it is sure that the other company is willing, however there is no record of this conversation, and information between the businesses is not definite, and orders would have to be written as well.

Maintenance

Internal communication – intranet could be used by the maintenance team to let production know when they will be issued with checks on the machine they use, giving them advance warning which is clear and accessible to all employees, as a few people from other function

such as quality assurance may need to know also. This means that not everyone will check and a memo that is definitely delivered would be more definite.

External – maintenance may have to communicate through written mail with people from the business that they buy machines off, when they have a problem with one that they do not know how to fix it means it is formal, can be sent to anyone with an address, both can have a record of the information and is not too expensive. This mail can be slow, unpredictable and can sometimes be lost.

Quality Assurance

Internal - sending a memo would be a good way for QA to let production know if they find a faulty product, as it is quick and easy, this is important as instant reaction is needed, however, there is no face to face contact and memos can be hazy rather than exact on content.

External - QA will need to use fax to communicate with suppliers on the quality of metal the company receives, however this is relying on the other company having a fax also, but this is a quick way of sending information and often copies of receipts.

Sales

Internal – email allows sales to contact the finance department constantly, to let them know of any sales, or losses. This means there is a constant record of communication, which can be accessed easily and quickly, however this does not allow a meeting as it would take too long, and means there is no face to face contact, and all information has to be on a computer.

External – internet can be used by sales to update customers and contact possible customers, by making certain information available on a website for them. It can attract customers from all over the world, and allow international communication. However it requires money to run, and the information published is available publicly.

Finance

Internal - intranet allows finance to contact all employees in GF, in all departments, as it is available to everyone in the business and means all the financial information to be displayed, such as if people will take pay cuts, etc. However it is only available to people who have access to the intranet, and also takes time to publish.

External – finance will need to be in contact with the suppliers and companies that they pay the bills to. They will need a written record of all these, and so written is the best method to use. This however is not always reliable, and can be slow.

Human resources

Internal - intranet allows HR to contact production about training days for their staff, this means everyone concerned has the ability to know, and everyone can make the right arrangements, however this does not mean everyone will definitely see, and they may not be sure or have queries about the day.

External – telephone can be used to contact job centres, quickly and cheaply about vacancies at GF, however this would also require written information later, and so therefore could not be used on its own.

Sainsbury's

Sainsbury's has different functions in its store in Lincoln to the head quarters. In HQ they have: Finance, Marketing and sales, Purchasing and Research and Development. In store

(Lincoln) there are : Personnel and training, reception, warehouse, grocery, provisions, fresh food, produce, bakery, admin, customer service, coffee shop and stock control.

Finance is the department within which all the expense and profit is collected. This will contain a lot of information and is therefore a very large function. All the businesses sale, stock information and shares, will need to be available to this area. They need all this information to produce the annual accounts, as they are a Plc. This means they must publish all their accounts in a report, this can be asked, to be seen at anytime, so accounts must be accurate all year round. This costs 1000s of pounds, and all accounts to be exact and correct. The finance department is also in charge of the shares information, and constantly keeping this up to date, the money to pay the employees also has to be organised by finance. Finance will need to deal with all money matters, no matter what. Finance has set the amount of money the business spends on advertising so they need to keep in close contact with marketing and sales.

Marketing and sales have to ensure the business reaches its sales targets, and bring in more custom, this is achieved by promotion, such as the TV adverts starring Jamie Oliver. Another way of doing this would be to give away free samples, and special offers. Sales are also in charge of the internet shopping service idea. This makes shopping easier and helps attract a new range of customers. Marketing and Sales also have to carry out market research, this is very much like the research done by the R+D area, however R+D use it for new products, where as M+S use it to find out how to get more custom.

R+D is the department that finds out what the customers want and need, they then use this to help them design new products, etc. This area tests aswell as develops these products. These tests are very important, to see if the product is worthy of even a trial of a new product, many don't make it that far. This is a vital area for Sainsbury's, as they are in a competitive market, and staying ahead of the competition is essential for survival, even though its tough. The research can be used to improve existing products also. The research carried out here is mainly product research; this is scientific investigation into goods and services, to find out new ideas and their potential effect on the market. Purchasing and R+D are linked because purchasing has to buy all the products, etc and so R+D will need to check and approach purchasing with the new products.

Purchasing is in charge of buying all the products for the business to sell. This means they are in charge of the general buying for the company, and have to extend the product range, or change things. Purchasing and finance both have a lot to do with the accounts, and all purchasing information will be needed by finance. In store they have personnel and training, this is the area that deals with all the employees, like a human resources area. This area helps keep the business running by seeing that the correct amount of people are working at each time, and employing, or dismissing people. They also see that everyone has the right skills and qualifications, and ensure that all employees current and new go on training courses, etc to better themselves and the running of the store. This is in store rather than at HQ because employees are from the local area, and stores are located all over the country, so interview etc are easier. Also as the people will need to be recruited differently for different stores, and as there are so many it takes a lot of work for one area. Personnel are linked to admin as they have to employ all the people, and see that they have the right skills for the job. Customer service is the part of business that sees to the treatment and the service of all customers. This is very important to a supermarket, as they have a very wide, and ever changing set of customers. This area has to see to all the needs and wants of the customer, and the after sales service and support. This is a lot of work, and each individual store is different, and each store sells thousands of products, and so each product has to be taken into account. The customer services area has to take all the complaints and deal with them individually. This can range from ensuring all the orices are fair and the products sold of of

high quality. This area and reception are linked as reception is in charge of all the stock such as fresh food and bakery.

Reception is the area in control of everything behind the store, where all the food that is ready to go on the shelves is kept until it goes on sale. This is called the warehouse. This section is in charge of all the foodstuffs that have their own section; each area is where that type of food stock is accounted for. The sections are: grocery, provisions, fresh food, produce, bakery, and the coffee shop.

Stock control is the department that checks all the products that Sainsbury sells. This helps the company to know when to order more and what off, so all sales on the checkout will have to be known by the stock control area. This area will also involve the organisation of what needs restocking on the shelves, and when. This means the store can provide a good service, and see that everyone can get what he or she wants. If customers could not get what they want they would go somewhere else to the product, and Sainsbury's would lose custom.

The admin area is the area that helps with anything, this can be from helping customers, which is important as it helps work towards providing the high quality standards the business aims to provide its customers with.

Sainsbury's uses different types of communication such as pigeonholes, royal mail, verbal, newsletter (one for each department) and a magazine (JS Journal). The business also has an intranet site, and internet site, a staff council and talkback surveys.

Finance

Internal – Intranet can be used to let the employees all know of the changes, such as plans for a new store would mean the sale of more stocks, and all the departments would need to know. This means that everyone, in every store knows, and all the information is sent at once. This however is not the best as it costs money to set up and keep running, and it would also not concern everyone who saw it.

External – internet allows all of Sainsbury's share holders to (and future shareholders) to have access to the information they need when considering, or have shares with the business. This also means that everyone worldwide can see this information, and people may not know where to go in search of these details, as there is nothing that is sent to them personally telling them where the information is.

Marketing and sales

Internal – M+S can use verbal discussions such as meetings to discuss with sales products that need re-marketing, if it's a product that's failing for example. This would mean that there was face-to-face interaction, people could present their ideas clearly, and the two functions have a clear way to see each other's body language, which can be important on certain issues. This takes a long time however, and setting a time to meet when both functions have a lot of time to spare can be difficult.

External – telephones allow the M+S to contact magazines quickly and fairly cheaply; this means they can discuss advertisements for the business in magazines. It allows quick, and easy contact, but there is no record of the conversation, and any visual aids are unable to be seen by the other party.

Purchasing

Internal – telephones allows fast and instant responses with finance, this means that purchasing can give finance all their financial information on buys. This is quick and gets the response quickly, for example if purchasing wanted more money to buy more products. However, there is no record of this, and the information would need to be boiled down so both had a copy.

External – Royal Mail could mean that purchasing can contact suppliers if they find their customers are displeased with a certain product, this allows information to be sent to everyone, and a record can be kept of this. However there is no face-to-face interaction, and the mail can be slow.

Research and Development

Internal – R+D can leave messages in the pigeonholes of one of the marketing team to discuss the marketing of a new product, or service, this means that the information is defiantly delivered to the correct persons concerned. This method though means that the information is not necessarily received straight away, and takes time, as the M+S area will need to do the same back

External – research and development could use royal mail to contact copywriters about one of their new products if they feel someone has copied something they have copyright on, or they have designed a new product. This means that all the information is written, and can be sent to anyone with an address, however the mail may be lost in the post, and the process takes time. Market Competition for George Fischer

George Fischer faces competition on three levels, locally e.g. Newark, nationally e.g. Sheffield, and internationally, e.g. companies on the Pacific Rim ✓. This means that they have to be able to compete on all these levels, however George Fischer faces most of the competition on an international level ✓, as this is the main market for business, and is also the one that faces most threat ✓. This is for a number of reasons, all of which prevent George Fischer from being a market leader, however they do have a strong position as a market follower ✓. This means that it does not affect the business majorly, as they have a strong position ✓, but if they were not in such a strong position then they would face trouble ✓. The Pacific Rim companies cause such a threat as they can charge less for their products; ✓ this is because the cost to produce the iron castings is cheaper in that area of the world ✓, because the companies get cheaper labour. ✓ Where as in Britain there is a minimum wage that everyone must be paid at least, and people expect to be paid more as it is more expensive to live here. ✓ George Fischer tend to lose business to the Pacific Rim due to these cheaper prices ✓ because George Fischer simply cannot compete with the prices, as the cost of producing goods is a lot more expensive. ✓ this is a major concern for George Fischer, because if they continue to lose out due to this price difference, then they will have to make some major changes to how the business is run, or may have to consider relocation. ✓ Not only are the labour costs a lot more expensive, but also George Fischer has to deal with a lot of environmental issues in Britain, and this can cost a lot. ✓ Where as in the countries on the Pacific rim do not have to deal with these issues, as the governments there do not tend to impose such harsh, if any environmental laws, to protect the surrounding area, as they need to attract businesses to locate their, to give their people work. ✓ Where as in Britain there are a lot of environmental constraints, George Fischer has to pay out for devices such as the dust filters ✓ which can cost a lot to have put in place. ✓ However this does not affect the price too much, and therefore is not a very vital factor. ✓

George Fischer does have some advantages over other companies, such as the ones on the Pacific Rim, because although they do have to pay the workforce more they can have more skilled workers ✓, and this means that the products can be made to a higher quality, attracting customers because although the good cost more, they are of a better quality, and a lot of top of the range businesses ✓, may prefer this. ✓ This makes George Fischer more appealing to companies that are willing to pay the higher prices ✓. Another advantage of having a higher paid workforce is that the employees are generally more motivated to their work, than the lower paid workers who are working only to survive. ✓ This also affects the

quality, as the lower paid workforces are not going to be as committed to producing quality products.✓

That is why George Fischer see it as such a vital point to pay their employees well, by paying them more, they are increasing their motivation ensuring their employees will work well, to produce a lot of quality products.✓

Another factor, which means that George Fischer produces a much higher quality product, is that there is more technology used meaning less labour needed, and time saved, also the technology used tends to be of a higher quality✓. For example the automation by using CAD cam means that less manual work has to be done, saving time and money.✓ This continuing improved quality makes George Fischer appeal to a different group of customers who are willing to pay more, for the higher quality goods.✓ This means that they may not lose these customers to a pacific rim company, as they can offer the customer something better than the Pacific rim company.✓

George Fischer also have the strength in that they are an Ltd, as they do not risk being taken over, as they would if they were a Plc, because stocks can only be sold to people that they know.✓ So there is no risk of a take over, and it ensures that they are in control of the business at all times. They also have the advantage that when they are in need of money they can sell shares, so they have the advantage over any company who is not a Plc, or an Ltd, because they have ways to raise funds if needed. This is an important strength because it means that they could expand if needed, or invest in new developments, that other competitors could not.✓

George Fischer have many ways to deal with the Pacific Rim, if they ever felt that they were in danger of loosing out to them, this is called dealing with the competition.✓ They could respond to being in such a position by expanding their product range to producing parts for cars, rather than just for lorries and tractors, this would make them available to a whole new market, where they might not face as much competition, however this would cost a lot to get going, as they would need to spend a lot on research and development into new products and do some market research, but it would not be too far out of their field, so is a possibility.✓ They could also try to appeal to a new market, which would be very similar to expanding their range, but increasing their possible customer market, therefore increasing the amount of people they appeal to, which could in turn, increase their amount of customers.✓ Another way they could compete better would be to relocate, but this would be very expensive, and not really feasible for George Fischer, because, because they are a subsidiary company, and the only way would be to move abroad, where they already have businesses located abroad, and George Fischer, is in England because that's where it's customers are.✓ Relocation is a very large move, and would mean starting all over again, and is not a very likely response at all.✓

George Fischer could also lower their price, however this would mean to be of any use to the business they would have to lower the cost of manufacturing the product, so they may have to lose some staff, or reduce the wages of the staff.✓ This however would mean that the remaining staff would have to work more, or they may have to take a decrease in the amount they produce, as they would not have enough workers to produce the goods, so it may not increase profit.✓ They could also find a cheaper supplier; this would mean that the materials they use are cheaper, therefore reducing the cost of production.✓ However this would also mean a lot research, and there are also a lot of factors to take into account when choosing a supplier, such as their location, transport issues, and quality of their goods, as George Fischer would need to maintain their reputation✓ for producing high quality goods.

Another way George Fischer could attract more custom, would be to have an advertising campaign, this would ensure that possible customers would not know about them, and would consider taking their custom there, however this is not as important to a business such as George Fischer, and more important to tertiary business, such as the retail industry.✓

Sainsbury's Market Competition

Sainsbury's Plc is a very large company, as are all Plc. They compete locally, with their stores competing with other supermarkets in the area, and they also compete nationally, with other large supermarket store chains, such as Asda and Tesco. They are an international business as well, because they own Shaw's supermarkets in America, however this company is run, and competes with American supermarkets on a national basis. ✓ Sainsbury's supermarkets employs over 145,000 people, and serves over 11 million customers a week, they are one of the biggest and leading companies in the supermarket industry, however Tesco is the market leader ✓ so Sainsbury's still not ahead of the competition. ✓ Due to their size, the most competition is faced on a national level, and this is why Sainsbury's are ever expanding across the UK, and need to maintain custom all over Great Britain. The supermarket industry is a very large, and ever changing market in the UK, and the main competitors always competing to be the market leader, and the competition is always close. Sainsbury's main competitors are Asda, Tesco, Morrison, Safeway and Waitrose; these are all national competitors, in the same sort of position as Sainsbury's. This means that Sainsbury's has to spend a lot of money on research and development to get ahead of the other supermarkets. ✓ Sainsbury's specialise in luxury items, and high quality food, for the more expensive area of the market, compared to other companies who, such as Morrison who tend to cater for the middle of the market range ✓. This means they can charge more for these products, however it also makes them less appealing to certain customers, who may chose to therefore take their custom elsewhere. ✓ However, by targeting the higher quality, and having a good reputation for having excellent quality goods they attract a group of people that the companies may not, so this has it's advantages and disadvantages ✓. Sainsbury's is not the most technologically advanced, as some stores such as Waitrose and Safeway, have technology which helps their customers shop easier; ✓ they have scanner devices which total the items that the customer is buying as they go around the store. This gives the other companies an advantage as it gives them the technology to make things easier for customers, and this attracts customers who would like to use these scanners. ✓ However Sainsbury's are one of the few supermarkets who offer Internet shopping, making them available to a whole new market of internet shoppers, ✓ therefore increasing the market they appeal to. As there are few companies, which offer this type of service Sainsbury's can dominate the market alongside Tesco, as there aren't many alternatives for the people who wish to shop using the Internet. ✓ Sainsbury's are a Plc, unlike some of their competitors; this has certain strengths and weaknesses for Sainsbury's. ✓ When Sainsbury's want to raise money, to expand or relocate for example, they can sell shares, where as some of the other companies cannot. ✓ This is a vital strength as they can spend the money they raise on new items, or research and development to put the ahead of the competition. However being a Plc they do stand the chance of being taken over, by people buying up shares, and this could be a major problem and cause the businesses owners to lose control. There are many environmental issues that Sainsbury's face as such as waste ✓ because the packaging and plastic they produce for their customers take so long to decompose a lot of pressure is being put on companies to promote recycling of such products ✓, which Sainsbury's fully support. Sainsbury's as a business sets itself targets to meet, and they also set environmental targets to reach as well, which they believe to be realistic, measurable, and achievable. ✓ These constraints however do not affect the business much, as being in the same country and position competitors face the same environmental problems, and also have to deal with them. ✓ Sainsbury's as do most of their competitors provide a reusable bag system guaranteed for life, for a small charge, this stops the use of many bags, and sees others being reused, so they are not at an advantage or disadvantage in any way. ✓

When faced with competition Sainsbury's could do a lot of different things. They could make themselves cheaper on price than the other leading supermarkets, this would attract more

business, but with such a market it is hard to stay the cheapest, however it would make Sainsbury's more affordable for the lower budget end of the market, as Sainsbury's are currently one of the most expensive supermarkets. ✓ To achieve these lower prices Sainsbury's could find cheaper suppliers, however they currently buy from about 2000 different suppliers world-wide, and this would mean a lot of research as they would also need to maintain the high quality they are known for, and prices in the supermarket industry tend to be very close so this would not make much of a difference ✓. It is not possible for Sainsbury's to buy out suppliers so other companies cannot get the products as there are so many suppliers that it would not be possible. ✓ However they can make deals so that certain products can only be sold in their stores, however these can cost a lot, and are not very likely, so can therefore will not make much impact. By extending their product range, or market Sainsbury make themselves more available, and appealing to a much wider range of customers, however supermarkets tend to have all areas covered, and the product range is a constant on going research and development anyway, but by gaining a new product first this means that have more to offer customers, giving them an advantage over competition ✓. Relocation is not an issue for Sainsbury's as they have many stores in different locations, however by expanding to an area where there is little competition they can gain customers in the local area, as it would attract custom by being in a convenient place for them, and they may shop there instead, as there is no where else close to shop. Sainsbury's could achieve better sales by improving their advertising campaigns, ensuring that everyone knows about them, and what they offer, such as special offers, this would mean that people are more likely to shop there, as they are thinking about them instead of their competitors. This is important, as people tend to go somewhere else if they feel they can get a better deal for the same products somewhere else. Advertising means that Sainsbury's services are known, and that people are aware that they are available, and will think to go there over anywhere else.

