

Apex Exam Guidebook

Business

Year 12 QCE

Queensland Curriculum

2026 Edition

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Apex Exam Guidebook

Business

Year 12 QCE

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Mathematics	Sciences	English
<ul style="list-style-type: none"> • Essential Mathematics • General Mathematics • Mathematical Methods • Specialist Mathematics 	<ul style="list-style-type: none"> • Biology • Chemistry • Physics • Psychology 	<ul style="list-style-type: none"> • English • Essential English • Literature
Humanities and Social Sciences	Health and Physical Education	Technologies
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Acknowledgements

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Notes	<ul style="list-style-type: none">• Stimulus materials from the stimulus book have been included in the relevant questions.
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Unit 4 Business evolution

Note: All exam questions are relevant to Unit 4, Topic 2.

Topic 2: Transformation of a business

Paper 1 Section 1

2024 Paper 1 Section 1 Question 1 Transf. of a business	Explain the importance of both retraining and development when transforming a business. [2 marks]

2024 Paper 1 Section 1 Question 2 Transf. of a business	Identify and explain one reason businesses use Kotter's change management theory rather than Lewin's change management theory during transformation. Include an explanation of change management in your response. [3 marks]

**2024
Paper 1
Section 1
Question 3**

**Transf. of a
business**

Read Case study 1 (Stimulus 1–11) in the stimulus book. Use the case study to identify and describe one internal environmental factor and one external operating environmental factor acting as drivers for change when transforming this business. [4 marks]

Stimulus 1
Gym Business webpage

• Open 24/7
• Friendly, experienced staff
• Family owned and operated
• Established in 2017

Gym Business is a small, family-owned and operated suburban fitness centre offering personal training and small group sessions.

Open 24 hours a day, 7 days a week

NO JOINING FEE

Contracts are available for 3, 6 and 12 months; something to suit everyone!

FULLY QUALIFIED STAFF

Harper is our co-owner and fitness expert. Harper has a particular interest in providing quality exercise programs for people of all ages.

Hudson is our co-owner and senior personal trainer. Hudson manages personal training plans and is passionate about fitness and wellbeing.

OUR MISSION

To enhance the quality of life of our local community.



