

THE INSTITUTE OF ADMINISTRATIVE MANAGEMENT
ADVANCED DIPLOMA IN ADMINISTRATIVE MANAGEMENT

STRATEGIC ISSUES IN ADMINISTRATION

4th December 2006, Time: 09.30 -12.30

Time Allowed: 3 hours to answer FOUR questions.

**This paper is divided into four sections. ONE QUESTION MUST BE
ATTEMPTED FROM EACH SECTION.**

**Allocation of marks as
shown on the paper.**

SECTION A: THE ORGANISATIONAL ENVIRONMENT

1. (a) Briefly outline **one** technique for analysing the factors in the external environment which might have an impact on the future success of the organisation.
(40 marks)
- (b) Discuss in detail how changes to the structure of an organisation of your choice, could make it more responsive to competitive pressures. Propose ways in which you, as an administrative manager, could gain the acceptance of your staff.
(60 marks)
2. (a) What exactly is the difference between 'delegation' and 'empowerment' in the context of managing the work of your department?
(40 marks)
- (b) Discuss in detail how you could ensure that both (i) the individual employee, and (ii) the organisation as a whole, benefit from adopting these approaches in your role as an administrative manager.
(60 marks)

SECTION B: INTRODUCTION TO STRATEGIC THINKING

3. (a) Outline the main stages in the 'strategic planning process'.
(40 marks)
- (b) Explain in detail how understanding this process would help you, as an administrative manager, to make decisions about the future effectiveness of the administrative function in your organisation.
(60 marks)
4. (a) What exactly is the difference between 'operational' and 'strategic' decisions?
(40 marks)
- (b) Discuss in detail how you, as an administrative manager, can make a contribution to the strategic success of your organisation as a whole.
(60 marks)

SECTION C: THE CUSTOMER-FOCUSED ORGANISATION

5. (a) What do you understand by the term 'marketing', and what is its role within any organisation?
(40 marks)
- (b) Discuss how you could use marketing research techniques to assess and respond to the needs of an organisation's internal and external customers.
(60 marks)
6. (a) What is meant by a 'product' from a Marketing point of view?
(40 marks)
- (b) Discuss how you, as an administrative manager, would ensure that the service provided by your staff is of the highest quality, and how you would evaluate the effectiveness of that service.
(60 marks)

SECTION D: MANAGING CHANGE AND CULTURE

7. (a) Outline, with reference to management writers and theories, the major causes of resistance to change in organisations.
(40 marks)
- (b) Assess the benefits of a culture of 'kaizen' in ensuring that any change is as smooth and painless as possible. How could you, as an administrative manager, help to promote such a culture?
(60 marks)
8. (a) What do you understand by the term 'internal change agent' and what might their role include within an organisation?
(40 marks)
- (b) Make detailed proposals, supported by evidence from management writers where possible, as to how you could help staff to welcome, rather than resist, a major transformational change.
(60 marks)

Dec 2006
AMOR

THE INSTITUTE OF ADMINISTRATIVE MANAGEMENT

ADVANCED DIPLOMA IN ADMINISTRATIVE MANAGEMENT

ADMINISTRATIVE MANAGEMENT OF RESOURCES

5th December 2006, Time: 09.30 – 12.30

Time Allowed: 3 hours to answer FOUR questions. This paper is divided into four sections. ONE question must be attempted from each section.

Allocation of marks as shown on the paper.

Graph paper is included in the centre of the exam script.

SECTION A: MANAGING PROJECTS

1. (a) 'Briefly describe how project management tools can be successfully applied to events.' (30 marks)

(b) Draw a network to represent the following project details and determine the critical path.

Activity	Preceding Activity	Duration (Days)
A	-	1
B	-	20
C	B	3
D	A, C	5
E	C	10
F	E	10
G	D	5
H	F,G	15

(50 marks)

(c) Calculate the total float for activity D.

(20 marks)

2. 'The effective management of risk is central to providing a safe and healthy workplace.'
Discuss.

(100 marks)

SECTION B: MANAGING FINANCIAL RESOURCES

3. (a) Prepare a cash flow statement from the following information for the six months from 1st July to 31 December.