Interest Rates

Interest rates are currently at 3.75%, which is the lowest it has been for over 30 years; at its highest interest rates were 15% in the 1980s. The interest is the price of borrowed money; this is always expressed as a percentage. It is also the amount given back on savings. ✓

George Fischer-

This low interest rate on borrowings means that George Fischer can benefit, as their repayments are lower. This is important as George Fischer recently borrowed £2 Million for a new production line, and they then lost a large customer, Massi Ferguson, so this would mean a dramatic loss in money, with less money to stay as they were they would need to lay-off some staff. ✓ By having a low interest rate, they would have less to pay back, and by losing some staff, the business may not be affected, and face no loss in profits, and maintain their income. It also means that generally everyone will have a higher disposable income, as they will not be paying back as much on their loans and mortgages, this would mean they could buy more non-essentials, so therefore they will buy more, and their customers will be selling more. As they sell more they will need more parts from George Fischer. This increase in demand for iron casting parts will mean an increase in profits. However it can be bad, as they will be getting less back on their investments ✓, if they have any.

Sainsbury's-

Sainsbury's will benefit from the lower interest rates, as people will have more money to spend on luxury goods ✓, which Sainsbury's specialises in, and they may also buy more items, which they will not usually buy, because they may buy more generally. If Sainsbury's wanted to take out a loan then now would be a good time to do so, as they would not have to

pay as much back.✓ However Sainsbury's have just sold off Homebase, and so if they wanted to put this into savings they would not get a lot back on them.✓ If interest rates suddenly increased however people will have to be careful, as people would suddenly not be able to pay as much anymore, and they would sell more economy products.✓

Inflation

Inflation is a continued rise in the general level of prices and a fall in the value of money.

George Fischer – As inflation amount increases this will mean that price of raw materials they use will go up, and it will also mean that employees will also demand more money, as generally the price of everything has increased, so the employees cannot get as much for their money as they could before. All this will mean that George Fischer's production costs will increase, so to compete they will have to put up the price of their product. This process is called the price-wage-spiral. During a period of inflation George Fisher will suffer as it may make their prices seem even higher, and they would lose custom to the companies in the Pacific Rim area. However this does not apply at the moment, as the current inflation rate is a steady 2.5 – 3% so this does not affect the price much. George Fischer may find that due to their higher inflation rate their loan prices may increase.

Sainsbury – Sainsbury are already one of the more expensive supermarkets, so by increasing their process even more they may lose custom, however, due to their vast size, and huge amount the sell, it may not affect them greatly, because they sell mostly the same type (and brand) of products as their competitors, and so the prices have to be about the same, so inflation should not affect custom a lot. However with the increase they may have to pay their staff more, which means that their costs will go up; therefore if they do not put the prices up they may suffer a decrease in profit. Sainsbury will not find much trouble competing, as they compete on a national level, and all of its competitors face the same economic constraints, so inflation will not cause much of a problem. However they do import world-wide, and so if inflation is high in another country the price of their stock they have will increase, and if they buy from a different country to their competitors they may face more expensive stock, and cause problems.

Exchange Rates

The price of one currency stated in the terms/value of another, e.g. £1 (UK) might be worth \$1.60 (US).

George Fischer are affected by exchange rates in a number of different ways. George Fischer export abroad some of their casings, and therefore with the fluctuations in exchange rates, their customers cannot plan ahead as they can never be sure what the price is going to be. So this could indirectly affect George Fischer, as although George Fischer have not changed the price, and will still get the price as usual, if the pound got stronger the price would seem more expensive to the foreign company. This may mean that the foreign company goes elsewhere for the castings, as they fine with the pound being so strong they can get the product cheaper elsewhere. Also, if the customer wants to budget and plan ahead they would not be able to, as the cannot be sure of the price, because to meet the amount in pounds they would have to exchange more of their own currency✓, so if the pound became weaker they would have to exchange less✓. If the companies had to exchange less then the mat buy more, because they would have to exchange less of their currency for the price. George Fischer may also import their raw materials, so this would be hard for them to budget and plan ahead, but they may also benefit from this as if the pound gets stronger, against

euros for example, then George Fischer could get more euros for their pounds, and so it may seem cheaper✓. It could also get weaker, and they may be better buying in their own country✓. To solve the problems of exchange rates, and their constant fluctuations, George Fischer could agree to a fixed price for the businesses✓, as they therefore know exactly how much they will pay, with their own fixed exchange rate, and the companies can budget. They may find themselves worse off in the end as the exchange rate changes, but they can depend on guaranteed custom.

Sainsbury import some of their products using over 2000 suppliers worldwide, which due to climate reasons cannot be produced in Britain✓. Therefore exchange rates effect them in this way, but not in exports as Sainsbury do not export. The imports do mean that due to exchange rates Sainsbury cannot plan ahead, as there may be a change, and they could have to exchange more or less pounds for the currency, which the other businesses use. They may also seem more expensive for Sainsbury of the value of the pound weakens✓. This can be avoided by setting a fixed price at which Sainsbury will buy will buy the products at consistently for a period of time✓. This could have a negative affect if the pound in that the pound becomes stronger than the rate they set, and Sainsbury could of got it cheaper✓. It could also weaken and Sainsbury be better off, however there is a mutual agreement meaning that Sainsbury can budget. The other company may also say that they will be paid in a fixed price in pounds making things easier for Sainsbury, however attracting them custom. Sainsbury do not export and do not compete on an international level and so are not affected in this way.✓

Example of Exchange rates:

Exchange rate of the £	Example	Price of UK exports in local currency	Prices of products into the UK (£)
INCREASES	£1 originally worth US\$1.70, increases in value to be worth \$1.45	RISE	FALL
DECREASES	£1 originally worth US\$1.70 decreases to be worth \$1.90	FALL	RISE

Response to economic constraints

Exchange rates: George Fischer could set a price with their suppliers, to help them deal with exchange rates, at which their products will be sold to George Fischer. However if the pound became stronger and they could get more of the other currency for their pounds, than the agreed price, George Fischer could be worse off. This could also benefit them, as they would be able to budget and plan ahead, as they would not have to worry about rate fluctuations. They may also benefit if the pound got weaker, they would have had to exchange more pounds for the price of steel, but because they have the fixed price they would not have to. They could also set a price with their customers, giving George Fischer promised custom for a period of time., and ensuring that the customer does not go elsewhere, as they may do due to the pound being stronger, or not being able to plan ahead. George Fischer may also find a supplier that will agree to be paid in pounds, this would mean George Fischer would be totally unaffected, however for this they may also be better to find a cheaper supplier in the UK. Sainsbury do not export, and compete on a national basis, so exchange rates do not affect their competitiveness much, as their competitors will suffer the same, and due to the vast

amount Sainsbury sell this does not affect them much. However, they may not export, but they do import some of their supplies, and so they could agree a fixed interest rate at which they will buy the product for a certain period of time. This would enable Sainsbury to budget, or plan ahead, making accounting easier.

Inflation: George Fischer could do a number of different things to deal with inflation; as there is no way of avoiding inflation, as it is the on going increase in price. George Fischer could put in measures however so it affects them as little as possible, for example if they found that prices were so bad, then they could sell some shares to people they know, to raise money to pay for the increase cost of production, however this would be a temporary idea, as it would not be able to last this way. George Fischer could also offer benefits to their employees instead of a wage increase, this would mean that labour costs would not affect them, and they would not consequently have to increase their price, however their employers may not agree to this, and benefits can be costly also✓. George Fischer could lay off some staff, but this would mean they would need to replace them with automation✓, which is costly to start up, or they would not be able to sell as much as before, as they would not be able to produce the amounts they could before✓. George Fischer could also simply put up their prices, however this would mean their profits would not be affected, but they may lose more business to Pacific Rim companies, who are already cheaper✓. Automation is a good idea where available, as it would mean that machines do not need employer rights, paid holidays, or to be paid at all. However they would need to be maintained, and it is not an option for some of the jobs✓.

Sainsbury are not greatly affected by inflation as everyone needs to buy food from somewhere no matter what, and their competition face the same inflation rates, so they would not be affected much, also they could simply put their prices up to pay for the increase in pay demands, as due to the vast amount they sell customers would not notice, and the business could function as normal. Sainsbury could also offer their employers benefits such as a greater discount in store, instead of a pay increase✓.

Interest Rates: George Fischer could increase their loan payments so that their loan is paid back quicker, and so interest rates changing would not affect them much, and they could pay back their loan while the interest rates are low✓.

Sainsbury do not have a loan at the minute so they do not need to think about loans, and also if they needed money they could sell shares to raise money when needed. If interest rates suddenly increased then they could increase the amount of economy products they have in store, as people would have less disposable income, and would be buying more of these types of products✓.

UNIT 1 – EXEMPLAR A

Areas	Commentary
a	<p>Logical, sequential coverage demonstrating good knowledge, understanding and application. Activities, aims and objectives are well described, explained and analysed in terms of their continuing contribution to the success of each chosen business. The work is both integrated and comparative, and even within this theme there are links to later ones, particularly external factors. MB3 accessed for each business; marginally weaker for Sainsbury's.</p> <p style="text-align: right;">(10)</p>
b	<p>Although this occurs after Area c it does not detract from the quality of the work. The analysis of communications used in each business is probably not sufficiently detailed to meet the highest mark in MB3, but the account of the purposes and activities of functional areas is done well.</p> <p style="text-align: right;">(10)</p>
c	<p>Again, there is demonstration of knowledge, understanding and application across the two businesses in relation to ownership, liability and location, with justification found for both types of ownership and location sufficient to achieve MB3. The candidate also demonstrates awareness of the relationship between the headquarters and branch network system of the supermarket business investigated. The link between location and performance is more tenuous, hence the mark at the lower end of MB3.</p> <p style="text-align: right;">(14)</p>
d	<p>Although there is consideration of economic factors including competition, interest rates, inflation and exchange rates, the detailed evaluation required for MB3 does not address environmental constraints to any great extent. The work is of good quality although the format and approach somewhat repetitive. Overall MB2 is well met.</p> <p style="text-align: right;">(8)</p>
<p>The whole basis of the work is sound and the use of headings, maps and (limited) tables, enhances the portfolio</p> <p style="text-align: right;">Total: 42 marks</p>	

Assessing Evidence – Unit 1: Investigating Business

You need to produce a portfolio assignment based on your investigation of two contrasting business organisations. You should include information selected from your own investigation, commenting on each organisation in the following areas:

- A the activities of each organisation, illustrating how these enable each one to meet its aims and objectives**
- B the purposes and activities of each organisation’s functional areas, together with information on the main techniques of internal and external communication**
- C the type of ownership of each organisation, the liabilities of each organisation’s owners and the reasons for the organisation’s choice of location**
- D the main external influences affecting both organisations, including reference to competition, economic conditions and environmental constraints.**

ASSESSOR’S MARKING GRID

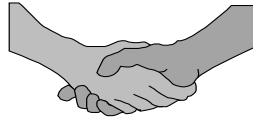
	Mark band 1 At this level work must show:	Mark range	Mark band 2 At this level work must show:	Mark range	Mark band 3 At this level work must show:	Mark range	Mark awarded
(a) AO1 11 marks	<ul style="list-style-type: none"> • a description of each organisation’s activities; some attempt to show how these enable each organisation to meet its aims and objectives 	1–5	<ul style="list-style-type: none"> • a clear explanation of each organisation’s activities and how these enable each organisation to meet its aims and objectives 	6–8	<ul style="list-style-type: none"> • a thorough account of each organisation’s activities; a detailed analysis of how these may need to adapt in order to ensure that aims and objectives continue to be met over time 	9–11	
(b) AO1 11 marks	<ul style="list-style-type: none"> • a description of some of the purposes and activities of each organisation’s functional areas. A description of the main techniques of internal and external communication used in each organisation 	1–5	<ul style="list-style-type: none"> • a clear explanation of the purposes and activities of the organisation’s functional areas. A clear explanation of the main techniques of internal and external communication used by functional areas within each organisation 	6–8	<ul style="list-style-type: none"> • a thorough account of the purposes and activities of each organisation’s functional areas. A detailed analysis of how the main techniques of internal and external communication support the work of each functional area 	9–11	

	Mark band 1 At this level work must show:	Mark range	Mark band 2 At this level work must show:	Mark range	Mark band 3 At this level work must show:	Mark range	Mark awarded
(c) AO2 17 marks	<ul style="list-style-type: none"> for each organisation, a description of the type of ownership, the nature of the owners' liabilities and some comment on the organisation's choice of location 	1–7	<ul style="list-style-type: none"> for each organisation, a clear explanation of the type of ownership, the nature of the owners' liabilities and the main reasons for the choice of location 	8–12	<ul style="list-style-type: none"> for each organisation, a detailed analysis of why the particular type of ownership may be appropriate and how this affects the owners' liabilities; a detailed assessment of the impact of location choice on overall organisational performance 	13–17	
(d) AO3 11 marks	<ul style="list-style-type: none"> a description of some of the main external influences on each organisation 	1–5	<ul style="list-style-type: none"> a clear explanation of the impact on each organisation of key external influences, including market competition, economic conditions and environmental constraints 	6–8	<ul style="list-style-type: none"> a detailed evaluation of each organisation's strengths and weaknesses in the face of market competition, economic conditions and environmental constraints; a detailed assessment of how the organisation could deal with such influences more effectively 	9–11	

Unit 1: Exemplar B

Business Ownership

Now you have left school. I am sure you are exploring all your business possibilities and I am sure you are looking for a type of work you will enjoy and which is the best fit for what you want.



If you are looking for a career in which you are sole trader then you should think about the possibilities like going bankrupt and having unlimited liability which means your debts to the bank are infinite and personal possessions can be taken to pay off these debts. But the advantage of being a sole trader is you make all the decisions and have all the profits of the company, and the business is very simple to establish.

A Partnership is where a number of people ranging from 2-20 all own a share in a company which means when the company makes a profit you get some of it. But first you have to invest a sum of money which you could lose so it is good depending on how you view it. Even if you start as a sole trader you can still make a Partnership. There is also the disadvantage of Unlimited liability. So this is also a risk full business.

A Private Limited Company (Ltd) is a company in which only private people e.g. family and friends, can buy shares in your company. The main advantage is Limited Liability so you don't pay back more than you invested. Other advantages are you can hand pick your investors and each pays £50,000 each so this is a major boost for your business.

A Public Limited Company (PLC) is like a Private Limited Company with Limited Liability and investors but with a PLC the investors are anyone who wants to invest, to invest they have to go to the Stock Exchange and put their money into your business. But being a PLC means if you go bankrupt you are liable to a takeover bid in which a larger business will buy you out. But you can also take over businesses if you are successful enough and this would make your business bigger and would help you to expand.

A Franchise is a successful business which is strongly established and well known so all you need to do is run a branch for them and you would be supplied with staff and staff training and all the supplies you need. You would only get a small percent of the profits made by the branch and the Franchise makes all the decisions so you would have little pay and little control. But you wouldn't have to advertise or buy any stock or tools. E.g. McDonalds.