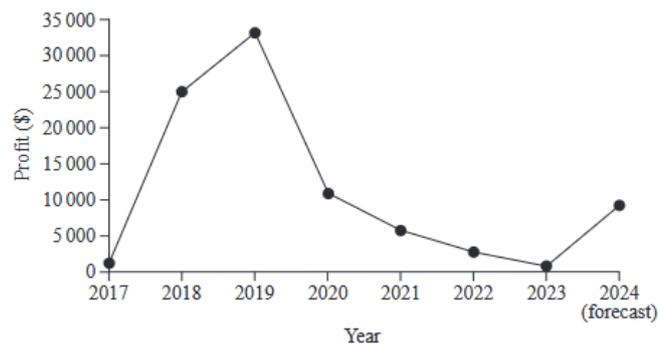
    

Stimulus 2

Gym Business timeline

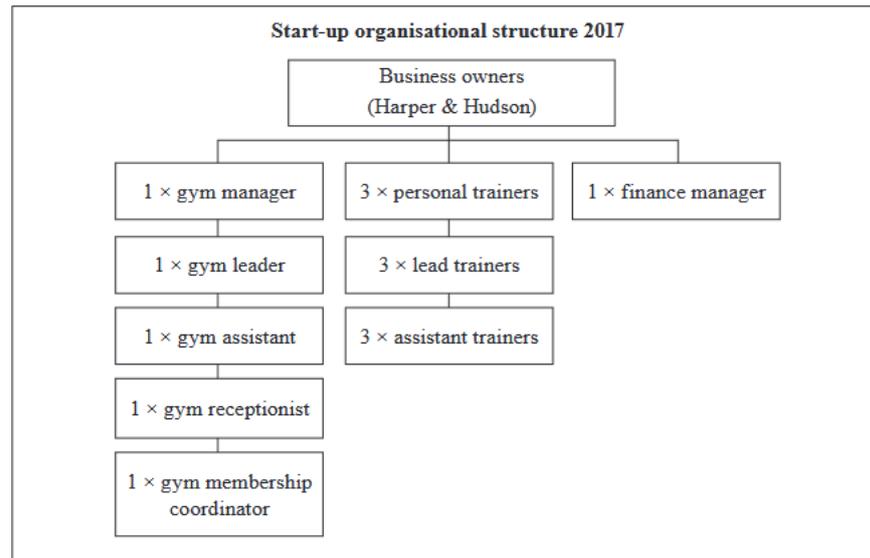
2017	<ul style="list-style-type: none">• Gym Business officially opened by owners Harper and Hudson• Advertising campaign launched 'Foundation members' deal (100 foundation memberships guaranteed fixed at the introductory price for life)
2018	<ul style="list-style-type: none">• Rapid revenue and membership growth• Renovations to improve fittings and fixtures in fitness centre
2019	<ul style="list-style-type: none">• Steady revenue and membership growth
2020	<ul style="list-style-type: none">• Forced business closure from April to July due to pandemic• Contracts suspended; some members cancel• Profits decline and membership numbers drop
2021	<ul style="list-style-type: none">• Traditional marketing campaign launched (flyers in letterbox)• Profits decline further and membership numbers continue to drop
2023	<ul style="list-style-type: none">• Profits decline further and membership numbers continue to drop• Owners seek financial stimulus injection
2024	<ul style="list-style-type: none">• Submission of proposed new strategic plan by new partner, Anton

Gym Business profit results 2017–2024



Stimulus 3

Organisational structure for Gym Business



Stimulus 4

Online customer reviews for Gym Business

Reviews

★★★

February 2023

No wait for equipment

I've been coming to this gym for a couple of years. I like that the owners take some of the classes and there is a personal feel to the gym as they know you by name. Some of the younger members have stopped coming, so it has been a bit quieter lately, but that means you can get on the exercise equipment without a wait.

★

November 2022

Lacks a vibe

This place has no vibe. It used to be a happening place, but lately there doesn't seem to be many people around and it's not enjoyable anymore. A few classes have been cancelled at the last minute due to lack of numbers. I'm headed to the gym nearby where the vibe is pumping and there aren't any lock-in contracts.

★

May 2022

Limited options

I've been a member of this gym for almost five years, but not much has changed in that time. The owners are enthusiastic and very visible on the gym floor, but they seem to be struggling with how to manage a gym. Repeated requests for a wider range of classes and services have been ignored and the gym just does not meet my needs. They also need to keep up with changes in technology. Sadly, I will be leaving this gym and checking out other fitness centres.