- Opening cash balance at 1 July: £6,000
- Sales at £30 per unit

April	May	June	July	Aug	Sept	Oct	Nov	Dec
220	240	280	320	360	380	260	160	140

- Payment for goods two months after they have been sold.
- £12 per unit direct labour payable in the same month as production.
- Raw materials cost £10 per unit, paid for three months after the goods are used in Production.
- Production in units:

April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan
300	340	360	400	260	220	200	180	140	120

- Other variable expenses are £9 per unit; two-thirds of this cost is paid for in the same month as production and one-third in the month following production.
- Fixed expenses of £200 per month, paid one month in arrears.
- Capital expenditure on new machinery bought in August for £10,000.

(70 marks)

- (b) Advise the company on the cash flow forecasted.

(30 marks)

4. The extracts from the profit and loss account and the balance sheet for Davis Ltd are:

Sales	£42,400	Cost of sales	£24,800
Net Profit	£6,530	Fixed assets	£14,000
Stock	£1200	Capital	£6,320
Debtors	£4250	Cash	£400
Current liabilities	£4000	Loan	£3,000

Calculate and comment on:

- | | | | |
|-------|----------------------------|-----------|------------|
| (i) | Return on Capital Employed | (R.O.C.E) | (20 marks) |
| (ii) | Gross Profit Margin | | (20 marks) |
| (iii) | Acid test | | (20 marks) |
| (iv) | Debtor collection period | | (20 marks) |
| (v) | Gearing ratio | | (20 marks) |

SECTION C: MANAGING EXPENDITURE

5. Assess the contribution of standard costing as an effective control tool for administrative managers.
(100 marks)
6. (a) Calculate the E.O.Q given the following:
The demand for an item is constant at 2,000 items per year. The cost of processing an order and arranging delivery is £80, and the carrying cost is £24 per item per year.
(30 marks)
- (b) 'The process of detailed stock control uses time and resources and can cost a considerable amount of money.'
Evaluate this statement.
(70 marks)

SECTION D: MANAGING FACILITIES

7. Evaluate how discounted cash flow can be used to justify a facilities management investment decision.
(100 marks)
8. As the newly appointed Facilities Manager of a large multi-site organisation you have been asked to prepare a property portfolio strategy.
Describe the principal aspects that should be included in such a property portfolio strategy.
(100 marks)

DEC 2006
HRM&P

THE INSTITUTE OF ADMINISTRATIVE MANAGEMENT

ADVANCED DIPLOMA IN ADMINISTRATIVE MANAGEMENT

HUMAN RESOURCE MANAGEMENT & PRACTICE

6TH December 2006, Time: 09.30 – 12.30

Time Allowed: 3 hours to answer FOUR questions. This paper is divided into four sections. ONE question must be attempted from each section.

Allocation of marks as shown on the paper.

Graph paper is included in the centre of the exam script.

SECTION A: HRM IN CONTEXT AND PRACTICE

1. You have just been appointed as Recruitment Manager for ABC Ltd. Part of your brief is to improve the recruitment and selection process within the company, with an emphasis on induction. Write a briefing paper to the HR Director which;
 - a) outlines the main purpose of an induction programme. (10 marks)
 - b) identifies the topics that should be included in a good induction programme. (30 marks)
 - c) examines the problems that can arise from an ineffective induction process. (60 marks)
2. You have been asked to deliver a presentation on 'The Operational Side of Personnel Management.' In your presentation, you should
 - a) provide a definition of personnel management, (20 marks)
 - b) identify its key activities and evaluate the impact of these activities on the organisation. (80 marks)

SECTION B: LEADING AND MOTIVATING TEAMS

3. Critically evaluate the main differences between leadership and management in the organisation. (100 marks)
4. One of the key roles of any leader or manager is the task of motivating individuals and teams towards the achievement of organisational (and individual) objectives and strategies. Discuss this statement using an organisation of your choice. (100 marks)

SECTION C: LEARNING AND DEVELOPMENT

5. The evaluation of learning outcomes is an important part of the learning and development process. Identify the levels of evaluation and critically analyse their impact on the organisation. (100 marks)
6. Write a briefing paper to the Board of Directors which justifies the introduction of knowledge management. (100 marks)