A co-operative is a forge of two companies who agree to form one company and they then share the products and profits and also put their own amount of business. If this business goes bankrupt then the two companies would share the cost. Co-operative is an alternative to buying out a company.

Public ownership is when the government owns, stocks and funds a business so the business. Public ownership is owned by the public for the public this is in the tertiary sector of businesses.

Types of Ownership

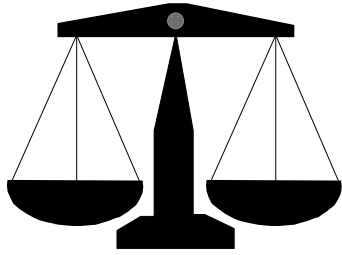
In this section I will be examining the type of ownership each business has and why they have chosen this ownership and why they have changed through each ownership to arrive at the required business ownership for them. I will look at the advantages and disadvantages of each change of business ownership and this effects the business and the profits and capital made.



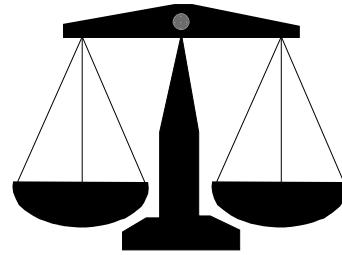
The first business I will be observing is the Express Bus Services which was established as a sole trader in 1974 by Tony Prescott, who started the business with a single coach. Being a sole trader has many advantages including keeping all the profits, making all the decisions and simple to establish. But there are disadvantages such as paying debts, paying workers wages, long hours, raising the money and paying taxes. The main disadvantage of being a sole trader is unlimited liability which means if the sole trader business goes bankrupt the debts to the bank are infinite personal possessions e.g. your home, cars, and precious valuables can be taken away to pay off these debts. This company later became a partnership because as more partners invest for shares (buy part of the business) thus increases the capital made and so new equipment, buses, etc, etc can be bought for the company. Also as a partnership the company is more secure and then the bank is willing to lend out loans to the business again increasing the capital. The debts are also paid back quicker and costs less in a partnership. Yet even though the business has changed to a partnership it still has unlimited liability so if it ends up bankrupt it could end up paying off unlimited debts, so it doesn't change the risk of having unlimited debts but lowers the risk considerably. I think Express Bus Services chose a partnership over becoming a Private/Public Limited Company because if you're a partnership the individuals have more control than in a limited so they are not looking advance.

** A Sole Trader is someone who owns and runs a business on their own and keep all the profits and control all the business and has a unlimited.*

The next and last business I am looking at is Central Coach Manufacturers who started off as a Partnership which is a number of investors in a business from 2 to 20 partners. At this stage the company has unlimited liability so it is still at risk of crashing and burning in the business world. The advantages of a partnership are a lot of capital from investors (£50,000 each) and the bank would be more willing to lend money to a more stable company. The disadvantages are less control than a sole trader and unlimited liability is still an existing problem. It became a Private Limited Company because it has limited liability so you can only lose the money you invest and you wouldn't have indefinite debts to pay. So it makes the company more stable and thus more reliable to be lent money from the bank. The effect this change has on the liability is that it makes the liability limited so the company is more stable and its foundations are now deep in the ground. The company changed from a Private limited to a Public limited because more people can buy shares in your company through the stock exchange which is open to the public so anyone can buy shares in your company. So the more profit you make the more investors you get and the bigger and more profitable your company becomes thus it is a loop in which is definite so the more shares that are bought the less control you have so the business really has to be balanced in this respect. Also if your company is in economic trouble then you could be taken over and run by a bigger business and even a franchise.



High Risk



Low Risk

In conclusion I have learnt that both businesses have different types of ownership which fits which sector it is in and what it wants. Also I have learnt there are always risks such as unlimited liability and takeover bids. Central Coach Manufacturers for example requires the amount of investment provided by a Public Limited Company. I know the businesses have changed the types of ownership due to what it needed and an evolution in the business.

Task 4: Location

In this task I am going to look at the reasons why Central Coach Manufacturers and Express Bus Services are located in the areas they are and the ways it benefits them for profit and distribution. Also I need to look at how the current location affects the performance of the company and how the performance would change if the company were to relocate.

Central Coach Manufacturers

The first company I am looking at is Central Coach Manufacturers, a manufacturing company situated in the Midlands near to Birmingham and is a main distributor of coaches for UK and Europe and is well known for its quality. It is based in the Midlands because the Midlands is popular for vehicle manufacturers because most of

the assets needed to structure a vehicle manufacturer are already in place so all the business needs is to get running and the buyers will be taking all your vehicles away and then after time you may be able to sell over seas and then you have a large business. This will help Central Coach because if business is bad abroad there is always a lot of business at home and visa versa. Also with the Midlands being so large there is bound to be an order of coaches coming from somewhere and enough business to keep them going. I know this due to the fact that the Transport GDP percentage increase over ten years was 12% and will keep increasing, so the demand for coaches also increases giving Central Coach more orders and more credibility for service because of making so many coaches. Also because the Midlands has a history of motor vehicles being popular then most young people will want jobs in motor vehicle work and there will be many suppliers of components and materials in the area, so the history and tradition of the Midlands is a great help for Central Coaches.

Another factor of location is component and raw material suppliers because the Midlands is highly populated and many companies route there, and many companies extract raw materials from the Midlands and sell it in the Midlands so where they are they easily supplied with raw materials and components. Also it is very important for the company to be near these suppliers because there is transport costs, delayed travel and emergency orders which could be destructive for the company if they buy from far off places. So when the company is close to the buyers the company is then a well oiled machine because if they have a steady flow of components and raw materials they can have a steady flow of coaches coming out and thus a steady flow of money coming in, which would be otherwise if the company was far away because the components or raw materials could be delayed and production is stopped and deadlines for coaches are not met and then the company loses money and customers.

So it is vital to be situated close to suppliers, which Central Coach does very well, being situated in a busy well, supplied part of England.

The next factor is that the labour supply in the Midlands is outstanding because the Midlands is one of the most populated parts of England and the redundancy rate is staggering so there is no shortage of employees for Central Coaches also many people train in the motor vehicle business and work in garages and factories before they work in Central Coaches so there is no shortage of skilled workers that Central Coaches could use. But because of these redundancies the wages in the local area will have increased and this makes the workers more open to larger payments so this would make it very difficult for Central Coaches to employ people if they want to cut costs. Also if Central Coaches employed the skilled workers would have a positive effect because as well as working there they could help train new less well paid workers and thus the company would expand and they could use the less well paid workers to make the Coaches while skilled workers could train more. With the labour supply being great and the skilled workers able to train them the business would then expand and would soon be able to take on the European market. So having a good labour supply is an excellent advantage as Central Coaches has a large amount of skilled workers for the choosing who can train cheaper paid less skilled workers.

The next reason for Central Coaches being where it is, is Transport links which are excellent in the Midlands because there is too many large motorways cutting straight through the Midlands which can be used to transport raw materials and parts of Central Coaches and to transport finished coaches so the Midlands is really the backbone of England where you can transport anything to your or from you which

is a vital advantage for Central Coaches as it is a company which produces large items which cannot be moved along small roads so if Central Coaches wasn't in the midlands it would have a problem with transporting its goods around the country. To use an illustration the large motorways are like a fast flowing river so if you wanted to take something down to the bottom of the river you could easily just float it down which would be easier and much quicker than carrying it on foot. So this benefits the company because the company could easily just sail their coaches down the motorway to the buyer making their job easier than having to drive coaches around small roads to the buyers.

There are a few options which could benefit the company one is relocation which means the company could move to an area which suits them best and which is the most beneficiary for the company. One area in which Central Coach could relocate to is the North East of England which has first of all cheaper property prices because there is not as much demand for land than in their current location because the North East is not as populated as the midlands so there is much less demand for property and they get a lot of money for their current location and buy a cheaper property and they have some extra money to spend. Another plus to relocating to the North East is Government grants because of high levels of unemployment businesses are given grants if they move there and get rid of some unemployment, effectively they are being indirectly paid for solving government problems. The final plus point to moving to the North East unemployment is high people desperately seek jobs and do not need to be paid as much as workers in highly populated areas, so on a whole the North west would be a good area to move to because of the excellent conditions there for a company but because they are moving away from the midlands it may be a problem because they are moving away from their suppliers (look at components and raw material suppliers) and customers so they may suffer without business for a bit.

The next good place they could move to is Mainland Europe because the majority of countries in Europe use the Euro and there wouldn't be any problems with exchange rates and if they relocate to mainland Europe there will be a large selection of countries who would need coaches bringing a steady supply of business to the company. But there are still many problems with relocating to Mainland Europe such as languages because if you move to a country either you or your employees need to speak the local language or you need to teach foreign workers English, which takes up time and money. Another problem is losing your original suppliers and customers for good and finding new customers and suppliers which may be difficult seeing though first need to learn their language and then find them in the large areas of European countries so a lot time and money again needs to go into research which may be costly, but the pros may balance off the cons, so it is a company decision.

Express Bus Services

There is not many reasons why the company is located in the North West but that Head office is in Accrington so it is ideal to stay close to the base and all of its bus routes are local and in the North west, Blackburn, Manchester and Burnley, also it is near Manchester and can do large routes across the UK, seeing that Manchester is in the middle of the UK and can do routes such as from Manchester to London, or Manchester to Aberdeen and so on, so there is not much evidence to why Express Bus should stay in the North West but that it can span out over Britain from its current position and that its head office or base is in the North West so it is handy to stay where it is but it may be more economical to relocate. It could relocate to the South East of England or London because of the better conditions for a business. The first reason for why Express Bus Services should relocate is the dense population in the South East or London so there is a lot of customers and suppliers in that area, so as Central Coaches had a steady flow of business in Birmingham Express Bus Services would have a steady flow of business in London and many Coach Manufacturers to supply them with extra coaches. The actual population in London is around seven million just in the capital and there is only about fifty seven million people in the UK so for a large extent there is bound to be more business in the South East or London than any other place in the UK and even Europe because some countries which are larger than

the UK have a larger population but the people are spread all over the country so most areas are not very dense. With a steady supply of customers Central Coaches could expand and grow into an international business, which is what I will look at next.

If Express Bus Services were to move down to the South East or more specifically London then a wider line of work would be available to them, they could now being closer to Mainland Europe set up large routes for the many people in the South East to travel from London to Paris or Calais or many other seaside towns in France and seeing that a lot of money is made from doing international routes it would be a large business step. Also by setting up routes that take people abroad the business could then begin to carry out routes that transport people from wherever they are to an airport or ferry port. Many businesses do this in a bid to expand maybe into a bigger national business or an internal business, which as Central Coach Manufacturers could have relocated to Mainland Europe so could Express Bus Services even though they would suffer the same problems as Central Coaches they would have a lot of business travelling between different countries.

Another point for why Express Bus Services should relocate is the very difficult driving conditions in and around London because first of all the amount of busy traffic (remember the large population) and that you now have to pay to enter the city centre so many people do not want to drive around the busy streets of London and now don't really want to pay to have the privilege so the use of public transport is becoming increasingly popular and Express Bus Services should snap up the chance and use the public transport business to gain profit and reputation in London thus more people would want to use Express Bus Services to travel abroad or across the country this would really help the companies reputation in London and again more business.

But there is also negative points to moving to the South East and London because of high wages which is because of the dense population because the more people in one area the less unemployed there is and the more you would have to pay for workers and the less money can be spend on new coaches and new routes. The labour supply is also very low because of low unemployment and thus a problem for Express Bus Services who need a lot of high paid skilled workers. Also with there being so many different businesses Express Bus has a tremendous amount of competition and may find it hard to actually operate in the London area.

Aims and Objectives

In this section I am going to explain the aims and objectives of each business. An aim is a goal someone or a group of people wish to achieve to make them better off in life, aims are normally achieved by effort and teamwork not by doing everything yourself. Businesses need aims because if they wish to become a better business they need a goal in which they can attain to again the prosperity in the business world, which they wish to gain. An aim is different to an objective because you need to achieve objectives to fulfil the higher aim, so the objectives are really steps leading up to the all important aim and by each step you take the closer you get to the aim. An example of an aim is a business wishes to be increase its profitability it could use the objectives of increasing the revenue by improving services of it could Diversity (Change) into another line of work still linked to its original line of business but with more profit in it, also it could have the objective of reducing staff which reduces the money needed for wages or the business could loose a lot of jobs and automate the company which costs a lot to maintain and buy but not as much as several hundred workers.

The aims that businesses se should be SMART aims. This means the business must choose its aims following the guidelines of SMART, which are:

Sensible – Aims should form part of the businesses strategy so they fit what the business wishes to achieve. For example a food distributor should not aim to start making car parts because that would not be a sensible move for the business to achieve and would cost it a lot of money, just like starting a new business.

Management – any of the aims should not stop the business in other areas because it cannot manage to fulfil an aim. For example if a business has £50,000 to spend to improve the business it wouldn't try to buy new equipment for £100,000 because it would not manage it.

Achievable – Aims should be demanding but they should be something a business to achieve. So it must be hard to get but it must be possible to gain. Such as a local taxi service could change to an international taxi service but it would take a lot of money and effort but it is achievable but the taxi service would find it impossible to start an air travel service.

Realistic – a small sole trader business would not endeavour to become a multi-national business. So if the aim is possible to achieve it must not put money and effort into this aim that it may never achieve. Aims must be realistic and thus not be a waste of time.

Time-Bound – Each aim should have an approximate time-scale. Something like six months and one year, which would mean the deadline for completing the aim, would end at that date. If the aim is not complete by then the business must either drop that aim or rush to complete it.

The first company I will look at is Express Bus Services, which is a company that runs local routes around Britain.

Generic Aims

The aims, which are adopted by small and large companies alike, are the Generic Aims that consist of Profit, Growth, Prestige and Survival. All the points of Generic Aims are benefits to the company and guidelines to what each company wants or needs to stay afloat in the seas of business.

Profit is the surplus of money made which is higher than break even and can be used to pay wages and other essentials. Increasing the number of products you make or increasing prices of the products that would bring more money in can achieve profit and as long as you sell the product for more than it was priced to make/buy you will make a profit. The business could also gain more profit by adapting its ownership and changing into a Public or Private Limited Company which would provide a means to gain more profit because then the business could gain more capital from shareholders and thus buy more equipment or staff so it would then get more customers thus gaining a greater profit. This process though it painstakingly slow and has its risks like Take-over bids and bankruptcy.

The Growth of the business is the expansion in which the business undertakes to make it more reliable, well known and respectable or trust worthy. The ways in which a business could expand are buying out other smaller companies that are Public Limited or Diversifying into another line of business still linked to its original line of work but with more profit and customers in that area. The businesses best chance of expansion is to become a Private Limited Company which means the business could pick its own shareholders which reduces the risk of a take-over bid and still get enough capital to grow into a larger company. So as the business grows more customers will use the business and it will be less likely to be taken over as a business grows its worth will increase considerably making it under risk only from being taken over by a few extremely large companies e.g. Virgin, BT, HMV and other world wide companies.

Another Generic Aim most businesses wish to achieve is Prestige, which is the quality of service the company provides. All main companies are Prestigious because if they weren't Prestigious people would not wish to buy the product of a high price if they were only paying for an expensive name which has no quality at all. To make the company more Prestigious, it should diversify or improve the service for example the company could fit toilets in its coaches or fit air conditioning or even fit a refreshment bar on the coaches. To be Prestigious also brings the company respect and more customers. Take a Rolls Royce each car is still hand made so every car is different and costs a lot to make so the car is actually very rare.

Also mobile phones cost more to make than they sell but they make the money on credit so that is quality.

The final generic aim is Survival which means the company must not become bankrupt and this is the single aim which all companies thrive to achieve. Survival is so important because if the business becomes bankrupt then it would be dead in the business world.

Express Bus Services could achieve all these vital aims by changing from a partnership to a private/public limited company which would mean more investors thus more capital which means the company could improve the service by fitting air conditioning or toilets into the coaches and advertising the company which would bring more customers and shareholders which means more capital and the business is in a loop but it costs a lot of money to get in the loop and sometimes it doesn't work so it isn't easy to get into this loop.

Central Coach Manufacturers is a very different company and has very different ways to achieve its aims. Central Coach Manufacturers could change from a Public limited to a Private Limited or it could diversify and change into a new line of business still linked with its original line of work. Such as making coach parts and selling them off or servicing coaches in their very own garage or even

changing into a coach driving business but whatever they choose it should be more profitable. The business could relocate to save money because either it is cheaper to run a business in a foreign country or it is cheaper to buy products there. (The company may have bought products from there before). Either way the company is better run and gains more profit because the company has a cheaper way of service. Some businesses choose to automate their company which cuts the costs of man power thus wages don't need to be paid but the machinery is very expensive to buy and maintain so some businesses choose to stay with man power instead of machinery but either way you still lose around the same amount of money.