★★★★★

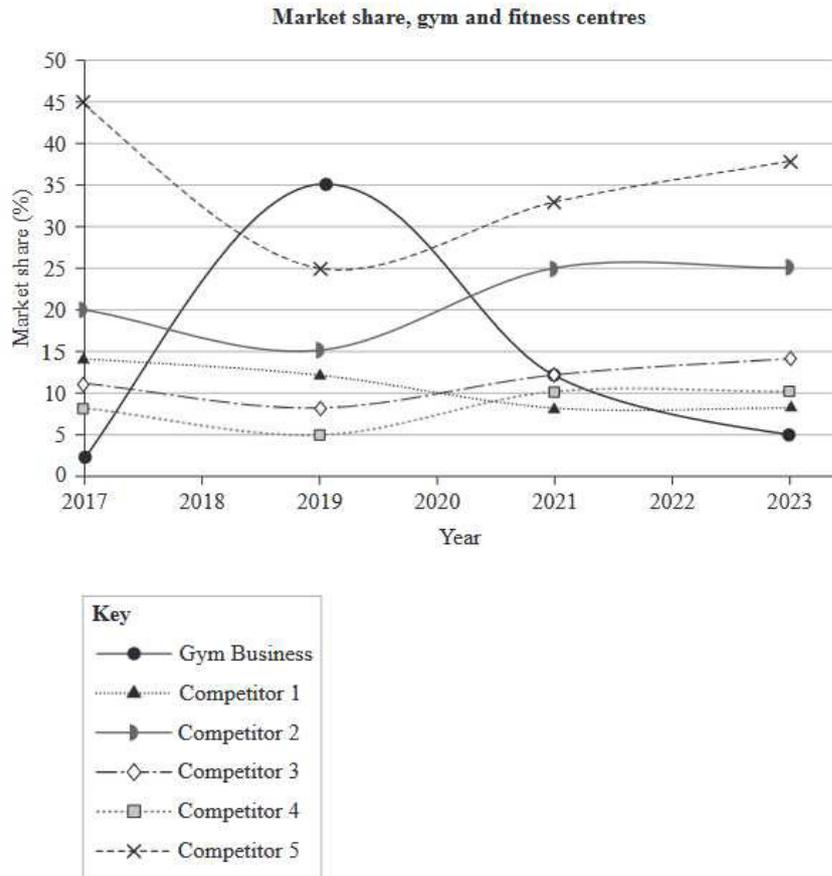
March 2022

Great gym, great owners

As a foundation member, this is a great gym with really positive owners who are passionate about fitness and helping clients on their fitness journey. The owners lead by example with their own fitness, very keen and committed. I strongly recommend giving this gym a go.

Stimulus 5

Market share of gym and fitness centres in the local area of Gym Business



Stimulus 6

Gym Business meeting agenda and minutes with new business partner, Anton

Planning meeting agenda

Date: 2 January 2024, 9:00 am

Invitees: Harper, Hudson, Anton, external financial advisor

Topic	Presenter
1. Strategic plan 2024–26 for new ownership	Anton
2. Staffing restructure	Anton
3. Financial position and budget forecasts	Hudson
4. Members' engagement strategy	Harper

Planning meeting minutes

Date: 2 January 2024

Attendees: Harper, Hudson, Anton, external financial advisor

1. Strategic plan 2024–26 for new ownership (Anton)

The 2024–26 strategic plan was presented and proposed a transformation of the business through the addition of services. Anton proposed an investment of \$900 000 in exchange for a 50% ownership share. This would change the ownership portions to Anton 50%, Harper 25% and Hudson 25%. The \$900 000 will fund the changes to the business proposed in the strategic plan.

Outcome: All parties agreed to this proposal and a new structure will be created and registered by the external financial advisor.

2. Staffing restructure (Anton)

A new staffing and organisational structure will need to be adopted to operationalise the new strategic plan. This could include the redeployment of current permanent staff or recruitment of new staff.

Outcome: A new organisational structure was agreed, and restructuring should commence immediately.

3. Financial position and budget forecasts (Hudson)

No budget documents were prepared other than bank statements for 2023, and no financial forecast was provided, except for a cost–benefit summary developed by a business consultant for the implementation of the new strategic plan. As such, a budget forecast could not be developed.

Outcome: This item was carried over to the next meeting.

4. Members' engagement strategy (Harper)

Harper presented a new marketing strategy to increase the business's digital presence and market share. The strategy requires the engagement of a marketing agency. Harper suggested a local company or one based in Melbourne that could deliver the project.

Outcome: The new marketing strategy was agreed, along with the decision to engage a local marketing agency.

Date of next meeting: 1 February 2024

Stimulus 7

Gym Business strategic plan (excerpt)

Gym Business — Strategic plan (excerpt) 2024–26

Purpose

Committed to delivering the highest quality services, empowering members for a life of wellness.

Objectives



Market growth



Financial viability



People development



Diversification

Initiatives

- attract new members and retain existing members
- increase online presence

- change ownership structure from partnership to private company to protect each owner's personal liability
- reduce operating costs
- develop outsourcing agreements
- develop financial plan for new investment funds

- recruit specialist staff to provide additional services
- train and develop staff

- expand services to include dietitian, physiotherapy, retail (clothing and equipment)

Key performance indicators

- growth in new members, increased retention of existing members
- increased online engagement

- increased cash flow and profits

- specialist staff to provide additional services are recruited
- organisational structure changed to include additional managers

- engagement targets for new services are met

Stimulus 8

Financial snapshot of Gym Business

Bank statement **Investment account (excerpt)****Investment period:** 5-year investment**Expiry date:** January 2026**Fixed interest:** 4.5%**Account summary:** January 2023