SECTION D: PERFORMANCE AND REWARD

7. The management of performance is a holistic process that encompasses a variety of activities. Identify these activities and evaluate their impact on both the individual and organisation.
(100 marks)
8. 'All individuals within the workplace are entitled to a fair day's pay for a fair day's work'. Discuss.
(100 marks)

THE INSTITUTE OF ADMINISTRATIVE MANAGEMENT
ADVANCED DIPLOMA IN ADMINISTRATIVE MANAGEMENT
ADMINISTRATIVE SYSTEMS IN THE ORGANISATION

5th December 2006, TIME: 09.30 – 12.30

Time Allowed: 3 hours to answer FOUR questions. This paper is divided into four sections. Graph paper is included in the centre of the exam script.

Allocation of marks as shown on the paper.

ONE QUESTION MUST BE ATTEMPTED FROM EACH SECTION.

SECTION A: PROBLEM SOLVING AND ANALYSIS

1.
 - a. Evaluate the use of rich pictures in soft systems evaluation methodologies.
(60 marks)
 - b. Discuss the relative benefits of building the rich pictures as an individual exercise or as a group activity.
(40 marks)
2. Evaluate the decision making processes within the three recognised management levels.
(100 marks)

SECTION B: DESIGNING EFFECTIVE SYSTEMS

3. Evaluate the contribution that 'internal markets' can make to an organisation's customer focus.
(100 marks)
4. Compare and contrast the membership of, and the outcomes provided by, 'quality circles' and 'slice groups'.
(100 marks)

SECTION C: PERFORMANCE IMPROVEMENT AND MONITORING

5. 'Business Process Re-engineering (BPR) is an essential activity in the move towards improved organisational performance'. Discuss.
(100 marks)
6. Provide a brief description an organisation of known to you and evaluate the potential usefulness of Value Chain Analysis to that organisation.
(100 marks)

SECTION D: SYSTEMS APPROACHES AND MODELS

7. Using a system known to you, illustrate the information flows between sub-systems, describing how the feedback controls operate to control the system and sub-systems.
(100 marks)
8. Write a detailed proposal for a study of an organisation, using Checkland's Soft Systems Methodology, to include the potential benefits that might result.
(100 marks)

THE INSTITUTE OF ADMINISTRATIVE MANAGEMENT
ADVANCED DIPLOMA IN ADMINISTRATIVE MANAGEMENT

CASE STUDY 2

8TH December 2006, TIME: 09.30 – 12.30

Scenario

Time Allowed: 3 hours

**Allocation of marks as
shown on the paper.**

Answer all FOUR QUESTIONS.

Graph paper is included in the centre of the examination script.

HEALTHYGLOW RETAIL

Healthyglow Retail is a medium sized private limited company. It was set up over twenty years ago to sell the 'Fit for Health' range of health supplements, sports foods, vitamin additives and fitness equipment. Originally established with two shops, formed by a partnership between Ken Noone and Jennifer Coulston, the organisation has now grown into a business with two distribution depots, one for each type of product, and eighty retail outlets, serviced through four area managers from a centrally located head office providing administrative and business support for the organisation as a whole. These functions are supported by an Information Services section responsible for systems design and the operation of hardware and software technological support services for all parts of the organisation (see appendix 1) Employing 680 staff of whom 260 are full-time and 420 part-time, Healthyglow is present in a range of towns and cities within 200 miles of its head office. All products are bought in pre-prepared, and the ranges added to and updated as new and approved supplements and equipment become available. The company has no manufacturing and product-testing base of its own.

Healthyglow operates in an extremely competitive sector of sports and fitness market, with its products positioned between supermarkets own brands and more specialists upmarket suppliers. Further and intensifying competition is coming from internet and television channel based business and shopping, which Healthyglow is not involved with. All this has affected Healthyglow's profitability; turnover and market share over the past three years (see appendix 2) in what is an expanding sector of the market. It is against this background of a performance within a fitness market growing around 5% per year, that Managing Director and Chief Executive Ken Noone has called a special meeting of directors in charge of the main departments (see appendix 3). These directors are also the shareholders in the limited company formed fifteen years ago out of the original partnership. No one director has a controlling interest in the business.