In conclusion I believe that both businesses wish to survive, gain profit, growth and prestige and will adapt by diversifying or changing business types so the business will not go bankrupt. So I have learnt businesses change and evolve to make sure they gain the Generic Aims.

Express Bus Services

<i>Aims</i>	Explanation of Aims	Objectives
<i>Generic Aims – Profit, Growth, Prestige, Survival.</i>	These are aims for small or large companies alike who wish to achieve these aims for the benefit of their company. Profit is the extra money made by the company. Growth is the expansion of a business. Prestige is the quality of the company how good its service is. Survival is keeping the company out of bankruptcy.	To achieve these aims the company could diversify into a different line of work which would cover Profit and Survival. The business could expand by taking over other smaller companies. Prestige could be achieved by improving the quality of the services e.g. toilets, refreshments, clean, air conditioning and access.
<i>Expansion</i>	Many businesses wish to expand so the business is well known and then has more capital to buy equipment, this can be achieved by buying smaller businesses. As the business then expands then bank is more willing to lend out loans to the business because it becomes more stable and has more money to repay debts. So expanding increases the businesses capital and stability.	To achieve expansion the business could buy smaller businesses and join them with their business or could get more shareholders investing more money so then they can buy more equipment, more buses or coaches and do more local/ national routes. Also the business could change its ownership to a Public/Private Limited Company in which they could get more investors.
<i>Diversify</i>	If the business was to Diversify then it would change the line of service it was originally in and begin something new. For example if a business originally sold push bikes, then it could start selling motor bikes, bike repairs kits, wheels and so on. This is another way a business could gain more capital or profit and another way to make it more reliable.	If the business wished to Diversify it could start building coaches, start a bus cleaning service, start a car hire service, start an air/rail travel business, it could start a servicing garage for coaches and finally it could start holiday routes for coaches and even limousine hire. So the business has many branches in which it could extend its arms and make more profit and capital.
<i>Improving</i>	There are many ways in which you could improve the service of your business which would bring the business more customers, shareholders, profit and capital thus giving the business the means to expand more starting a loop of growth which increases the business trust from customers and its popularity. Once in the loop it is very easy to make profit and change business type and other aspects making the business improved.	There are many ways in which the business could improve the service such as increasing the number of buses making the business more reliable and able of more capacity, another way in which the company can improve its service is to make it more luxurious by fitting toilets on the buses, keeping the buses clean, making them more comfortable, disabled access and air conditioning which improves the customers comfort.

Central Coach Manufacturers

<i>Aims</i>	Explanation of Aims	Objectives
<i>Generic Aims – Profit, Growth, Prestige, Survival.</i>	These are aims for a small or large companies alike to wish to achieve these aims for the benefit of their company. Profit is the extra money made by the company. Growth is the expansion of a business. Prestige is the quality of the company how good its service is. Survival is keeping out of bankruptcy.	To achieve these aims the company could diversify into a different line of work which would cover Profit and Survival. The business could expand by taking over other smaller companies. Prestige could be achieved by improving the quality of the services e.g. toilets, refreshments, clean air conditioning and access.
<i>PLC → LTD</i>	Changing from a Public Limited to a Private Limited to a Private Limited Company would give you more control and a choice of who you want to have shares in your business so you wouldn't have a problem with too many shareholders having control over your business. Also being a LTD means you cannot be taken over easily by a take over bid and you still have Limited Liability.	If the Central Coach Manufacturers changed to a Private Limited Company they could choose who could invest in their company so they can choose how little or many they want to invest so they can control the number of investors and then they can own the business on their own without investors controlling too much. Also if it were to change into a Private Limited Company they could run the business without a risk of paying indefinite debts. (unlimited liability)
<i>Diversify</i>	If the business was to Diversify then it would change the line of service it was originally in and begin something new. For example if a business originally sold push bikes, then it could start selling motor bikes, bike repairs kits, wheels and so on. This is another way a business could gain more capital or profit and another way to make it more reliable. But the business has to follow the rules of Sensible, Manageable, Realistic and Time Bound which are all guidelines suggesting which business paths to take and not. E.g. A Taxi business taking up fast food marketing is a line of business the Taxi business should not go into.	If the business wished to Diversify it could start building coaches, start a bus cleaning service, start a car hire service, start an air/rail travel business, it could start a servicing garage for coaches. So the business has many branches in which it could extend its arms and makes more profit and capital. Thus making the business popular and in some cases into a franchise, so by expanding the business it gains more respect and reliability.

<i>Aims</i>	Explanation of Aims	Objectives
<i>Relocate/Automate</i>	<p>Some businesses relocate to save money because either it is cheaper to run a business in a foreign country or it is cheaper to buy products from there. (The company may have bought products from there before) Either way the company is better run and gains more profit because the company has a cheaper way of service.</p> <p>Some businesses choose to automate their company which cuts the need for man power thus wages don't need to be paid but the machinery is very expensive to buy and maintain so some businesses choose to stay with man power instead of machinery but either way you still loose around the same amount of money.</p>	<p>By Relocating the business Central Coach Manufacturers could move country and buy cheaper coach parts and even cheaper employees. The business could export the coaches making the buyer pay for shipment and then gain a better profit than being in Britain.</p> <p>By Automating the business Central Coach Manufacturers could save money on wages and could make the coaches more efficiently and precisely making the business more respectable and reliable.</p>

Task 3: Business Activities

In this section I am going to consider what is meant by industrial sectors and business activities. The economy consists of three industrial sectors. They are:

Primary – This involves extracting raw products and minerals from the earth.

Secondary – This involves manufacturing products or constructing parts for other sectors.

Tertiary – This involves all types of Service from Police to Hospital work.

A business activity is a type of business that operates within a particular sector. An example of business activities within the primary sector includes Agriculture, fishing hunting and mining minerals from the earth.

An example of business activities in the secondary sector includes manufacturing parts of products and products and constructing products from parts.

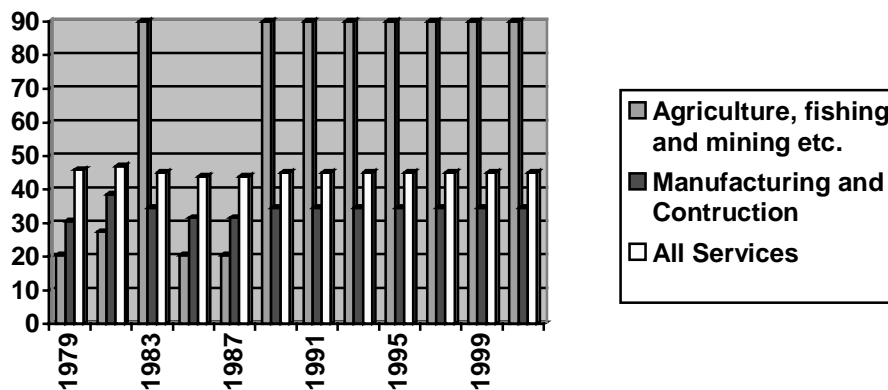
An example of business activity in the tertiary sector includes services such as Policing, Nursing, Driving and even piloting which are all community work and are a service to the society.

Analysis of Figures

Graph 1

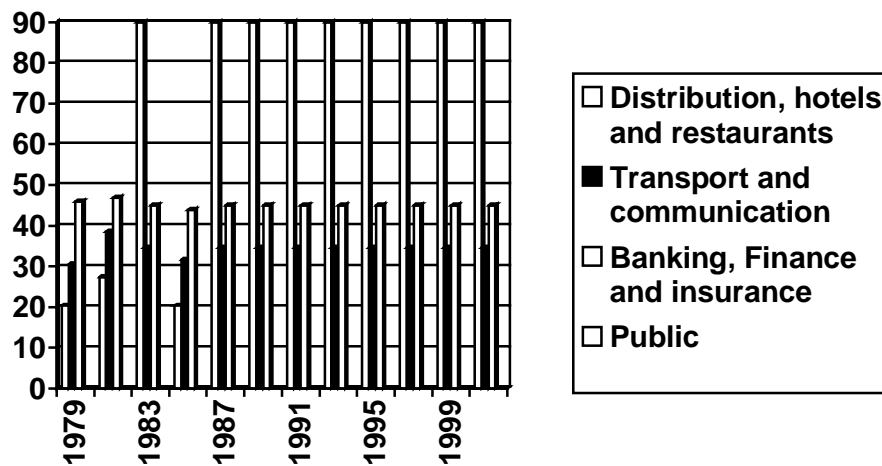
In this section I am going to use figures, tables and charts to help me explain the size of the different business activities in terms of the numbers of people employed and their contribution to GDP (the amount of money contributed to the UK economy).

Table A: Overall Employment	Total UK jobs	Agriculture, fishing and mining, etc	Manufacturing and construction	All services
1979	27044	1337	8997	16710
1981	25978	1322	7954	16702
1983	25231	1251	7218	16761
1985	26226	1204	7234	17788
1987	26797	1110	7191	18496
1989	28631	1088	7695	19848
1991	27978	1042	6916	20020
1993	26897	914	6157	19826
1995	27363	814	6199	20350
1997	28194	821	6251	21123
1999	28870	729	6171	21972
2001	29229	689	5982	22558
% Change 1979-2001	8	-48	-34	35



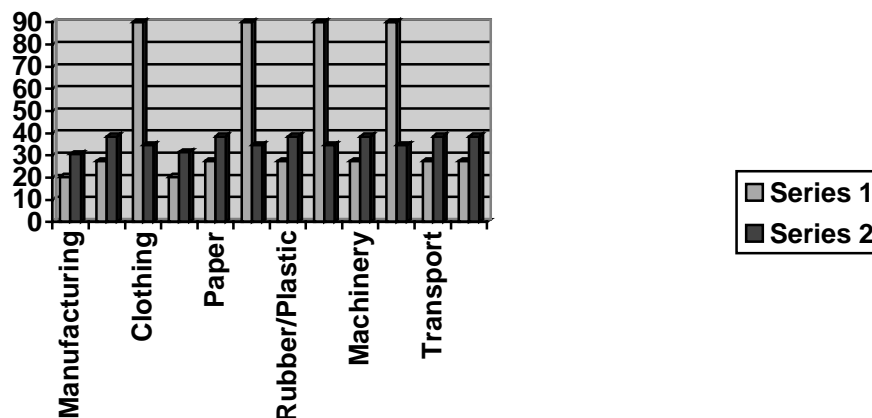
The above spreadsheet and charts show employment in the different sectors of the economy. Employment in the primary and secondary sectors has declined because robots and traps are doing the work and there is no need for people to risk their safety to do these hard and dangerous jobs. Employment in the tertiary sector has increased because more money and credibility is in the service sector and more people are needed to run the country, which is what most service jobs do.

Table B Employment in service industries	Distribution, hotels and restaurants	Transport and communication	Banking, Finance and insurance	Public Administration, education, and health	Other Services
1979	5500	1693	2850	5552	1115
1981	5465	1646	2919	5559	1113
1983	5426	1565	3066	5584	1120
1985	5776	1545	3400	5772	1296
1987	5812	1563	3677	6094	1351
1989	6355	1659	4190	6186	1458
1991	6299	1654	4310	6348	1409
1993	6179	1599	4299	6359	1389
1995	6306	1584	4565	6412	1484
1997	6501	1632	4963	6434	1592
1999	6680	1698	5332	6574	1688
2001	6824	1833	5485	6721	1695
% Change 1979-2001	24	8	92	21	52



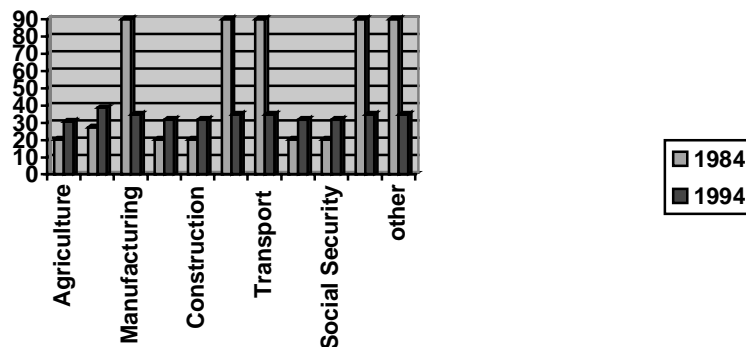
The above spreadsheet and graph shows changes in employment in the tertiary sector. There has been an increase in employment in all business activities within the tertiary sector. The industries which have experienced the smallest change are; Distribution, hotels and restaurants (24%), Transport and communication (8%) and finally Public Services (21%). One reason why these are so small is because in these particular industries have reduced slowly in pay and are relatively low paid for the hours. The businesses with the larger increase in employment are; Banking, finance and insurance (92%) and other services (52%) which are mainly due to the good pay in finance and other business industries. The employment in Transport is reasonably small because all the jobs involved in Transport are hard, not well paid and quite risky because of different types of ownership.

Table C: Employment in Manufacturing Industries			
	1986	1996	%Change
Manufacturing Industries	4777	3835	
Food	508	435	-14
Clothing	557	371	-33
Wood	83	80	-4
Paper	448	462	3
Chemicals	313	230	-27
Rubber/Plastic	203	194	-4
Metals	866	684	-21
Machinery	480	383	-20
Electrical	596	456	-23
Transport	506	322	-36
Fuel	223	217	-3
TOTAL EMPLOYEES	4777	3835	



The above spreadsheet and graph shows employment in the secondary sector (manufacturing). Nearly all business activities have experienced a decline in employment. The areas in which you can see on the chart which have declined the most are Metal products, transport and clothing probably because of the increase in chemicals and the decline in people using trains and buses. The only industry, which has increased, was the paper industry, which probably increased due to the increase in the need for paper as it is used for most things. The smallest decreases comes from wood and fuel because most fuels are running out or the jobs are too dangerous.

Figure 1: Gross Domestic Product by Industries			
	£Million		
	1984	1994	
Agriculture	6623	11548	
Mineral Extraction	21595	13078	
Manufacturing	68634	121272	
Domestic Supplies	7258	15458	
Construction	17287	31035	
Wholesale	36768	83472	
Transport	22204	49039	
Economics	52989	154550	
Social Security	20207	38797	
Education/Health	28989	69116	
Other	9617	22044	



The above spreadsheet and graph shows changes in GDP in a variety of business activities across all sectors of the economy. GDP refers to Gross Domestic Product and this shows how much money each area is contributing to the UK economy. Mining has decreased because it is cheaper to import the minerals from Europe so most of the mines are now shut and used for tourism. Most of the work in agriculture is now done by machinery so money comes out but employees are decreasing. The line of business, which has increased the most, is Economics, which has nearly tripled in millions of pounds from 1984 to 1994. The line have business which has increased the least is agriculture, which over 10 years has nearly doubled but is still below the double marker, also agriculture is the industry with the least amount of money in 1984 and 1994. The need for manufacturing has increased considerably which is shown in the chart by the figures nearly doubling and manufacturing being the second largest in 1994 but the largest in 1984. Transport has also doubled which would explain the increase in business for Express Bus Services, which we studied earlier.



Task 3: Conclusion

I have examined trends in employment and GDP in the main industrial sectors and a number of business activities within these. I now attempt to relate my analysis to Express Bus Services and Central Coach Manufacturers.

Central Coach Manufacturers is part of the Secondary sector and transport manufacturing in terms of business activity. Employment in the transport-manufacturing sector has decreased by 36%. The reason for this is that machines have replaced people because the job is hard work and dangerous and cheaper for the company. GDP in this business has increased by more than 70%. This suggests that Central Coach Manufacturers has decreased in employment because machinery is safer and more efficient and GDP had risen because more people are using public transport.

Express Bus Services is part of the tertiary sector and bus driving in terms of business activity. Employment in the transport sector has increased by only 8%. GDP in transport services has increased by more than 121%. These trends show that as the employment figures are very small due to machinery the GDP coming is increasing considerably due to the increase in peoples use of transport because it is less stressful, cheap and you can get anywhere by taking a coach.

Task 5 – Functional Areas

In this task I am going to look at the use of each functional area and the differences between them while also studying the independent need between all the functional areas in the two businesses I am studying. I will also examine how these different departments work together and communicate with each other.

Human Resources

In the human resources there are many different jobs which have to be carried out some of them small, easy jobs and some of them long, harder jobs but all come together to make the human resources section. Overall the human resources handles the needs of the company on the subject of employment, the main points human resources deals with are Recruitment which means finding new skilled workers with advertisements which costs money but better still they could just keep the workers they have by retention or if they need to cut costs they could dismiss workers.

