

Section A

b) 10 + 17

= 27 / 64

64 / 70

= 91%
Grade A*

a)

benchmarking is the process of observing the standards (quality and efficiency) of the market leader or a businesses rival competition and then setting that as the businesses target to become and perform like ~~better~~. This would be useful for united biscuits as they are aiming to become Global leaders and through benchmarking they can see and meet the standards of their competition which is crucial if they are to be successful as these are the standards they need to beat to gain customers and competitors market share

A01 2
A02 1 / (3)

There are many types of leadership styles that a leader can choose to adopt such as autocratic, paternalistic and laissez faire. It is crucial for the leadership style to match the circumstance of the business. It is clear that Mr Glenn adopts a more democratic approach to leading JB (united biscuit) as he has introduced quality circles that have already created new inventions. Through following a Theory Y style, he values the input of the staff who may have valuable knowledge that can improve production such as the invention of a classic scraper. Although, Glenn considers his staff as a valuable tool to success, it is clear that when necessary he can be autocratic to ensure decisions are made promptly to benefit JB shown through large amounts of change being initiated after only 9 months. It is important that a leader is ambitious to motivate his staff and encourage success. Mr Glenn has achieved this through his plans of £35 million investment to introduce new technology, likely to improve efficiency of the production. Not this but they need to be open and willing to accept change in order to maintain success, especially important to JB who operate in a market influenced by changing consumer trends. It is clear that Glenn encourages change and taking risks and is considering introducing new products.

however, it could be argued that through introducing new technology UB could see a greater extent of change. This is because UB produce products as well as ^{therefore developments} in technology and benefit as it would make production quicker and more efficient. On the other hand, production may not run so well without a leader like Glenn as decisions to buy new technology still need to be made. Not only this but Glenn can inspire his workforce, whereas machinery will do as much. Although workers may gain training opportunities it is likely many will lose jobs due to increase in automation.

Overall, Mr Glenn's leadership is extremely important to bring about change at UB as he has shown staff the need for change and through involving them has made them less resistant. As it is not an emergency situation (despite large debt) the style of Glenn as theory X and democratic leader is asset to business as he motivates and ^{reaches} decisions to benefit both the workforce and the company.

- A01 2
 - A02 2
 - A03 2
 - A04 5
- (11)

It is likely that ^{all} PEST factors will ^{each} have an impact on United Biscuits due to position trading internationally, as the business has high debt and its success relies heavily on consumer tastes trends and demand.

Political =

Political factor could benefit UB positively as they trade in 100 countries, developing countries like Nigeria are less likely to have as strict rules and regulations as the UK for example. This would benefit UB as it is likely costs will be lower and therefore they will be able to compete internationally more competitively. However, ^{although} instability can be costly it is likely that political factors will not hugely influence UB - until the UK leaves the EU then trade may be impacted. Political stability may be the reason UB has not entered into more than 100 countries - stable or better otherwise could have suddenly pay excessive taxes.

Economic =

^{economic} factors such as interest rates could negatively impact UB, as if they were to increase the company would have to pay more interest on their debts. This is particularly important for UB ^{who are highly geared,} as they have debt of £1bn which is the same level as their sales. However, a fall in interest rates would benefit UB as it would reduce the cost of borrowing encouraging UB to borrow more and follow plans for expansion. However, interest rates will not be crucial to UB as they have interest ^{from overseas investors} who will aid expansion plans. The company ^{needs} to consider exchange rates as they operate internationally in over 100 countries therefore any volatility in exchange rates (↑) can significantly impact the competitive nature of UB. It may be likely the in order to compete with other businesses they need to lower prices while they establish / expand the brand. Furthermore, the economic factor of inflation is likely to impact UB, as they are relatively price inelastic good meaning that ^{consumers} people may choose to buy a cheaper unbranded alternative ^{in times of} hardship e.g a recession.

Overall, especially as UB is looking to expand economic factors are vital to their success, the company must understand the market and ensure they have strong brand loyalty.

Social =

It could negatively impact UB as there is an increase in health conscious consumers who may regard UB products as unhealthy. It is crucial that UB follows and understands change in consumer trends and should look to produce healthier alternatives. However, this could benefit UB as there is a increase in the ^{ageing} ~~elderly~~ population who are likely to remain brand loyal to traditional products such as digestive biscuits. As the business is looking to expand they must consider different consumer tastes in other countries, they may need to follow product adaptation to ensure success overseas. Overall, social factors will impact UB ^{as} their success is directly linked to meeting consumer tastes, however as long as consumers remain brand loyal they should not suffer too greatly.

Technological =

Advancements in technology will benefit UB as they will be able to improve efficiency in production through the new flow production tech at the factory. Not only this but increasing automation will reduce staffing costs for repetitive labour and also remove potential for human error which improve quality of products. Through becoming global there will also need to market globally which can now be achieved through improvement. Although technology is costly and can sometimes break or depreciate in value as long as it is looked after + staff are trained to use it technology should benefit UB.

A01 2
A02 2
A03 4
A04 4
12

will done.

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2) To conclude, social and economic factors will be the most important factors to UB ^{in their current position} as they rely so heavily on consumers tastes and ability to buy branded products. It is likely that there will be increased demand for UB products as developing nations like Indonesia and Nigeria become more wealthy and able to spend more on luxuries. However, as a manufacturer continues to consider new technology or remain efficient and also political especially when looking to expand overseas.

