

June 2022

Paper
reference

31588H

**Business/Enterprise and
Entrepreneurship**

UNIT 6/12: Principles of Management

Part A

You do not need any other materials.

Instructions

- **Part A** contains material for the completion of the preparatory work for the set task.
- **Part A** is given to learners one week before **Part B** is scheduled. Learners are advised to spend approximately six hours on **Part A**.
- **Part A** is specific to each series and this material must only be issued to learners who have been entered to undertake the task in the relevant series.
- **Part B** materials must be issued to learners on the timetabled day specified by Pearson.

Turn over ►

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Instructions to Teachers/Tutors

This booklet must be read in conjunction with the unit information in the specification and the *BTEC Nationals Instructions for Conducting External Assessments (ICEA)* document. See the Pearson website for details.

Learners should familiarise themselves with the specific case study given in this **Part A** booklet.

Learners are advised to spend approximately six hours on **Part A**.

Centres must issue this booklet at the appropriate time and advise learners of the timetabled sessions during which they can prepare. It is expected that scheduled lessons or other timetabled slots will be used for some or all of the preparation.

Learners are **not** permitted to take notes or any other materials into the supervised **Part B** assessment period.

The supervised assessment for **Part B** will take place on a timetabled day specified by Pearson.

Centres should schedule all learners at the same time or supervise cohorts to ensure there is no opportunity for collusion.

Learner work for **Part B** must be completed on a computer.

Refer carefully to the instructions in this **Part A** booklet and the *BTEC Nationals Instructions for Conducting External Assessments (ICEA)* document to ensure that the preparatory period is conducted correctly and that learners have the opportunity to carry out the required activities independently.

Instructions for Learners

Read the Set Task Brief and **Part A** Set Task Information carefully.

In **Part B** you will be asked to carry out specific written activities, under supervised conditions, using the information in this **Part A** booklet.

At all times you must work independently and must not share your work with other learners.

Your teacher/tutor must not give you feedback on your preparation.

Your teacher/tutor must not give you guidance on the Set Task Brief or **Part A** Set Task Information.

Your teacher/tutor will clarify when you can undertake your preparation.

Set Task Brief

You are an assistant to a management consultant contracted to provide advice to *Ding Dong Ltd.*

Your manager has sent you the text and data contained in the **Part A** Set Task Information.

Your manager expects you to familiarise yourself with this information. He will contact you next week when he finalises the tasks he needs you to complete.

Your manager expects you to spend six hours on this preparatory work.

Part A Set Task Information

DingDong Ltd

DingDong Ltd has operated as a private hire taxi company in the North West of England for 15 years. *DingDong Ltd* is owned and managed by Sami Akthar and her son, Mansoor. Sami has been responsible for all aspects of managing staff, with Mansoor in charge of new business and logistics. *DingDong Ltd* originally operated with 28 drivers who worked a combination of full-time and part-time hours. The business was open 24 hours per day and 365 days per year. However, in recent years, with increased competition in the private hire taxi market, *DingDong Ltd* has struggled.

In 2019, Mansoor identified that the UK market for parcel delivery had grown by 35% in the previous 10 years. Small independent businesses accounted for 30.3% of the total market share. The UK parcel delivery market is projected to achieve 2.3 billion parcels by 2023. After a team meeting with the drivers, *DingDong Ltd* diversified into parcel delivery. The largest growth area is the demand for rapid, same-day and next-day delivery. The drivers, who are used to this type of flexible working pattern, believed they were able to fit in the parcel deliveries around their other taxi driving work.

Initially, Mansoor developed excellent relationships with some of the large online retailers who subcontracted their North West deliveries to *DingDong Ltd*. However, since neither Sami nor Mansoor had previous experience of warehousing or storage and with upwards of 1500 parcels arriving each day, storing and tracking parcels for delivery in their small office soon become chaotic. Many parcels were lost and with that came an increase in complaints from customers.