Also the human resources handles The Trade Unions and Working conditions which means they have to keep the workers happy, they also handle training and development of the workers so they have more skilled and efficient workers, also they handle the promotion so they can give skilled workers a better paid jobs and make them feel wanted.

Human Resources also handles a very important section of business that is Health and Safety, this means they have to sort out all the safety precautions and rules and make the work place safe. If it weren't for Human Resources the workers would probably be unsatisfied and would complain and maybe quit, which is a difficult problem for a business to overcome.

Central Coach Manufacturers and Express Bus Services are very different in this department. Central Coaches needs a Human Resources Department to recruit Engineers who are quite difficult to recruiting Bus drivers. Health and Safety is more of an issue where machinery is concerned, so Central Coaches focuses on this, on the other hand Express has few concerns about Health and Safety.

There are Trade Unions and Pay rises for engineers in Central Coaches need Specialist skills for the workers so therefore more training but with Express the training is limited to knowledge of the Bus routes. Shift work only applies to Express Bus Services and their Customer Services.

Finance

The finance department of course is in charge of the Money side of the company so it handles preparing the accounts for example the Profit and Loss, Balance sheets, Cash flow statements which all count to the businesses efficiency and stability because all the money is in order. Also Finance sorts out the wages and salaries, which again keeps the workers from being unsatisfied but also it keeps the business running. Also they obtain the capital and resources for the company, which is an important part of the business as the business needs capital to expand the business without losing money and they need resources because without the resources the business would not have much to work with. If it weren't for the Finance Department the business would not be able to expand or employ the workers properly.

Central Coaches has more potential for revenue. Central Coaches has to make its accounts Public as it has put shares on the stock market in comparison to Express who must produce their Accounts but the public have no access to them. Shareholders for Central Coaches have to be informed of changes and the exchange rates reflect the prices. The money for expansion is retrieved from the Stock Exchange whereas Express gets its money from its partners.

Administration and IT Support

Administration and IT Support usually handle the companies Clerical work like records, files and organising meetings but it is also in charge of security for the business, which is an important aspect of keeping the company safe and the files safe, which may be important like business dealings and employee records so security is quite essential. Also the cleaning and maintenance is handled by them and is important for keeping the computers, water supply and so on running but also keeping the workers happy by keeping everything clean because it is unpleasant when you are in one place for a long time which is unclean and smelly. They also handle the enquiries, and specifically responding to enquiries so if the business, receive an enquiry which must be answered the administration department should answer the and if it is a large business wishing to take over or a customer it will benefit the company, so the administration and It support are quite essential to the small running of the company.

Lots of complicated enquiries to be dealt with in Central Coaches e.g. Share price issues or specification of coaches, in contrast the Express enquiries are of high volume but limited to timetable information for customers. Central Coaches and Express need computers and thus both require IT support but this involves maintenance of machinery and controlling machinery much more than just basic administration e.g. timetables and letters, used by Express Bus Services. Express may not have a dedicated IT support team, as they do not have machinery and only need engineers when a small problem occurs.

Operations

Operations are in charge generally of the smooth running of the company and are in charge of operating the different departments sufficiently, firstly they are in charge of Buildings and land which means if a new branch or factory is to be built or a new plot of land so really in that sense they control what the company buys and how it chooses its new branches. Also they control the equipment being chosen and bought which means they can control what equipment they use and how much they can spend on equipment and even if they wish to modernise their original equipment or not. Also operations is in charge of the people which means they have a say in the managers, support staff and generally smooth running of the staff so they make sure the staff are in the right place and doing the right thing so all these things contributing to the general stability of the company. Finally operations is involved with materials for example the shipping and transport of raw materials or the retail and advertisement of the product which is featured in the next section, so they are in charge of the products before as raw materials and afterwards as the end product. So the operations doesn't actually do these jobs but they control how efficient they are.

Central Coaches may have a Production department instead of an operations department, which is more appropriate for Express. This section would control the quality, raw materials, and methods of production and delivery times of the product and by doing this they should be helping to run the company smoothly. Really they in charge of the way the company works.

In Express Bus Services this section would be called Operations because instead of producing products they are operating a service. This section would explore the possibility of new routes for their drivers and new locations where they can operate. Again they seem to be in charge of the smooth running of the company.

Marketing and Sales

The Marketing and Sales section is the section, which actually designs and sells the new product through three major points, starting with the Market Research which is in simple terms the research of rival companies to see their new product and make a similar or better product before they bring it out, so it involves a lot of quick thinking and hard research but in the end it makes the business better than most rivals. The next and most important factor is Promotion, which is the most important because you can make the product and put it on the shelves but it won't sell many unless many people have knowledge of your product. There are many different ways in which companies can advertise some of which are television, radio, billboards and so on all of them are expensive and widely popular but there are cheaper less subtle ways such as leaflets, newspapers and other written advertisements. Also they are in charge of the sales and either advertise more sales dropped or buy more materials and start a new product when everything is going right. So Marketing and Sales is in charge of selling the product as a whole by either promoting it by advertisement or bettering rival companies.

In Central Coaches the Marketing and Sales is a Niche market, which means it has a limited number of customers. Advertisement would be directed to 'the trade' like Bus companies in need of new coaches, or even Express Bus Services might buy coaches/buses from Central Coaches. The advertisements are in several languages, which emphasise on quality and delivery time thus making the business well known and with a good reputation. Express Bus Services does not have a very important sales section, as there is no product they wish to sell. The Advertisements they do make are aimed at local areas or areas Bus routes using newspapers, radio and maybe television to do this.

Customer Service

The Customer Service Department as its name suggests is in charge of looking after the Customers, this includes providing information for the customers which is important for them if they wish to buy a product, for example the specifications or materials used may be important for a customer and may be provided by this department. Also Customer Services is in charge of giving advice to customers, for example which type of product to buy, so helping the customer's decisions. Customer Services is also in charge of providing Credit Facilities, which means providing the customer with the means to buy products from your company without all the complexity of them having to sort out their payment, they are then more likely to want to use your company again. After sales service is another aspect of the customer service department, this means, for example the shipment or transport of the product, which is paid by the company making it more recommended by the customer and the customer would use it again. In General the Customer Services Department is in charge of looking after and really helping the customers to buy their products and want to buy from there again.

Central Coaches does need a customers service section but only needs a few staff with specialist knowledge, these people only need to tell customers about the specifications of the Coaches and they do not have a large amount of customers to deal with. Express Bus Services has more emphasis on the Customer Services as it has many more customers as the general public can use the service and there are many customers who will use the service.

Research and Development

Research and Development involves producing/designing and testing new products, which only applies to manufacturing businesses as the other businesses do not manufacture things. For example this department is in charge of researching other companies new ideas and then improving on the idea and manufacturing the product before the other companies. So in General the Research and Development is in charge of bettering their product and in a whole beating competing companies.

In Central Coaches the Research and Development section is vital as they need to develop new systems for coaches but also they need to find their opponents new ideas and better or copy them so they are one step ahead. In Express Bus Services they do not make a product so they do not really need to Research or Develop anything so they do not need this section.

Interdependence and Communication

In this section I will look at interdependence and the way in which departments communicate with each other at Central Coach Manufacturers and Express Bus Services. Interdependence means that something or in this respect a section of a company depends on another section of the company to work effectively. So in that respect if you take a section out even if it is small something relies on this and they will be lost with that section, making them Interdependent on each other. Examples of this are maybe if there weren't a Human Resources section then all the other sections would struggle because no new staff would be coming in and the current staff would not be organised, again showing how many of the sections rely on only one.

Interdependence and Communication at Express Bus Services

Now I look at a few scenarios where interdependence would become an issue. I will start with Express Bus Services and the first scenario in which fifteen new Bus Drivers are needed to Operate National Bus Routes. This would start in Operations who have to sort out how the problem is solved, they would start by sending an internal form of communication, say a memorandum calling for a meeting and they would send it to Human Resources because they are the ones who find and recruit employees, then Operations would brief Human Resources. Human Resources would then carry out what they had been told by contacting Finance and either having a meeting with Finance or telephoning them and getting the budget for the recruitment. With that budget Human Resources would then get in touch with administration by telephoning or memo, who would then file the new drivers. Human Resources would then send a memo to Customer services briefly telling them they need to train some new drivers how to be polite to customers. Then finally would have a meeting with Marketing and Sales calling this meeting through a memo and in the meeting they would discuss how to advertise the jobs to the public. Then the problem would be solved.

The next scenario I am examining is that News Buses need to be purchased to replace old ones. This would start as in any problem in the Operations department, who then would first send a detailed letter/memo to Finance informing them of the problem. Finance would then give Operations a budget to work on and then Operations would set out on finding the buses. The n Operations would contact Customer Services who would give them an idea of what the bus needs to be like and this would be passed on to the Research and Development. They would contact Research and Development via Memo telling them to find the best, cheapest, most prestigious, etc, then with that information Research and Development would find the most suitable bus to their needs. Administration would need to be contacted by memo with all the relevant information and they would be told that some new buses are being bought and they would then file the date and bus specifications into the company just in case they are faulty. The Human Resources would be contacted and told to train more drivers to drive their new buses thus the problem would be solved and new buses would be up and running.

Interdependence and Communication at Central Coach Manufacturers

There are many scenarios in which Central Coaches could be stuck in but I will only look at three.

The first one being The company is considering to relocate to mainland Europe. Now this would start off in Central Coaches version of Operation called Production. They for a start would need to telephone/memo the Finance section and clarify that they have enough money to move to Europe. Once that is done, Production would need to call a meeting with Human Resources and Research and Development with a memo and then discuss where they can move where it will be cheapest to hire and teach workers English. When Research and Development have found the places where they could find workers. Research and Development and Customer Service then need to be telephoned by Production so they will join them in a meeting in which Customer Services can be asked where is it best for the customers, so the shipping costs are lower and would we lose any customers at current. When they have found the ideal country they then need to inform Research to find a plot of land in this country which is ideal and not too expensive, once completed they would need to memo Marketing and Sales so they will put out an advertisement for their land/building. The Production would need to fax/telephone/any customers they stand to lose and inform them of where they are going. Problem solved.

The next scenario I am exploring is New Machinery is needed to meet demand. This again would start with Production who would telephone Finance and Human Resources to see if there really is a great demand, if they can't just employ more workers and it is affordable. Once clarified Production would need to send a memo calling for a meeting, and in the meeting they would discuss how many employees they would need to operate this machinery, with the relevant information they would cut the workers they don't need or employ the specially skilled workers they do need. When this is done they would contact IT support/administration who would sort out all the necessary figures and file the facts in case of errors and IT support would be called upon to set up and maintain the machinery computer system. Then a memo would be sent to Research and they would have to find suitable machinery with a budget from Finance and the Machinery would be bought and installed, another problem solved.

Finally I will examine the problem that a number of customers have complained, as deadlines have not been met for the delivery of Buses. This would start with Customer Services for a change who would telephone Production who would immediately start by informing Human Resources by memo/meeting about the slow deliveries and about the possible loss of customers, then it would be in Human Resources hands to find the appropriate branch who have been under achieving and do the relevant job cuts and so on because of this Human Resources would need to contact Administration so they can get rid of the relevant employee files and effectively get rid of their company place, they could only do this with the help of finance as they would need to be informed of just how many jobs can be cut, not too many so it costs more than losing customers and not too little so they lose their customers and then Human Resources would need again to start employing more people through Marketing and Sales and Finance (who would supply the money and advertisements) and the inefficient workers would be replaced, problem finally solved.

In conclusion we can see that all the sections of a company depend heavily on one another and if one were to be taken away the others would be in effect useless. That is why they are Interdependent.

Environmental Constraints

I am now going to look at the External Influence of the Environment and the different Pollutions, which are caused by most business activities.

Businesses can affect the environment in a negative way through regular business activities. The UK government and European Union have made laws to protect the environment from the impact of Business. In the UK local councils, working together with a government body called the Environment Agency, uphold these laws. The Department of Environmental, Food and Rural affairs oversees all this. A number of companies have adopted an environmental policy to reduce their impact on the environment.

There are different Environmental problems caused by companies, which include; **air pollution, noise pollution, water pollution** and **wasteful use of resources**.

Air Pollution

The growth in business activity has led to increasing Air Pollution in the 20th Century. New Laws were made to improve Air Quality, which was mainly polluted by Carbon Dioxide and Methane, the gases, which affect the atmosphere increasing Global Warming. The Government wants to decrease the air pollution levels to make the air healthier; they want to do this by enforcing the **Environmental Protection Act**, which means the government would have a stronger control over the industrial air quality. Local authorities and the Environmental Agency uphold the law.

Businesses also have to control their air pollution through the Climate Change Levy. This is a Tax on the use of Energy by UK businesses, which means they are encouraged to use energy efficiently and create job opportunities. The UK has set itself the goal that by 2010 there will be 20% less carbon dioxide emissions than the 1990 levels.

Noise Pollution

The Environmental Protection Act, which covers Noise Pollution, controls the disturbance caused by noise and vibrations made by companies. Businesses near residential premises need to take care on how their business operates so they do not disturb the neighbours. The local council investigates complaints of noise pollution, which could be caused by the business. The Environmental Health officer (EHO) would decide whether the noise is a nuisance doing this informally, then if that fails the EHO would serve an abatement notice telling them what to do to stop the noise. If they do not comply with that they would be taken to court. Then if it still continues the EHO can remove the noise pollutants.

Water Pollution

Water is a main part of the community and if businesses are polluting the water with waste or polluted water they must be stopped. If they do pollute the water they will be taken to court. Many businesses do dispose of water pollutants illegally because disposing of them legally costs a lot of money and may take its toll on the business.

Wasteful use of Resources

Using resources wastefully affects the environment and business economy, so reducing waste leads to more efficient production and it also helps the environment. Waste cannot be sold or earn money so it is invaluable to waste resources.

Express Bus Services and Central Coaches both have strengths and weaknesses when coping with Environmental Constraints, firstly I will look at the strengths of Express Bus Services.

Express helps to reduce the congestion made by many cars as they can hold more people than many cars causing less pollution. Some passengers use buses instead of their cars, which brings pollution down. Another Strength is the government encourages people to use public transport and there are congestion charges in London all these helping the environment.

Express Bus Services weaknesses are fuelled by petrol and diesel, which means they damage the environment and may have to pay fines. Also the buses may create noise pollution if they are doing regular routes, which may force residents to complain, which may lead to re-routing. Finally the increasing number of car sharing may mean less people use public transport.

They could combat problems by purchasing more environmentally friendly buses or they could use alternative fuels which pollute less or finally they could make new routes to get more customers and make the pollution created by cars less.

Now onto Central Coaches and seeing how well they cope with Environmental Constraints. Firstly, the strengths of Central Coaches are:

The pushing for public transport by the government means more buses are being bought and used making the profit and customers for Central Coaches.

The weaknesses of Central Coaches are the company could be fined for water polluting during the production process and it could be severe. Also if any type of pollutant used by Central Coaches damages the land they may be fined and have to pay the clean up costs. Finally any gas pollutions are finable and Central Coaches may have to pay for alterations.

To combat this they could control the amount of pollution made by the company or they could use more cost effective methods to get rid of their waste and reduce the impact of their business on the environment.

Task 6 – External Influences

In this task I am going to look at the External Influences of a business.

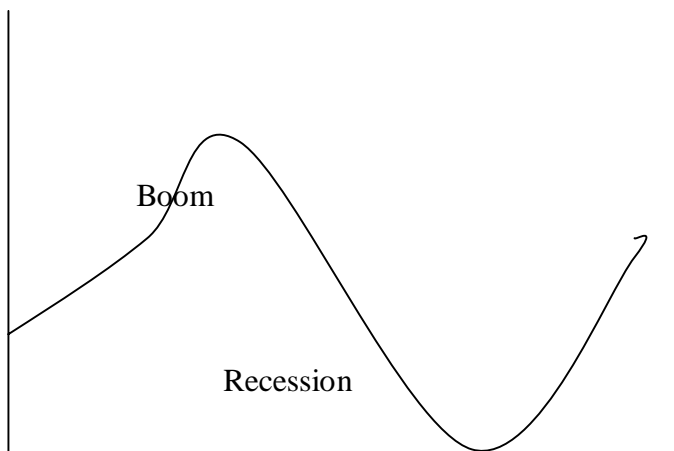
An External Influence is an influence from outside the business, which affects the Performance or Operation of the business, businesses simply have to go with them as there is very little they can change. I will consider how these External Influences affect the two businesses we are studying. The three external influences I need to focus on being, Business competitors, Economic Conditions and the Environment, each of these affecting the company the most. In general I am studying the main External Influences of businesses.