3) Through expanding overseas the business will increase their market size and potential to gain market share. This would benefit UB as it would extend their brand further and spread the risk across different markets in case the UK market becomes saturated. However, as UB relies on consumer tastes it may be difficult to achieve overseas domination as each country has very different tastes. Therefore the business may need to adapt products, which can be costly to suit tastes. However, overall expansion overseas is likely to be a success for UB in terms of gaining market share as the enjoyment of snacking is universal and it would only need taste changes rather than complete diversification. *Excellent judgement*

UB through expansion ~~it~~ will be able to gain economies of scale. This will benefit UB as through purchasing economies they will be able to build buy raw materials increasing potential for wider profit margins. However, UB need to be careful to ensure not to achieve diseconomies of scale through expanding too quickly. It is likely that as UB operate in 100 countries they will already have benefits of economies of scale. ^{internally} Therefore of achieving overseas domination the comp will need to become market leaders - almost monopolised to achieve domination and control of market therefore they will have more influence over price and costs and less need to achieve EOS. *Exaggerated.*

Ans 2
Ans 2
Ans 4
Ans 3 (11)

Expanding will allow the business to improve efficiency and reduce costs. This is because they will potentially be able to set up in a developing country such as Indonesia, where workers are willing to work for less and still produce high quality goods. However, through doing so the UB could potentially lose their rich history as a British gum. Not only this but ^{reverse trading} they will require UB to set up new supply chains and pay new workers - therefore outsourcing may be preferred as it saves UB from starting business links again. Overall, it is likely that expansion will reduce cost in the long term there is high initial costs that the business could need to consider in the ST.

Expanding will also allow UB to strengthen brand image. This is particularly crucial at the moment during the UK attempting to Brexit as it will be this brand loyalty that the gum will require to remain successful. However, it could be argued that through expanding brand further + focusing on building this in new countries (not already selling in) they may have to reduce marketing in the current 100 countries which could damage loyalty. Overall, expansion will only be possible if UB already have strong brand loyalty to maintain profits whilst they expand and spend huge amounts of capital.

To conclude, although there are considerable risks and costs involved in expansion, the benefits outweigh these for UB to become a larger more powerful gum. It is crucial they expand further - therefore overseas expansion would be a good decision - as long as they have the capital and support to

Section B

f

1) It is important for the restaurant owner to consider ~~to~~ the accessibility of the location. This is crucial to a restaurant as it may need on site parking if it is outside of the town in order to encourage people to stay for a meal. If the restaurant was in/near the town it would be considered an easier option and would also be good for marketing to shoppers would ~~be~~ ^{see} it as ^{sp} convenient. If the

It is also important for the restaurant owner to consider the size of the premise. The size needs to be large enough to fit people in to cover the costs of staff + food. It is unlikely that the public would choose for a small-squashed restaurant. However, as a new business it is important to not buy a ^{very} large premise until the restaurant name/brand is established as this will increase pressure to cover costs and break even and it will be less likely to make profit ~~start~~ ^{straight} away.

The restaurant should also consider costs before choosing location. A larger site will be more expensive meaning it will take longer to make a return on the business. However, if the owner has large amounts of capital they can consider this as it will fit larger capacity. The closer to town or popular destination the more expensive the rent will be as it will receive more attention from passers by. However, if the restaurant relies on delivery it may be preferable to consider infrastructure and set up near a road, like many pubs do as they will

Apr 4

Apr 4

Apr 2 (10)

receive the traffic passing by the outside. Being close to transport links is also important for the restaurant - considering its staff and the ease they have getting to work as it is likely many will be low skilled or even part time so time + cost will be considered when applying to work here.

3) In the past businesses would have needed to consider the cost, accessibility, ^{surrounding} size, infrastructure and closeness to labour. However, in the current day as a result of ^{major} advancements in technology for some industries this has reduced the necessity of a prime location.

As a result of ^{technology} there is no need for the business to have a premise on the high street to be successful. For example, ASDA has no high street location yet is hugely successful as a result of advancements in e-commerce distribution and online sales much easier to benefit the business as they do not to invest huge amounts into the costly location and instead can use this towards marketing or developing supply chains. However, this is not the case for all businesses, although it is possible for businesses that sell goods - not for service sector businesses. It is impossible for services like hairdressing to function with a ^{mobile?} location. Although, arguably they do not need such a prime location following increased reviewing + comparison online to spread info. Overall, it is true that technology has reduced need for product selling businesses to require key location - instead it is now crucial they have strong online presence to

3) due to an increase in technology there is now less need to locate close to labour forces. This is because now businesses can communicate with co-workers through e-mail and video conferencing. This benefits the business as it reduces cost and increases flexibility of its workers leading to an increase in hot desking and flexible working hours. However, this is not true for production businesses. More specialised industries such as mine + steel (primary sector) still require to locate near relevant labour. Overall, it is now easier for businesses to outsource production as they can monitor quality and if needed they can consult staff all around the world. However, for companies that manufacture unless they are willing to change workforce and adopt workers from developing country they will still need to consider location - and also the schools and facilities in the area to convince workers to relocate if necessary.

Technology has also reduced the need to be close to infrastructure. There is now a more efficient delivery service, reducing the need for businesses to set up close to ports, roads and airports. However, again if the business operate in a primary sector such as farming or fishing market it would be crucial to live close to infrastructure in order to be chosen as a supplier so that produce remains fresh and arrives ^{quickly and monitor freshness}. As a result of increased ability to order stock through using EPOS, have to hold less stock meaning the business may not need to consider the locations sizes greatly and ability to store in ~~the~~ premises as the size needed can be costly.

B)

Overall, it is one that for product selling businesses that are able to operate online and also office based work will no longer need to seriously consider location as the technology increases - more industries will be - some like this - however at the current state of technology ^{service sector} businesses like banking + hairdressing and restaurants still need to consider location to achieve success. Although technology will improve their ability to provide and market this service it does not yet enable them to not require a good location to attract customers. *clear judgement.*

A01 4

A03 6

A04 7

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