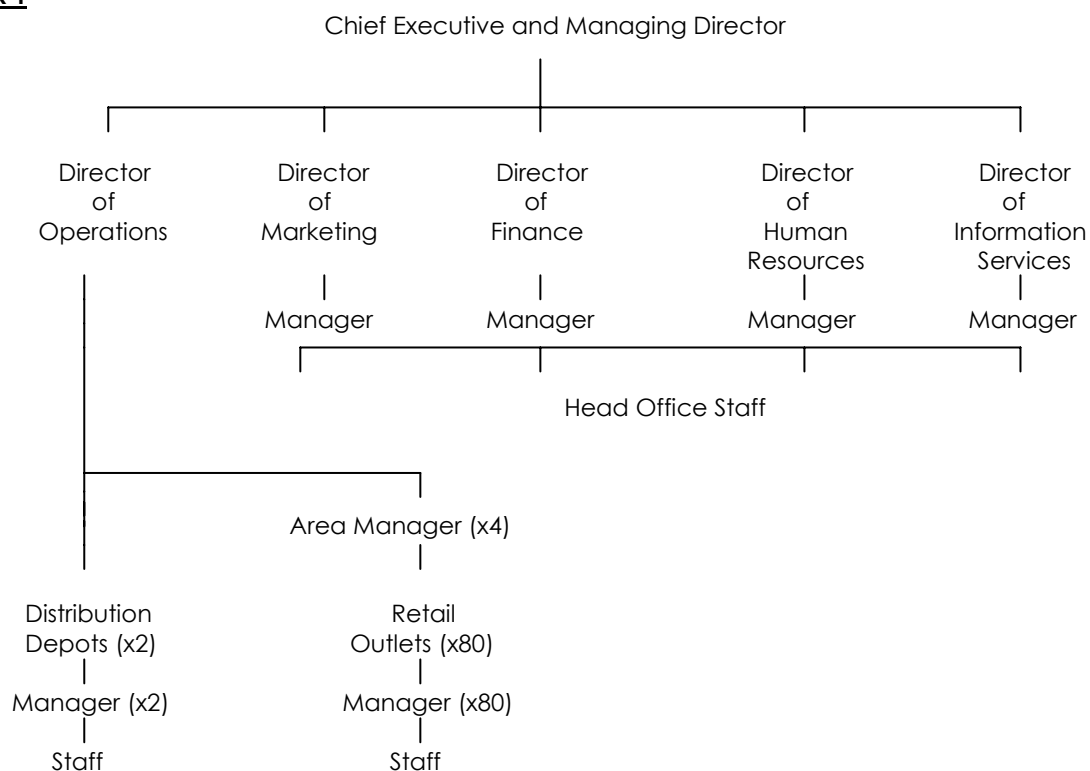
Opening the meeting, Ken summarised the current position of the company. "The last three year's performance have been clearly unsatisfactory, we've been losing market share and it can't continue. We're an old fashioned type of company believing in giving our customers a good service and quality products. Somehow though, this alone isn't enough to compete in today's market. We're losing out across the board and I want us to consider our options. Simon, as Finance Director, I'd first like you to summarise our position". Simon Tonkin shuffled his papers and began his report. "Its grave news, sales figures this quarter are little better than last, despite the effort and expense that marketing's put into the promotional campaign and new packaging of the products. Looking ahead at the sales forecast, if anything it's going to get worse, down by 0.02% next quarter". At this, Jennifer Coulston the Marketing Director, stepped in and added "You should all be aware that Activefit, a similar type and size of company, are about to introduce their new and exciting range of supplements and fitness machines. As our direct competitor, their bold and aggressive advertising is likely to hit us quite hard in the high street". Max Naismith, Operations Director cut in "so why aren't we matching them, Where are our ideas? Why can't our staff be as creative and imaginative as Activefit's seem to be? Whenever I'm around the shops or in the depots, our staff just seem to want to keep their heads down and get on with what they're doing. Even the managers wait for instructions from above, and their main concern is to follow procedure. It's as if they're afraid to take a risk or put forward an idea in case they're criticised. I'm sure there's a wealth of knowledge and ideas just waiting to be tapped for the organisation to learn from. If so, our staff are certainly reluctant to share them. Our organisation structure is well defined and clear-cut in terms of reporting. Staffs know whom to go to up the line when they need a decision, so the power to take real decisions that can affect their own area of activity isn't really needed. We're like a family, and so long as staff do what they're told and operate the systems and procedures then we should get along just fine. After all, it's the way we've always done things around here!"