To help resolve these issues Sami and Mansoor have moved into a new 3,900 square foot secure warehouse from where they operate both parts of the business. They have also purchased parcel tracking technology that allows them to track all parcels until the point of delivery. Sophisticated software is used to track the location of each parcel in the warehouse and allocate them to the driver based on delivery location. The drivers are paid for each successful delivery, which makes their weekly pay unpredictable. As a result, some drivers have applied for positions in the warehouse with a fixed hourly rate of pay rather than delivering parcels as self-employed contractors.

The parcel delivery market continues to grow and with its parcel tracking technology now in place, *DingDong Ltd* is keen to expand further. However, a shortage of reliable staff has meant that it is unable to accept new delivery contracts. To overcome this, Sami has used a combination of temporary staff, agency workers, subcontractors and employees on zero hours contracts. This can be expensive and, as a consequence, the contribution to profit of each delivery has fallen. Between spring 2020 and autumn 2021, the number of staff needed to meet existing contracts increased from 28 to 52 but *DingDong Ltd* often struggled to retain more than 40 staff at any one time.

The drivers work independently and their only contact with Sami and Mansoor is through computer generated text messages and emails giving them instructions on where to collect and drop off parcels. Driver income is unpredictable and drivers are often expected to make a delivery within one hour. Drivers have the option to decline to make a delivery if they are unable to complete it within the required time. As a consequence, driver satisfaction rates are very low. Absenteeism, staff turnover and the number of declined orders have increased.

**Extract from the logistics and quality standards Information
for *DingDong Ltd* for the years 2020–2021**

	Jan–Jun 2020	Jul–Dec 2020	Jan–Jun 2021	Jul–Dec 2021
Number of parcels delivered	68 750	180 000	275 000	425 000
Parcels delivered on time	95%	87%	82%	76%
Parcels lost/damaged	1%	3%	9%	12%
Contribution to profit of each delivery	25%	22%	17%	9%

Figure 1

**Extract from the staffing Information for *DingDong Ltd* drivers
for the years 2020–2021**

	Jan–Jun 2020	Jul–Dec 2020	Jan–Jun 2021	Jul–Dec 2021
Employee satisfaction rate	93%	95%	82%	76%
Staff turnover	4%	7%	17%	29%
Absenteeism/deliveries declined by staff	0%	0%	12%	16%

Figure 2

Despite the parcel tracking technology many same-day and next-day deliveries were still not arriving on time and one of *DingDong Ltd's* biggest customers threatened to cancel its delivery contract. To address this issue Sami and Mansoor decided to dictate the routes drivers must take and the order in which deliveries must be made. The tracking technology will alert Mansoor if drivers move away from the delivery route. Any driver who fails to achieve 95% on-time-delivery each month will lose their contracts.

Mansoor emailed all drivers to inform them of the new procedures and several drivers resigned immediately. When contacted by Sami, one of the drivers admitted that because he wasn't given enough work by *DingDong Ltd* he also had delivery contracts with two of its competitors. This driver prioritised his workload according to who paid the most and not by the urgency of the delivery. He also said that the new policy was inflexible and that part of the reason he accepted work from *DingDong Ltd* was that he had control over his own schedule.

Sami has approached a friend who works for *BOXIT Deliveries Ltd* one of the UK's largest parcel delivery businesses for advice. She found the following:

- *BOXIT Deliveries Ltd* guarantees that all drivers are employed for at least 150 days each year
- Employees earn 15% more than those in comparable jobs
- A 5% bonus is paid for on-time-deliveries
- There is a clear management structure and employees have personal contact with managers
- Employees are set personal quality targets each month
- Communication is good between drivers and management
- Drivers are given their guaranteed hours a week in advance, which allows them to plan any deliveries around their other commitments
- *BOXIT Deliveries Ltd* accepts large contracts and therefore can plan and control staffing costs efficiently
- Employee satisfaction and retention is better than at similar businesses.

Sami and Mansoor need to make a decision about how to manage their business in the future. They have identified the following goals for *DingDong Ltd*:

1. Continue to expand and consolidate growth within the parcel delivery industry
2. Increase the contribution to profit of each delivery.