Economic Conditions

There are three main Economic Conditions, which influence the business. Each being a substantial influence on the business as the Economy makes up the business world.

Firstly, I will look at the Business Cycle this is the change in the Economy or Business world, which is either a boom, when a majority are employed and have plenty of money to spend or a recession, when unemployment is increasing and people have less to spend.

Businesses, which sell luxury items, do better in a boom, as people seem to spend more money on luxury items, whereas in a Recession people only seem to buy the necessities, making Businesses that sell more necessities do better,



This is a table to show the variation of the Business Cycle, the Boom and Recession.

Another Economic Condition for businesses is Interest Rates, which, means the cost of borrowing money. You have to pay interest on such things as bank loans, mortgages and spending on a credit card. In England the **Bank of England** sets our interest rates, and they do this according to the current Economic Status. So what happens in Booms and Recessions? Well in a Boom interest rises as people can spend more money, also it rises slow spending and keep prices down (inflation). In a recession, people need to spend more money and so interest rates fall encouraging people to spend and businesses to invest. So, Interest Rates have some control over how people react to Booms and Recessions.

Finally, the third Economic Condition is Exchange Rates, which are quite simply the price of one currency when traded with another. For Example, £1 (sterling-our currency) will buy the following approximate:

1.50 Euros
2.70 Australian Dollars
1.60 US Dollars

Exchange rates do not stay the same. They fluctuate over time. Businesses in our country are affected by Exchange Rates when doing business with other countries, the amount of money paid by a company depends on the Exchange rates with the country it is buying from. So to put it simply the money in one country is either worth more or less in another country.

For example say a coach in England cost £100,000 and in the US £1.00 is worth \$160.000 making an extra \$60,000 profit and making the English business more profitable.

The Euro

Most European states have now adopted the Euro as their currency. But even though the UK is part of Europe, it still has £ sterling as its currency. This means that the UK when selling to other European countries is still affected by the Exchange Rates. This means the rates affect the prices of British goods for European countries. The fact that we do most of our business with Europe means some people are arguing that we should join the Euro.

Express Bus Services

In this section I will consider how Express Bus Services is able to cope with the Economic conditions showing Express Bus Services' strengths and weaknesses when coping with these conditions.

Firstly, I will look at the strengths of Express Bus Services. Starting with the ability of Express Bus Services to take advantage of a recession because people do not feel they can afford a new car in a recession and instead of spending their money on a new car (luxury item) they will use public transport (necessity). This shows that Express Bus Services copes extremely well with an Economic Recession and instead of just not losing any customers or profits it gains more customers and more profit, thus showing that it is strong in time of a Recession.

Another strength of Express Bus Services is that it is immune to being taken over. This means when normal Public Limited Companies (PLC's) are affected by a recession because shareholders back out and thus the PLC's lose money for investment and the value of the company then decline considerably making the company under threat of a takeover bid from opposition. Express Bus Services is immune to this because it is a partnership and is not affected by Recessions like PLC's are. This is a very good strength because being immune to losing shareholders and investment means they are immune to being taken over by another company.

Finally, the last strength of Express Bus Services is that the Exchange rate has little affect on Express Bus Services. This is because Express Bus doesn't do routes to abroad or from abroad, meaning no foreign money will be paid in this respect. Also few tourists from overseas would use its bus routes to travel in Britain and so they will get little foreign currency from tourists. Also as there are many bus Manufacturers in Britain, like Central Coach Manufacturers, there would be no need for Express Bus Services to buy from abroad, which means again they would not be affected by Exchange Rates.

Secondly, I will look at the weaknesses of Express Bus Services, starting with Express Bus Services is based in Britain and does not have an overseas market which means in a recession in Britain Express Bus Services cannot rely, as other companies do, on its overseas market which may not be affected by the recession in Britain. So as other companies keep business going through a recession, Express Bus Services would be affected negatively by the recession.

Another weakness of Express Bus Services is that it is a partnership which means when it is seeking additional capital for investment which may include buying more buses or reconditioning old buses and so on, it needs to borrow money from the bank which means it will be affected by interest rates and may find it hard to make improvements, which means they have to buy when interest rates are low. This in turn means that when the interest rates are high and the company is in desperate need of new buses it will be affected strongly and negatively.

Also there are ways that Express Bus Services could cope better with the economic influences in the future. Some of these are:

Diversifying, which means to reach new avenues of the company still based with buses but using new business areas to make more money. For example Virgin has diversified into many different lines of work; Airlines, trains, financial services, energy and so on. This would help combat the affects of both the weaknesses of the company.

Also they could expand into foreign markets, which means when there is a recession in Britain the business can offset the recession by doing business in another country where there is a boom or economic stability.

Another way they could change to cope with influences better is by changing ownership to a Public Limited Company so that they would not be affected by changes in the interest rates. But also it would not have to borrow large amounts of money, which would influence it greatly.

Finally, they could change the fuels of the buses to LPG (Gas) this would reduce the impact of the oil price changes in the company.

Central Coach Manufacturers

Now I will look at the strengths and weaknesses of Central Coaches Manufacturers when coping with economic influences. Firstly I will look at the strengths.

Starting with Central Coaches is a Public Limited company and so can use share money from the stockholders to invest in new machinery and so on, this means they would not be affected by changes in the interest rates. This means as a PLC Central Coaches does not need to borrow money from the bank making them not affected by interest rates at all. So they are strong in this respect, as they have saved a lot of trouble through being a PLC.

Another strength of Central Coaches is that they sell coaches to other countries which means they make more money because of exchange rates but also when there is not much demand for Coaches in Britain and they are losing money in Britain they can sell coaches abroad where there is more demand and make up for the money they are losing in Britain. This means when they lose money in Britain they can either break even or make more money in other countries.

Finally, the last strength of Central Coaches is that they will get more customers from bus companies as the general public has been encouraged to use public transport. This is so especially in London as

people in cars have to pay congestion charges, this affects Central Coaches in a positive way as the demand for buses increases and they have much more business at home.

The weaknesses of Central Coach Manufacturers when influenced by the economy are during a recession companies may not feel equipped enough to buy more buses. This means that during an economic recession Central Coaches is affected in a negative way.

Another weakness is that manufacturing in the UK is mostly very poor and it is hard for businesses to find the sufficient parts for their product. This means Central Coaches cannot advertise good quality Coaches making its reputation poor but also it cannot sell the coaches for a larger sum. Making the business overall making a small profit if any.

Another weakness of Central Coaches is it exports is that it has customers who buy their coaches abroad. This will affect it in a bad way because business is then unreliable overseas due to the exchange rate. This means selling coaches abroad could mean a profit loss of many thousands.

Another weakness of Central Coaches is it is a Public Limited company that means it had shareholders, so if there is a recession then shareholders will worry about the profitability of the company and they could then withdraw their investments. This means during a recession Central Coaches is in risk of losing a lot of shareholders and thus a lot of capital making it in risk of a hostile takeover bid, a business death.

Finally, the customers have to borrow to afford the buses from Central Coaches so if there is high interest rates, which means it is expensive to borrow money then companies are unlikely to borrow money and will not want to buy coaches until there is low interest rates, this would prove very costly for Central Coaches.

Some ways of coping with these problems are:

To Diversify this means expand on the business into other lines of work still connected to the theme of the company. For example they could wash coaches and so on.

They could relocate to Mainland Europe which means they will not be affected by interest rates.

Or they could offer credit facilities so customers will buy even when there are high interest rates.

In conclusion I believe Express is much better equipped to combat Economic Influences as its Strengths far outweigh its weaknesses, but it could still improve its performance through Diversifying, Selling to foreign markets or relocating to Europe.

Business Competitors

Businesses have a range of competitors whatever line of work they are in. The business activity involves persuading customers to use their company instead of their other competitors. When the business makes a sale it will try its best to keep up and repeat that line of sale and keep its customers. In order to be a good business and compete well with competitors the company should pay close attention to the price, quality and availability of the company. Customers wish to pay cheap prices but if they can pay more for an item, which is similar but better quality they will. They will pay more if the higher priced goods are more attainable.

When a business wishes to get more customers it should consider the following.

Beginning with the age of customers, this is valuable because the company does not want to aim its products at an older age group when its customers are a younger age group. So the company needs to know the age group of its customers.

Another important thing companies should consider is the Gender of customers. The business needs to strike a balance between the different sexes and needs to know their main sex of customers to attract the other sex.

Another important thing to know is their Income. If they know this they can see how much customers spend and are able to spend and then they are able to attract other customers by changing prices.

Another important thing for the companies to know is the Lifestyle. If the companies know what sort of lifestyle attracts their customers to them and so they can make their company more attractive for other potential customers.

Another important thing for companies to consider is the Location. People act differently in different areas and so if the company wants to make more sales it should understand this and adapt to fit the different customers needs.

In this section I will look at the strengths and weaknesses of Express Bus Services and Central Coach Manufacturers as they face up to Business Competitors and the ways they can change to cope with these better.

I will start with Express Bus Services, and I will look at their strengths first starting with, Express Bus has been in the area for some time and have used it all their lives which means it is a well known Bus company in its selected area. This will combat the problem of age to some extent as older people who have used it all their lives will still use it and would have brought up their children to use it meaning young and old will use it.

Another strength of Express Bus is that the government is encouraging the use of public transport making business for Express Bus and its competitors. This means more customers will be coming to use the service without being attracted by business changes. This is a large strength for Express Bus as it helps combat most Business competitors.

The final strength is that the number of park and ride schemes has increased over the last few years. So the number of travellers using Express Bus have increases with minimal effort or advertisement. This helps Express Bus considerably as they have a lot more customers to keep their business economically safe.

Now I will look at the weaknesses of Express Bus Services starting with Express Bus has many more business competitors as there are lots of Bus companies around.

Also Deregulation means the bus routes are all used by many different bus companies, making profits harder to make for Express Bus. Making it very crowded in the streets as well.

Express Bus is only a small/local bus service which may find it hard to compete with larger bus companies such as Stage Coach who operate routes all over the country. This may either effect their profits or force them to do larger routes.

The company to combat some of these should do larger bus routes or link with schools/colleges and carry pupils to and from or they could merge with competitors to become stronger or finally they could take over competitors to make the business a little more successful.

Now I move on to Central Coaches and see how they cope with business competitors starting with their strengths.

Central Coaches has little competition a only some manufacturers are around because of decline, so they are a remnant with very few competitors.

Also Central Coaches is based in the Midlands and is close to all the main suppliers in Britain so will save money on transportation when producing coaches.

Finally the demand for buses has increased due to the governments encouragement to use public transport obviously making them a profit.

The weaknesses of Central Coaches are quite big I will start with the fact that Central Coaches sells to abroad and thus is affected by the exchange rate making business over there unreliable. Also some competitors may be located there and wont be affected by exchange rates giving them an advantage. To combat this they could become a multi-national company to reduce transport costs or they could relocate to main land Europe so as not to be affected by exchange rates.

Finally they only make one product which are coaches losing profit as other companies sell more so they could counter this by selling more than one product keeping up with the competition.

UNIT 1 – EXEMPLAR B

Areas	Commentary
a	<p>Although ‘activities’ is mis-interpreted as sectors, rather than what the business does, the ‘aims and objectives’ are well defined and explained, in a table. There is an attempt to link activities to aims and objectives MB3, in terms of how the businesses might adapt. There is just sufficient evidence on activities (partly by implication) to allow 5 marks to be awarded – MB1</p> <p style="text-align: right;">(5)</p>
b	<p>Generic information given with an attempt to apply it to the two businesses across the chosen functional areas. The candidate interprets the communication requirement across a number of ‘scenarios’ that indicate the interdependent nature of functional areas at MB2, without providing much on the techniques of internal and external communication beyond MB1.</p> <p style="text-align: right;">(6)</p>
c	<p>Ownership and liability are discussed in general terms on page one, then applied to the chosen business on the next page. Although there is some repetition, sufficient explanation is found to support MB2 on ownership, liability and location, even though the candidate dwells on re-location rather than the MB3 requirement of the impact of location on business performance.</p> <p style="text-align: right;">(8)</p>
d	<p>This is probably the strongest element in the portfolio where the candidate examines environmental, economic and competition influences on each business to achieve a SWOT style outcome, allowing access to MB3.</p> <p style="text-align: right;">(10)</p>
<p>The approach to this unit is unusual in that there is no clear, sequential coverage of criteria. Instead the candidate adopts an almost integrated approach that probably arises from the tasks set.</p> <p style="text-align: right;">Total: 29 marks</p>	

Assessing Evidence – Unit 1: Investigating Business

You need to produce a portfolio assignment based on your investigation of two contrasting business organisations. You should include information selected from your own investigation, commenting on each organisation in the following areas:

- A the activities of each organisation, illustrating how these enable each one to meet its aims and objectives**
- B the purposes and activities of each organisation’s functional areas, together with information on the main techniques of internal and external communication**
- C the type of ownership of each organisation, the liabilities of each organisation’s owners and the reasons for the organisation’s choice of location**
- D the main external influences affecting both organisations, including reference to competition, economic conditions and environmental constraints.**

ASSESSOR’S MARKING GRID (Please see also the section *Assessment guidance* on page 23.)

	Mark band 1 At this level work must show:	Mark range	Mark band 2 At this level work must show:	Mark range	Mark band 3 At this level work must show:	Mark range	Mark awarded
(a) AO1 11 marks	<ul style="list-style-type: none"> • a description of each organisation’s activities; some attempt to show how these enable each organisation to meet its aims and objectives 	1–5	<ul style="list-style-type: none"> • a clear explanation of each organisation’s activities and how these enable each organisation to meet its aims and objectives 	6–8	<ul style="list-style-type: none"> • a thorough account of each organisation’s activities; a detailed analysis of how these may need to adapt in order to ensure that aims and objectives continue to be met over time 	9–11	
(b) AO1 11 marks	<ul style="list-style-type: none"> • a description of some of the purposes and activities of each organisation’s functional areas. A description of the main techniques of internal and external communication used in each organisation 	1–5	<ul style="list-style-type: none"> • a clear explanation of the purposes and activities of the organisation’s functional areas. A clear explanation of the main techniques of internal and external communication used by functional areas within each organisation 	6–8	<ul style="list-style-type: none"> • a thorough account of the purposes and activities of each organisation’s functional areas. A detailed analysis of how the main techniques of internal and external communication support the work of each functional area 	9–11	

	Mark band 1 At this level work must show:	Mark range	Mark band 2 At this level work must show:	Mark range	Mark band 3 At this level work must show:	Mark range	Mark awarded
(c) AO2 17 marks	<ul style="list-style-type: none"> for each organisation, a description of the type of ownership, the nature of the owners' liabilities and some comment on the organisation's choice of location 	1–7	<ul style="list-style-type: none"> for each organisation, a clear explanation of the type of ownership, the nature of the owners' liabilities and the main reasons for the choice of location 	8–12	<ul style="list-style-type: none"> for each organisation, a detailed analysis of why the particular type of ownership may be appropriate and how this affects the owners' liabilities; a detailed assessment of the impact of location choice on overall organisational performance 	13–17	
(d) AO3 11 marks	<ul style="list-style-type: none"> a description of some of the main external influences on each organisation 	1–5	<ul style="list-style-type: none"> a clear explanation of the impact on each organisation of key external influences, including market competition, economic conditions and environmental constraints 	6–8	<ul style="list-style-type: none"> a detailed evaluation of each organisation's strengths and weaknesses in the face of market competition, economic conditions and environmental constraints; a detailed assessment of how the organisation could deal with such influences more effectively 	9–11	

Unit 2 - People and Business

Unit 2 - Exemplar

An Introduction to the Human Resources at the Marriot Hotel

This is an assignment about the Marriott/Royal County Hotel, which is situated in Durham. The purpose of this assignment is to outline certain departments within the hotel, such as stakeholders, Job Roles etc. Its aim is to provide the reader with as much information about how the business is run. To find the relevant information needed I will be using resources such as information from the Royal County Hotel, class notes/worksheets, textbooks and the Internet.