All this was too complacent for Mary Stanton, Human Resources Director. She had worked hard with her staff to deliver training in the field on customer service and company systems, but it didn't seem to be paying off in performance terms. She cut in. "Max, it's this approach and attitude that's slowing down our response to customers, ability to respond to today's business world, make the most of the ideas and imagination of all our staff, encourage their suggestions and embed all this learning in Healthyglow. Sara, have you any thoughts on this?" Sara Jester, Director of Information Services thought carefully before replying. "We need to put a glow back into the healthy. What has been strength in the company's culture now seems to be working against it. Systems and procedures need overhauling and updating. Our systems and resources must be carefully configured in line to support the company's goals and objectives. That's what administration is all about at the strategic level. At the moment, they're not linked up to any great extent. For instance, we've separate systems for ordering stock from suppliers, controlling it in the stores, and distributing it to our retail outlets. We get feedback on replenishment from point of sales, but there's no integrated e-link with supplier orders, customer purchases, returns and feedback. The organisation's website is purely factual, providing information about the location of outlets, product ranges and job opportunities. On-line shopping is non-existent. All this relates to strategic issues about the direction of the company. They're all integrated like links in a chain from producer to consumer. We need to think like this and avoid compartmentalism if Healthyglow is going to prosper".

There would be more to come. That morning, Ken Noone had been sounded out by his opposite number in Activefit, also a private limited company, as to the possibility with the authority of its directors, of a merger with or takeover by Activefit. Both Chief Executives knew it was in the long-term interest of their companies to grow in size, the question was how? Also pressing in the case of Healthyglow was the need to increase staff involvement and encourage their ideas for improvement.

At this, Ken suggested the meeting be adjourned for a short break while he thought about the implications of what had been said and how to break the news about Activefit. One way or another, Healthyglow faced a change in direction. Internally there were a number of issues that appeared to be holding back its growth and performance, which they didn't seem to be learning from. Externally, they were a relatively small player with a similar market share to Activefit of 4%, in what was an increasingly competitive and aggressive UK market. Internationally, sales of products were non-existent, and Healthyglow had not promoted this area of business. Through Activefit, an opportunity had presented itself for the directors to take a bold decision to take the business forward, though at the expense of the company's autonomy. What though if a potential merger turned into a threatened takeover if his fellow directors were divided on what to do? How this might they react and what affect could it have on the relations between them?

APPENDIX 1



APPENDIX 2

	<u>03</u> £000	<u>04</u> £000	<u>05</u> £000
Turnover	25,200	25,933	26,685
Operating Profit	3,024	3,112	3,202
Market Share	4.2%	4.1%	4.0%

NOTES

In dealing with this case you are requested to:-

- (a) Make clear any assumptions you feel necessary
- (b) Make clear any local circumstances if appropriate to your case

THE INSTITUTE OF ADMINISTRATIVE MANAGEMENT
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CASE STUDY 2

8TH December 2006, TIME: 09.30 – 12.30

Questions

Time Allowed: 3 hours

**Allocation of marks as
shown on the paper.**

Answer all FOUR QUESTIONS.

Graph paper is included in the centre of the examination script.

1. Advise Ken Noone on what he might say to his fellow directors when evaluating Activefit's offer to grow the businesses through merger or takeover.
(100 marks)
2. Examine how the empowerment of staff in the distribution depots and retail outlets might improve the performance of Healthyglow.
(100 marks)
3. Discuss what would be involved in turning Healthyglow into a learning organisation.
(100 marks)
4. Assess how supply chain thinking can help improve the strategic contribution of systems to Healthyglow.
(100 marks)