

Pearson BTEC Level 3 Nationals

Business/Enterprise and Entrepreneurship

Unit 6/12: Principles of Management

Part B

Tuesday 8 May – Wednesday 9 May 2018

Supervised hours: 3 hours

Paper Reference

31588H

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 during the 2-day period and under the conditions specified by Pearson. The period will allow centres to timetable appropriate supervised sessions for all learners.
- **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 paper 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.

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

In order to enable learners to have access to computer resources, a period of two days is provided for centres to timetable assessment.

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

Learner's 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 task booklet 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 on quality management
- a presentation about quality culture and quality standards.

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 should 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 on quality management
- a presentation about quality culture and quality standards.

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 the **Part A** Set Task Information, you are to prepare a report for Chris North to present to the Board of Directors at *SSLtd*.

Your report should:

- show your understanding of quality management and its importance to *SSLtd*
- make recommendations about the appropriate techniques or tools that *SSLtd* could use for quality management.

The report should be word processed and in a minimum size 12-point font.

(Total for Activity 1 = 44 marks)

Activity 2

With reference to the information and data in the **Part A** Set Task Information, you are to prepare a presentation to be given by Chris North to *SSLtd*'s Board of Directors.

The presentation must be accompanied by speaker's notes/script.

The presentation should:

- show your understanding of how the current management approach is affecting the development of a quality culture at *SSLtd*
- make recommendations about how *SSLtd* could achieve a quality management standard.

(Total for Activity 2 = 44 marks)

TOTAL FOR PAPER = 88 MARKS

Part A Set Task Information

Strines Stoves Ltd

The Domestic Heating Market

The UK domestic heating sector is substantial, highly competitive and covers a number of markets. One market is the manufacture of products such as boilers, stoves and ranges. This market is influenced by a number of factors such as:

- fuel prices
- energy efficiency legislation
- renewable technologies
- other technological developments, e.g. smart meters and thermostats, next-gen insulation
- trends in housebuilding and home improvement.

UK householders are becoming more environmentally aware and are increasingly looking to smart heating solutions as a way to minimise energy usage and to save money. There is a renewed interest among consumers in burning wood for heating, with multi-fuel stoves being the most popular choice.

Strines Stoves Ltd (SSLtd) has been manufacturing metal multi-fuel stoves since the business was set up in 1985. Since the business was started *SSLtd's* production processes have not changed. Currently the production staff are organised in teams of 15 with one supervisor per team. Production managers give instructions to supervisors who pass these on to individual team members to direct their work. Supervisors also record how many units have been completed or part finished each day, passing this information on to the production managers. The workplace is chaotic with metal panels and other components cluttering the production area.

Chris North has recently been appointed Operations Manager. His last job was in the automotive sector. Chris has found that the production processes at *SSLtd* need to change. He is a proactive manager and wants to improve and update operations. He wants to increase staff involvement and contribution to the production process. Chris would like to improve quality management by introducing a lean manufacturing approach similar to that used by Jaguar Land Rover Automotive plc and other successful businesses. He wants to develop a quality culture at *SSLtd* and achieve an appropriate quality standard.

The Chief Executive Officer (CEO) of *SSLtd* has identified the need to maintain a competitive advantage. He would like to develop a quality culture and introduce new production methods.

The CEO supports Chris's target of achieving a quality standard, but other members of the Board of Directors are happy with the way things are. They state that the business has survived in a competitive market, making a small profit each year. They also claim that the workforce seems happy because there is a low staff turnover.

Jaguar Land Rover Automotive plc's Manufacturing Strategy

Jaguar Land Rover Automotive plc (JLR), part of Tata Motors, is the largest automotive manufacturer in the UK. In the 2016 Bloomberg survey of the country's 400 largest employers, JLR was voted the 'Best Employer to Work For in the UK'.

JLR's strategy for long-term sustainable growth is built on its three principles:

- **Customer First**
Customer First has resulted in the company listening to its customers. In 2015/16 the company created an 'always on' real-time customer listening panel. This principle means that everyone in the company must aim to satisfy internal and external customers by understanding their needs and exceeding their expectations.
- **Great Products**
JLR produces a range of distinctive award-winning vehicles.
- **Environmental Innovation**
Environmental Innovation includes REALCAR, an initiative in which waste aluminium scrap from JLR vehicle production is returned to the supplier and recycled into aluminium sheets for use in the manufacture of future JLR cars. There are other recycling and waste reduction initiatives.

In JLR's quality culture, every employee is invited to contribute ideas to improve the way the company works, eliminate waste and create efficiencies. The company has implemented Team Improvement Circles to increase efficiency by listening to its employees.

Lean manufacturing techniques include organising the workforce into small teams with a supporting Team Leader. JLR operates a Just in Time continuous flow production process with visible control management boards.

JLR 2012–16

	2012	2013	2014	2015	2016
Revenue (£m)	13 512	15 784	19 386	21 866	22 208
Profit pre-tax (£m)	1 479	1 674	2 501	2 614	1 557

(Source: figures adapted from JLR Annual Report 2015–16)

Figure 1

JLR Sales by Region 2015–16¹

	UK	N America	China ²	Europe	Rest of the world
Sales (%)	20	19	19	24	18
Change in sales from 2014–15 (%)	+24	+27	-16	+24	0

¹ 521 571 units sold in 2015–16

² Adverse impact of slowdown in the Chinese economy

(Source: figures adapted from JLR Annual Report 2015–16)

Figure 2

JLR – Other Highlights 2015–16

1	Voted Number 1 in Bloomberg's 'Best Employers UK 2016'
2	Exported 80% of all vehicles produced
3	Employed 3 000 new recruits (including 600 graduates) increasing workforce to 38 000 worldwide
4	Won 150 awards including the Queen's Award for Sustainable Development
5	Invested £3.1bn in the company

Figure 3

Lean Manufacturing Techniques in the Service Industries

Lean manufacturing techniques have been adapted for use in the service industries. The supermarket chain, Aldi, applies a lean approach to its business operations, including:

- Just in Time approach to stock control
- staff trained to carry out a range of different tasks/jobs in the store
- stocking fewer variations of each product compared to other UK supermarkets
- trolleys having a £1 deposit system
- rejecting 24 hour a day opening
- sourcing the majority of its fruit and vegetables locally
- customers packing shopping away from the check-out
- pallet-based displays
- replacing standard practices such as shelf stacking by topping up individual products using display-ready consignments.



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