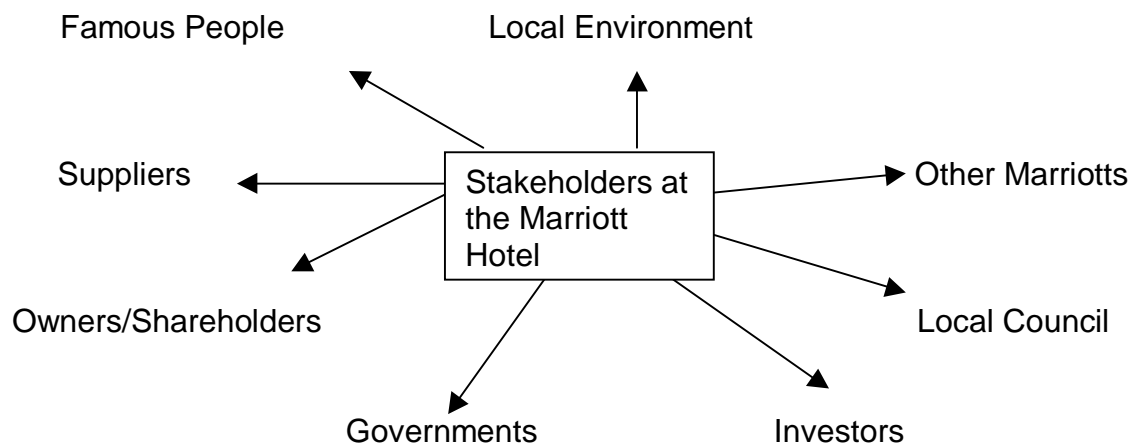
Marriott Hotel is worldwide and owned by a company called Whitbread. Whitbread hope to become the leading hotel company in the UK by the year 2005. At the Marriott they are dedicated to providing you with the finest service possible and cater for your every need. They employ 80,000 people a year worldwide and are a rapidly growing firm.

The Marriott Hotel in Durham has 150 bedrooms including suites and family rooms, all with en suite bathrooms. They also provide two quality restaurants The County Restaurant, for fine dining, and The Cruz Bar, for casual or informal dining. Complimentary Facilities include indoor heated swimming pool, spa bath, sauna, steam room, plunge pool, samarium and a fitness room. It is located alongside the River Wear, which offers a beautiful waterside view and is close to the town centre. There are many local attractions including Durham Castle, Durham Cathedral, Beamish Open Air Museum and The DLI museum. Many famous people have stayed in the hotel such as Westlife, David Beckham and the Manchester United Team and David Essex.

At the Marriott in Durham they value their staff highly which results in an efficient work force and high quality service. This benefits the customer and the hotel as many people enjoy their stay and the services provided leading to many customers returning or recommending The Marriott to friends and family.

The Stakeholders at The Marriott

A Stakeholder is anyone who shows an interest in the business.



The Role, Importance and Influence of the stakeholders at the Marriot

Key Stakeholders:

Employees:

The role of the employee is to provide high quality service to the Hotels customers. They are paid to cater for the customers needs and deal with any problems that may arise. They are of great importance to the business as without them the hotel would be unable to run. Their influence on the business is crucial as they work on a one to one basis with the customer, which allows them to provide feedback and share ideas on future improvements. They are interested in the business as it is their source of money, which they need to buy day-to-day supplies such as food, drink and keeping a roof over their head.



Bank:

The role of the bank is to fund the business. They loan the business money so they can use it to buy essential supplies, such as food, electricity bills etc. They also provide money for the hotel to make improvements, which may boost the Hotels profit. They are of great importance to the business, as without any funding the hotel would not have enough capital to buy supplies and make improvements. They influence the business as if the capital is not provided or if they do not have enough capital it determines what the hotel buys therefore determining the standard and amount of customers brought to the business. They are interested in the business because the money that they loan the hotel has to be paid back with interest by a certain date.



Customers:

The role of the customer is to use the products and services, which the hotel offers. They visit the hotel and expect to acquire value for money during their stay. They are the most important stakeholders as without customers there is no business and no profit is made. Therefore a service is not being provided if nobody stays at the hotel. They influence the business a great deal as they provide feedback on whether they enjoyed their stay and what problems have occurred. This allows the hotel to make improvements and allocate in which areas funding money should be spent. They show interest as they choose or prefer to stay at the Marriott rather than any other hotel in the area.



Government:

The role of the government is to ensure that standards are at an acceptable level. They are of importance to the business because they keep the business at the level of quality which customers find acceptable to stay in, whether on a short or long stay. Their influence on the business is crucial as if the hotel is not reaching the standards set then they would not be able to provide a service to the public. The government can set laws concerning health and safety, food hygiene etc. They show an interest in the business on behalf of the general public's welfare.



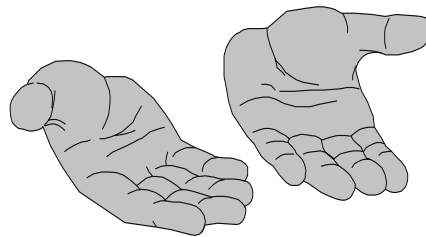
Suppliers:

The role of the supplier is to provide the business with the goods needed so the hotel can run. They are of importance to the business as they are responsible for providing the hotel with their requirements. They influence the business as if they do not provide the hotel with their goods the hotel would not be able to meet the standards set by the government, therefore they would not be able to provide a service to the public. They show an interest in the hotel, as the hotel is required to pay the supplier for the goods provided.



Shareholders:

The role of the shareholders is to provide capital and to and set targets. They are of importance to the business, as they own part of the business, which allows them to limit what the hotel can do. They influence the hotel by setting targets, which the hotel has to meet within a certain amount of time. They show an interest in the business, as the profit that the hotel makes will be divided up and shared between all the shareholders



Managers:

The role of the manager is to set targets so that the hotel can meet standards and make an adequate amount of profit. The managers are of importance to the business as without them the hotel would not be able to run. The staff would not know what duties where to be done and the targets set would not be met. They influence the decisions made as they can take suggestions from their staff and pass them on to the owners/shareholders. They show an interest, as it is their source of money, which they need to be able to provide for themselves.



Stakeholder Conflicts at the Marriott

Managers have a lot of influence as they can make big decisions concerning the activities, which take place in the business. Although the staff will have a say they have to consult the manager before any changes take place.

The Government have also a very important influence on the business as they can set laws and regulations, which the manager and the staff have to obey. If they are not obeyed they could face prosecution.

When a business is making a decision sometimes the views and interests of the stakeholders can conflict. An example of when this can happen is between the Investors and the employees. The investors can make the decisions on sales targets etc without any consultation with any of the other stakeholders. This could cause conflict as the employees may disagree with the targets that have been set. Employees can suggest ideas where money could be invested, but it is the managers and the investors that will have the overall say. Conflict could also occur between the customers and the investors. This is because the investors are interested in making the highest profit possible, but the customers may disagree because they want value for money. Another example where conflict may occur is between customers and employees. What customers write on their feedback questionnaires could be incorrect to the services which employees actually provide them with.

Job Description

Title: Marriott Sales Manager

Responsible to: Managing Director

Responsible for: The sales team

Function:

To Maintain and direct Marriott's Sales Program

Key Responsibilities

- Assign sales territories and set goals
- Maintain accounts
- To close the best opportunities for the hotel based on market conditions and hotel needs.

Duties:

- To facilitate all inquiries
- Perform site inspections
- Perform administrative duties
- Establish training programs for the sales representatives
- To effectively manage and develop relationships between internal and external stakeholders and customers
- To understand competitors strengths and weaknesses and know how to sell against them. As well as having the experience to understand the overall market in which the hotel sells.

Working Arrangements:

Full-time employee. Usually works 40 hr week but hours could be extended and may have to work some weekends due to the demands of the job. This job is in an office environment.

Pay and Benefits:

£24,000-£26,000 per year, quarterly bonus additional. Marriott offers a benefit package that includes:

- Pension Scheme
- Medical
- Dental
- Disability
- Profit Sharing
- Stock Purchase
- Paid Time Off
- Paid Holidays
- Hotel Discounts
- Meals at discounted
- Use of fitness centre

Job Security:

This job holds high job security as it is a key job role and holds the responsibility of taking charge of a sales team. It is also full-time and a permanent position.

Person Specification

Position: Marriott Sales Manager

Qualifications:

Essential: 2/3 A levels plus GCSE's in 2/3 other subjects. Degree in Business.

Desirable: A Level in I.T

Experience:

4-5 yrs sales experience, preferably experience in hotel sales.

Special Skills:

Required- The ability to understand competitor's strengths and weaknesses and know how to sell against them. As well as having the experience to understanding the overall market in which the hotel sells. Strong overall sales skills, a proven ability in group sales process and ability to maximize revenue by up-selling packages and other services.

Skills Preferred- Working knowledge of food and beverage compositions, understanding of need time strategy, and understanding and achievement of team and individual goals and operational knowledge and/or recognition of operations challenges.

Personality:

- Ability to communicate both verbally and in writing
- Confident and able to work under pressure
- Self-starter

Job Description

Title: Senior Accountant

Responsible to: Accountants Manager

Responsible for: A team of other accountants

Function:

To be a key contributor to a team that ensures accounts are managed effectively.

Key Responsibilities:

- Construction of the final accounts
- Monitoring money and sales in the business

Duties:

- Prepare foreign tax filings with advanced technical issues that are required as part of Marriott's consolidated income tax return
- Review foreign tax filings prepared by staff
- Correspond with local government tax authorities
- Prepare quarterly deliverables to the corporate Tax department
- Research international tax issues
- Compliance with international tax treaties
- Compliance with international cost share arrangement
- Correspond with external advisors and hotel management
- Interact with other Marriott departments

Working Arrangements:

Full time employee. At least 4 weeks holiday per year. May be required to work late on weekends and at the end of the financial year. This job is based in an office environment.

Pay and Benefits:

£25,000-£30,000 per yr. Marriott offers a benefits package which includes:

- Pension Scheme
- Medical
- Dental
- Disability
- Profit Sharing
- Stock Purchase
- Paid Time Off
- Paid Holidays
- Hotel Discounts
- Meals at discounted prices
- Use of Fitness Centre

Job Security:

This job holds high job security due to being in charge of other staff; also it is a permanent full-time job.

Person Specification

Position: Marriott Senior Accountant

Qualifications:

Essential: 2 A Levels and GCSE's (A-C) in 3 other subjects
BS/BA in Accounting, Finance, Economics or other business related discipline.

Desirable: International Business Exposure would be a plus.

Experience:

Minimum of two years of accounting, finance or similar experience

Special Skills:

- Strong analytical skill with effective problem solving abilities.
- Good organizational skills with the ability to undergo multiple tasks at once
- Proficient with Microsoft office applications (Excel, Word, Outlook)
- Strong oral and written skills

Personality:

- Self starter with the ability to work in a multi-task environment
- Sincere desire to be challenged to perform at the highest level in an environment that rewards achievement
- Team player
- Able to work under-pressure and within time limits

Job Description

Title: Dining Services Manager

Responsible to: Human Resources Manager

Responsible for: Kitchen and Restaurant Staff

Function:

To ensure that all Restaurant and Kitchen staff are selected carefully and work to their full potential, to guarantee effective and efficient service is provided. To also maintain the restaurants budget.

Key Responsibilities:

- Responsible for ensuring that all kitchen and restaurant staff at a high standard and at an acceptable pace.
- Manage the evening shift
- Assisting the F + B Director to formulate the annual budget
- Key role in the hiring and training of all associates positions on the PM shift
- Negotiate with suppliers to ensure that all orders are at an acceptable price, all goods are of high quality and are delivered on time.

Duties:

- Deal with customer complaints and comments relating to the services the restaurant provides
- To relieve the lounge manager during his days off
- Monitor the restaurants weekly activities to ensure they achieve their goals and budget
- Examine that quality and sanitation standards are high

Working Arrangements:

2PM-Midnight: 3 evenings per week

3PM-2.30AM: 2 evenings per week

Sunday-Monday: the normal days off.

However, days and hours are subject to change based on varying business needs

Our dining Area seats 288 people offering freshly prepared selections which include an on-site bakery, pizzeria, chef's kitchen and open grill.

Pay and Benefits:

£16,000-£18,000 per year. Marriott offers the following benefits:

- Whitbread Pension Scheme
- Medical
- Dental
- Disability
- Profit Sharing
- Stock Purchase
- Paid Time Off
- Paid Holidays
- Hotel Discounts
- Meals at a discounted cost
- Use of fitness Centre

Job Security:

This job has high job security as it is a key job role which is full time and permanent.

Person Specification

Position: Dining Services Manager

Qualifications:

Essential- An AA Degree in Hotel/Restaurant Management, Food hygiene and Safety Certificate and a Vocational A level in Hospitality and Catering

Desirable- Culinary Arts or related field is a plus

Experience:

We are seeking an experienced individual with a minimum of 2 years supervisory experience in a related Food or Beverage position.

Special Skills:

Required: A good working knowledge of current food trends and menu presentation. It is essential to have a strong profile and awareness for customer service and guest relations. Also to have the capability to manage the “Front of the House” operations. Good communication and interpersonal skills.

Desirable: Basic knowledge of a foreign language, due to liaising with other Marriott's and suppliers worldwide.

Personality:

- Able to stay calm and work under-pressure
- Must enjoy working with people on a one to one basis and have the ability to get along well with colleagues, staff, suppliers and customers
- To be very energetic as you may have to work on your feet a lot and long hours.

Why there are differences in working arrangements

The Marriott Senior Accountant that I have researched is a full-time, permanent employee and they usually work in an office at the normal working hours of 9AM-5PM although their hours can vary and extend to weekends and after hours. This is due to the time of year, as they are required to work more when it is near the end of the financial year. They are entitled to 4 weeks holiday per year, also included in their benefits package they are entitled to paid time off and paid holidays. A Senior Accountant must be a full time role as it is important to the Marriott that all their accounts and finances are dealt with correctly on a day-to-day basis. It is a permanent position as it is key managerial role, which includes the responsibility of instructing and assisting a team of accountants to ensure that all accounts and finances are handled and dealt with impeccably.

A Marriott Dining Services Manager is also a full-time, permanent employee but unlike a Senior Accountant their work is based in and around the restaurant, not office based. This is because this job would be impossible to carry out if you are not on a one-to-one basis with your staff and customers. Also a Dining Services Manager has the responsibility to monitor and manage their staff at all times to ensure that the highest standard of service and food is provided. Their working hours and days can vary throughout the week due to change in the business needs and unlike a senior accountant they normally work a nightshift. Their working hours are as follows:

- 2PM-Midnight: 3 evening per week
- 4PM-2.30AM: 2 evenings per week
- Sunday and Monday are the usual days off

Their hours are different from the senior accountant as a Dining Services Manager is required to work during the restaurants opening times as this is where they are required to carry out their job, whereas a senior accountant works in an office and does not work based on opening times. This is also a permanent position as like the senior accountant it is a key managerial role, which the restaurant would not be able to function without.

How does each job contribute to the running of the hotel

In every successful business each job role contributes to the efficient running of the services of products provided, however minor or major the responsibilities of the position hold. At the Marriott they ensure that all the services they provide are at a superior standard to preserve the hotels profits and reputation. To do this they employ a large number of staff to accomplish the targets established by investors and shareholders.

A Marriott Senior Accountant contributes to the running of the business by ensuring that all finances and accounts are maintained correctly, which will help to accomplish targets, cover all costs the hotel has, such as loans, pay and suppliers, and ensure that a considerable amount of profit is made. A Senior Accountant also manages a team of accountants, which works to meet instructions set and meet the businesses deadlines.

Without this job role the business would not be able to function as accounts could not be monitored and maintained correctly, which would lead to the business losing profit and eventually becoming bankrupt.

A Marriott Sales Manager contributes to the running of the business by guarantying that all the sales team work to meet sales targets. They help to develop sales programs, which help to promote the hotels services and therefore increase customers and profit. They carry out tasks such as sending direct mail, making leaflets etc. A Sales manager has the responsibility of ensuring that all of the sales team are producing quality work, which will result in profits increase and could allow a pay rise.

A Marriott Dining Services manager contributes to the running of the business by ensuring that the services and food provided by the hotels restaurant are impeccable. This will assure that all customers receive value for money and enjoy their stay at the Marriott, which will maximise the hotels status, customers and profits. The Dining Services Manager ensures that all restaurant and kitchen staff are working to their full potential which will assure that the customers benefit from the services and food available.

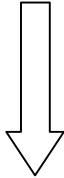
How working arrangements could be changed to ensure every employee experiences the same benefits

Many job roles in the Marriott and in many other businesses have different working arrangements. This is because different roles require different amounts of responsibility, time and different working environments. However there are certain issues concerning working arrangements that could be altered which would not only benefit the employee but also the business, as a employee who is happy with their job would tend to put more effort into their work and provide better services or products. The working arrangements that could be changed are as follows:

- **Unpaid Leave-** Every employee should have the opportunity to qualify for unpaid leave rather than just those with children. This is because staff without children of their own could still have the responsibility to tend to a child/children, such as in the case of a Godparent taking care of their Godchild due to a problem with the parents.
- **Arrangements for Breaks-** Every member of staff should be entitled to the same amount of breaks and the same time period for their break. This is because all staff should have the opportunity to rest during their jobs and each should have an equal amount of time to do this in.