Sami thinks that they can achieve this by changing the way they plan and motivate their staff but Mansoor also feels they need to improve communication with drivers and establish a quality culture.

June 2022

Supervised hours 3 hours

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**Business/Enterprise and
Entrepreneurship**

Unit 6/12: Principles of Management

Part B

You must have:

Calculator, note paper and pen

Instructions

- **Part A** will have been used in preparation for completion of **Part B**.
- **Part B** contains material for the completion of the set task under supervised conditions.
- **Part B** must be undertaken in 3 hours on the timetabled day and under the conditions specified by Pearson.
- **Part B** is specific to each series and this material must only be issued to learners who have been entered to undertake the task in the relevant series. It is to be issued at the beginning of their timetabled supervised period.
- **Part B** should be kept securely until the start of the 3-hour supervised assessment period.

Information

- The total mark for this paper is 88.

Turn over ►

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Instructions to Teachers/Tutors and/or Invigilators

This booklet must be read in conjunction with the unit information in the specification, the Administrative Support Guide for the unit, and the *BTEC Nationals Instructions for Conducting External Assessments (ICEA)* document. See the Pearson website for details.

The **Part B** set task is undertaken under supervision in a single session of three hours on the timetabled day specified by Pearson. Centres may schedule supervised rest break(s) during this session.

Centres must schedule all learners in the same session and must release **Part B** to individual learners only for their scheduled sessions.

Learner work for **Part B** must be completed on a computer.

All learner work must be completed independently.

Each learner's work must be authenticated by the learner and the teacher/tutor and/or invigilator using the authentication form provided in the Administrative Support Guide for this unit before being submitted to Pearson by the teacher/tutor and/or invigilator.

Refer carefully to the instructions in this booklet, the Administrative Support Guide for the unit, and the *BTEC Nationals Instructions for Conducting External Assessments (ICEA)* document to ensure that the assessment is supervised correctly.

Learners must not bring anything into/take anything out of the supervised environment that is not specified in the Administrative Support Guide for this unit.

Learners are **not** permitted to take notes into the **Part B** supervised assessment.

Centres are responsible for putting in place appropriate checks to ensure that only permitted material is introduced into the supervised environment.

Maintaining security

- During supervised assessment periods, the assessment areas must only be accessible to the individual learner and to named members of staff.
- Learners can only access their work under supervision.
- During any break materials must be kept securely.
- Learner work must be backed up regularly.
- Any work learners produce under supervision must be kept securely.
- Learners are not permitted to have access to the internet or other resources during the supervised assessment period.

Outcomes for submission

Each learner will submit:

- a report
- a presentation with speaker notes/script.

A fully completed authentication sheet must be submitted by each learner.

Instructions for Learners

Read the Set Task Information carefully.

This session is three hours.

Your teacher/tutor and/or invigilator will tell you if there is a supervised break.

Plan your time carefully.

You have prepared for the set task given in this **Part B** booklet.

You will complete this set task under supervision and your work will be kept securely during any breaks taken.

You must work independently throughout the supervised assessment period and you must not share your work with other learners.

Outcomes for submission

You will need to submit the following documents on completion of the supervised assessment period:

- a report
- a presentation with speaker notes/script.

A fully completed authentication sheet must also be submitted.

Set Task

You must complete BOTH activities.

Activity 1

With reference to the information and data in **Part A** Set Task Information, you have to prepare a report for the owners of *DingDong Ltd*. Your report should:

- show how human resource management at *DingDong Ltd* has impacted on its success
- recommend how *Dingdong Ltd* could improve its management of human resources.

The report should be word processed and in size 12 font.

(Total for Activity 1 = 44 marks)

Activity 2

With reference to the information and data in **Part A** Set Task Information, you have to prepare a presentation for the owners of *DingDong Ltd*. The presentation must be accompanied by speaker notes/script. The presentation should:

- show your understanding of how effectively *DingDong Ltd* currently manages quality
- recommend how *DingDong Ltd* can improve the quality culture to support continued growth of the parcel delivery business.

(Total for Activity 2 = 44 marks)

TOTAL FOR PAPER = 88 MARKS

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