The Recruitment and Selection process at the Marriott Hotel

Vacancy becomes available in the business

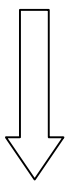


Write a job description and person specification for the job which is vacant

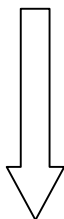
How each stage is effectively managed (Ethical and legal)

The General Manager and the Human Resource Manager have the overall authority to recruit. The vacancy must indicate hours, rates of pay and position. The GM and HRM will oversee this.

At this stage they have the opportunity to change responsibility to accommodate the vacancy. However this will mean that the job roles key responsibilities are then set.

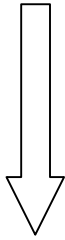


Advertise the vacancy

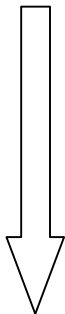


This will be done both internally and externally so more people will have the chance of seeing the vacancy. They advertise both internally and externally so that everybody has an equal chance to apply and/or fill the vacancy. People internally would have the chance to apply, as this may be a promotion, therefore them to move up a position in the department.

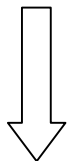
Receive application forms, shortlist and select for an interview.



The first set of interviews take place



If the candidates are successful in the first interview, the team leader will invite them back to undergo a psychometric test



A psychometric test is where they test the mental ability of the candidates. They are testing for characteristics such as how they deal with pressure, temper, stress etc.

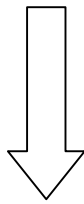
Team leaders receive the application forms and check them against the job description and person specification (these would be kept confidential). Certain applicants will be invited for an interview based on those who most firmly meet the criteria.

A question/set of questions will be set for each candidate. The GM and HRM will set these questions, it/they will be based on the job description, person specification and the content of the application form. Anyone who is unsuccessful on the day will receive feedback on their interview.

All questions asked are set questions and every candidate is asked the same (confidentiality is high). Team leaders conduct the tests and every candidate is treated fairly.

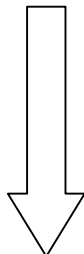
If test results shows 'Green' team leaders will invite candidates back for a second interview. The interview will be with the line manager and the HRM. If it is a management position only the cluster HRM will appoint.

The basis for inviting the candidates to a second interview is not to test their personal qualities it is to see how suitable they are for the job, which is vacant. Personal opinions are not taken into account.



They will request a reference and a national insurance number

An independent person, such as teacher or past employer etc, writes the reference. This will influence and help the work panel to reach their final decision about offering the job to one of the candidates.



Select suitable candidate and offer job

Based on the test their suitability to match the JD and PS, reference and interviews the job will be offered.

Selection process enables the Marriott to meet their vision

The 21st Century Vision

By the year 2005, Whitbread will be the leading hotel company in the U.K preferred by associates, customers and investors.

Britain's favourite Hotel Company.

- **Job Description and Person Specification**

This section of the Recruitment and Selection process is important to the Marriott to ensure they meet their vision because they can set responsibilities and personal qualities to accommodate the vacancy, which allows the Marriott to outline their desired candidate. This enables Whitbread to employ the eligible staff who can help to meet their vision of becoming preferred by customers and Britain's most favourite hotel company. If the Job Description and Person Specification did not inform the applicants of what The Marriott requires then the most suitable candidate would not be employed and therefore customers, associates and investors would not be happy with the services provided, which would result in a loss in clientele.

- **Advertise the vacancy**

This stage is important to the Recruitment and Selection process as at The Marriott they are required to advertise the vacancy both internally and externally. This enables both the public and the employees to have an equal chance to fill the vacancy, which provides a wider variety of applicants to choose from. Therefore it allows The Marriott to meet their vision, as there is a higher possibility of finding the most suitable candidate, which would enable them to provide impeccable service and become Britain's favourite Hotel Company.

- **The first set of interviews**

This phase of the process is important to enable The Marriott to meet their vision as it allows the General Manager and Human Resources Manager to meet the candidate and, using the content of the application form, ask a number of questions. This gives the candidate the chance to talk to their possible future employers on a one to one basis and create a positive first impression. It also gives the employer the chance to form an opinion about the candidate, as the application form would not necessarily show how the applicant interacts on a one to one basis with other people. This is important to The Marriott as if they employed staff using only the information received on the application forms, they could not be certain that the candidate would be suitable to fill the vacancy, although the candidate could appear to be fully qualified. If they did employ staff using only the content of the application form then the business could experience a loss in clientele and profits because employees could not provide the best service, therefore Whitbread's vision would not be met.

- **Psychometric Test**

It is important to The Marriott that every possible employee undergoes a psychometric test. This test involves analysing how the candidate deals with stress, working under pressure and how they deal with these factors. It is important this test is carried out to ensure that the candidate is suitable and there is no risk of employing someone who is violent or could handle certain situations in an inappropriate manner. This helps to meet Whitbread's vision, as The Marriott could be sure that they have the best staff who can deal with customers, fellow colleges and managements complaints and comments appropriately. Therefore allowing them to become preferred by associates customers and investors.

- **Requesting a Reference**

One of the final stages of the Recruitment and Selection process is to request a reference. It is important to do this as it enables The Marriott to verify that the candidates who have been successful so far have good records according to previous employers, teachers etc. They do this to verify that all candidates are suitable for the job. This helps to meet their vision as the reference can ensure that the right candidate is employed, therefore benefiting customers and the services the Marriott provide, resulting in Whitbread becoming Britain's favourite Hotel Company.

UNIT 2 – EXEMPLAR A

Areas	Commentary
<p>This is very much ‘work-in-progress’ and Areas b and e had not been addressed at the time of assessment.</p>	
a	<p>Clear content, meeting MB2 presented. An explanation of the business as part of the hotel group would improve the context. The particular focus on ‘conflict’ between stakeholders is not required and more would be needed on relative importance of stakeholders to access MB3</p> <p style="text-align: right;">(7)</p>
c	<p>Although well done, an organisation chart would help to clarify some of the description and explanation presented. However, there is certainly an attempt to analyse job roles and to decide on how working arrangements could be changed to improve matters for employees. MB3 just met.</p> <p style="text-align: right;">(8)</p>
d	<p>At this stage the candidate reviews ‘recruitment’ well, but has not yet examined ‘training’. If this is handled in a similar manner, MB3 will be met.</p> <p style="text-align: right;">(working towards 7)</p>
<p>The candidate’s work indicates a depth of knowledge and understanding of a particular business investigated. With continued refinement, the overall approach indicates eventual achievement of MB3 for each area</p> <p style="text-align: right;">Total: 22 marks</p>	

Assessment Evidence – Unit 2: People and Business

You need to produce a portfolio assignment based on your investigation of a medium to large-sized business organisation, showing that you understand the importance of people in business. In the portfolio you need to include information you have collected on:

- a the role and importance of stakeholders**
- b customer service and consumer protection**
- c job roles and working arrangements**
- d employee recruitment and training**
- e employer/employee rights, including procedures to deal with disputes and with health and safety issues.**

	Mark band 1 At this level work must show:	Mark range	Mark band 2 At this level work must show:	Mark range	Mark band 3 At this level work must show:	Mark range	Mark awarded
(a) AO1 10 marks	<ul style="list-style-type: none"> • a description of the role and importance of the organisation's key stakeholders 	1–4	<ul style="list-style-type: none"> • a clear explanation of the role and relative importance of the organisation's key stakeholders 	5–7	<ul style="list-style-type: none"> • a comprehensive review of the role and relative importance of the organisation's stakeholders 	8–10	
(b) AO1 10 marks	<ul style="list-style-type: none"> • a description of the customer service arrangements within the business investigated and some comment on how its customers are protected by the law 	1–4	<ul style="list-style-type: none"> • an investigation into the quality of customer service arrangements within the business investigated, and a clear explanation of key features of consumer protection law 	5–7	<ul style="list-style-type: none"> • a detailed evaluation of the quality of customer service within the business investigated, making supported recommendations to managers, and giving an assessment of how well its customers are protected by the law 	8–10	

	Mark band 1 At this level work must show:	Mark range	Mark band 2 At this level work must show:	Mark range	Mark band 3 At this level work must show:	Mark range	Mark awarded
(c) AO2 10 marks	<ul style="list-style-type: none"> a description of key job roles within the business and the working arrangements in place 	1-4	<ul style="list-style-type: none"> an investigation into job roles within the business and the working arrangements in place 	5-7	<ul style="list-style-type: none"> a detailed analysis of job roles within the business and the working arrangements in place 	8-10	
(d) AO2 7 marks	<ul style="list-style-type: none"> a description of employee recruitment and training processes within the organisation 	1-3	<ul style="list-style-type: none"> a clear explanation of employee recruitment and training within the organisation 	4-5	<ul style="list-style-type: none"> a detailed evaluation of employee recruitment and training within the organisation 	6-7	
(e) AO3 13 marks	<ul style="list-style-type: none"> some knowledge and understanding of employer and employee rights and responsibilities, including procedures to deal with disputes and health and safety issues in relation to the organisation in question 	1-5	<ul style="list-style-type: none"> a clear explanation of employer/employee rights and responsibilities, including procedures to deal with disputes and health and safety issues, in relation to the organisation in question 	6-9	<ul style="list-style-type: none"> a detailed evaluation of employer/employee rights and responsibilities and a detailed evaluation of the procedures for addressing industrial disputes, including health and safety issues 	10-13	
Total Unit Mark						50	

KEY POINTS

During the early assessments of the portfolios for units 1 and 2 it emerged that there was some misunderstanding about the interrelationship between the Assessment Objectives for the specification and the Assessor's Marking Grid for the individual units.

The assessment criteria are a specific interpretation of the AOs as applied to a given unit. therefore, when assessing candidates' portfolios the evidence need **only** be assessed against the Assessor's Marking Grid.

The following points may also assist centres with the final assessment and presentation of the portfolios.

- Work at Mark Band 1 is largely going to be descriptive, using lists, short paragraphs, etc. Mark Band 2 is largely explanation and application using the chosen business. Mark Band 3 is largely analysis and evaluation, with clear references from and to the chosen businesses.
- Candidates can achieve in different Mark Band for different Areas, eg they may fall into Mark Band 1 for Area a, but fall into Mark Band 3 for Area b.
- Work submitted for the portfolio needs to relate to the businesses that the candidate has investigated in Unit 1 and Unit 2. Generic knowledge, or work based solely on Case Studies, may only achieve lower marks.
- The portfolio should contain **only** work required to meet the requirements of the Assessment Evidence Grid. Activities undertaken to develop the knowledge and understanding of the Unit should not be included, unless such activities provide the required evidence.
- To allow the moderator to track assessment decisions, such decisions should be indicated by a tick, where the assessor has seen work that matches the requirement of the Assessment Evidence Grid, with an indication of the Mark Band and area in the margin. The indication in the margin should take the form of MB2a, which will show that the work is in Mark Band 2, Area a.
- The portfolio needs to be organised in a way that allows the moderator to follow the assessment decisions, and such decisions should be recorded onto the appropriate Record Sheet. It may be useful to include an Index Page, indicating where Areas are evidenced in the portfolio.
- Work may be presented in different styles, eg use of tables, lists, brainstorm, maps, charts, etc. It need not always be continuous text, however, where this is used, the use of headings to identify content and Areas may assist both the assessor and the moderator.

Appendices

Appendices

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Appendix 1 – Observation Record

Candidate name:

Unit title:

Candidate number:

Activity context:

This may be provided by the assessor or candidate

Assessment evidence:

Refer to the assessment grids reproduced from the specification.

Observation notes:

Specific comments on candidate performance that demonstrates achievement of the assessment evidence.

Assessor name:

Assessor signature:

Date:

Appendix 2 – Observation Records

What is an observation record?

An Observation Record is a document which records statements of learner performance it directly relates to the criteria contained within the Assessment Evidence grid included in each Unit Specification. It may confirm achievement or provide specific feedback on candidate performance against national standards.

Guidance on completing an observation record

Since an Observation Record will provide primary evidence, it is essential that the recording of performance is sufficiently detailed to enable others to make a judgement as to the quality and sufficiency of candidate performance and confirm that national standards have been achieved.

Observation Records are often accompanied by supporting/additional evidence. This may take the form of visual aids, handouts, preparation notes, cue cards, diaries, logbooks, and peer assessment records. It is essential that where present, these are included in the learner evidence. Where visual aids and handouts are used, note should be made on the Observation Record as to how these were used and their effectiveness.

The assessor of the qualification being undertaken by the candidate completes the Observation Record, therefore must have direct knowledge of the specification to enable an accurate assessment decision to be made.

An Observation Record has greater validity than a Witness Statement since it is capable of recording an assessment decision.

All Observation Records must be signed and dated by the assessor.

Appendix 3 – Witness Statement

Candidate name:

Unit title:

Candidate number:

Activity context:

Outline of the activity and its purpose. This may be written by the candidate prior to the observation.

Assessment evidence:

Refer to the assessment grids reproduced from the specification.

Observation notes:

Specific comments on candidate performance that demonstrates achievement of the assessment evidence.

Witness name:

Witness signature:

Job role:

Date:

Assessor name:

Assessor signature:

Date:

Appendix 4 – Witness Statements

What is a Witness Statement?

A Witness Statement is a document which records statements of learner performance. It is completed by someone other than the Assessor of the qualification. This may be someone who does not have direct knowledge of the assessment evidence, but who is able to make a professional judgement about the performance of the candidate (for example, a work placement supervisor, technician, librarian).

Guidance on completing a Witness Statement

The quality of a Witness Statement can be greatly improved if the ‘witness’ is provided with the assessment evidence from the specification so that accurate reference can be made to this in relation to the success of learner performance when recording details on the Witness Statement the candidate may provide a statement of context on the Witness Statement.

A Witness Statement does not confer an assessment decision. When making an assessment decision, the assessor must consider the validity of the information contained within the Witness Statement, noting the relevant professional skills of the ‘witness’, along with any other supporting evidence, before making a final judgement.

As Witness Statements are often used to record practical performance, especially in the workplace, it is important that the person responsible for the completion of the document is identified by the Assessor at the outset.

All Witness Statements should be signed and dated by the ‘witness’ together with clear details of their job role.

It is the assessor’s responsibility to ensure the authenticity of Witness Statements. It may be helpful to collect specimen signatures. A telephone call to thank the witness for providing evidence may also provide evidence of the authenticity of the Witness Statement.

Witness Statements which are to be taken into consideration for assessment purposes must also be signed and dated by the assessor.

Opportunities for the submission of additional Witness Statements should be encouraged as this provides further evidence of learner performance, for example where candidates have taken part in more than one work placement.

Appendix 5 – Edexcel GCSE in Applied Business (Double Award)

Unit 1 Mark Record Sheet

Centre no:	Centre name:	Internal moderator name:		
Candidate no:	Candidate name:	Resubmission of work	All/mostly amended	
Series number			Some amendments	
			No amendments	

Unit 1: Investigating Business						
Assessment evidence	Annotation and page number	Mark Band			Centre mark	Edexcel use only
		1	2	3		
<ul style="list-style-type: none"> the activities of each organisation, illustrating how these enable each one to meet its aims and objectives 		1 – 5	6 – 8	9 – 11		
<ul style="list-style-type: none"> the purposes and activities of each organisation’s functional areas, together with information on the main techniques of internal and external communications 		1 – 5	6 – 8	9 – 11		
<ul style="list-style-type: none"> the type of ownership of each organisation, the liabilities of each organisation’s owners and the reasons for the organisation’s choice of location 		1 – 7	8 – 12	13 – 17		
<ul style="list-style-type: none"> the main external influences affecting both organisations, including reference to competition, economic and environmental constraints. 		1 – 5	6 – 8	9 – 11		
Final total						

Edexcel moderator use only		
Number:	Name:	Signature:

Appendix 6 – Edexcel GCSE in Applied Business (Double Award)

Unit 2 Mark Record Sheet

Centre no:	Centre name:	Internal moderator name:		
Candidate no:	Candidate name:	Resubmission of work	All/mostly amended	
Series number			Some amendments	
			No amendments	

Unit 2: People and Business						
Assessment evidence	Annotation and page number	Mark Band			Centre mark	Edexcel use only
		1	2	3		
• the role and importance of stakeholders		1 – 4	5 – 7	8 – 10		
• customer service and consumer protection		1 – 4	5 – 7	8 – 10		
• job roles and working arrangements		1 – 4	5 – 7	8 – 10		
• employee recruitment and training		1 – 3	4 – 5	6 – 7		
• employer/employee rights, including procedures to deal with disputes and with health and safety issues.		1 – 5	6 – 9	10 – 13		
Final total						

Edexcel moderator use only		
Number:	Name:	Signature:

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