Details	Balance
Opening balance	\$27 300.63
Add interest earned	\$1 228.53
Closing balance on 31 January 2023	\$28 529.16

Important: Penalty fee of \$1 500 applies for withdrawal of investment prior to expiry date.**Bank statement** **Daily transaction account (excerpt)****Account number:** 0000324**Account summary:** September to December 2023

Details	Withdrawals	Deposits	Balance
Opening balance			\$7 201.67
Transactions during period	32 371.49	29 476.90	\$4 307.08
Closing balance on 31 December 2023			\$4 307.08

Cost–benefit summary for implementation of strategic plan 2024–26

Additional costs	Value (\$)
Fees for private company registration	15 000
Proposed new owner and managers' wages	342 000
Recruitment, orientation and training	2 470
Refurbishment and establishment of new services	500 000
New marketing strategy	75 000
Total additional costs	934 470
Benefits	Value (\$)
Extra sales from new markets	719 550
Improved customer retention sales	379 150
Total benefits	1 098 700

*Note from financial advisor:
Payback period
= 0.85 years
(10.2 months)*

Stimulus 9

Email from a business consultant to Gym Business owners



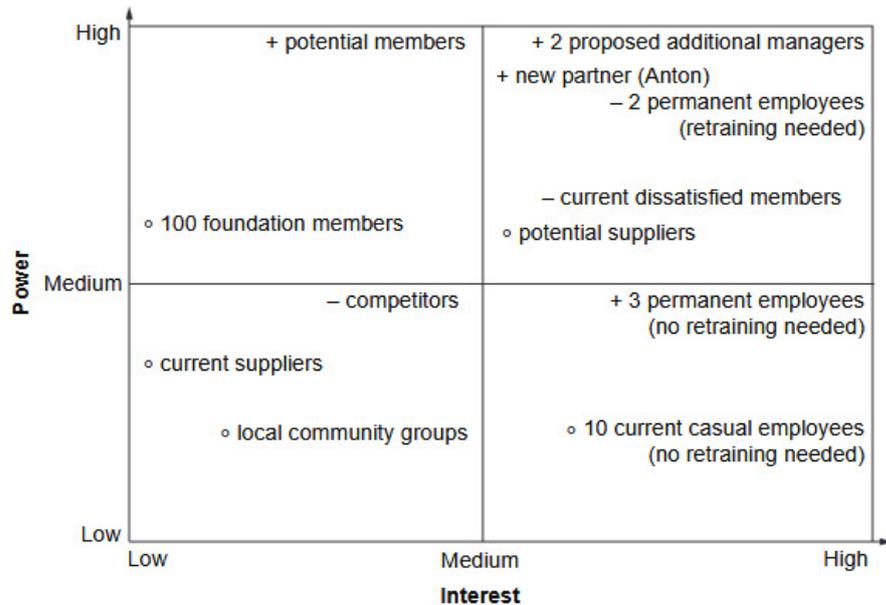
To: Gym Business

Subject: Stakeholder interest

As requested, please find below the recent findings from the stakeholder power interest analysis conducted in anticipation of the restructure.

Regards

Business consultant



Key
+ Positive - Negative ◦ Neutral

Stimulus 10

Gym and fitness industry snapshot

Gym and fitness industry snapshot, Queensland, 2023

Market size

**\$1.5
billion**

Number of
businesses

6 893

Industry
employment

17 325

Gym and fitness industry insights, Queensland, 2019–23



Increases

Home gym equipment	236%
Health and wellbeing programs	147%
Virtual fitness programs	95%
Yoga and pilates classes	78%
Wearable fitness technology	22%
Mindfulness training	18%



Decreases

Weight training	46%
Obstacle-based races	34%
Outdoor bootcamps	31%
Circuit training programs	20%
Workplace fitness classes	17%
Traditional gyms	15%

2024 Paper 1 Section 1 Question 4 Transf. of a business	Using Stimulus 9 in Case study 1, identify two key stakeholders that the business should manage closely during transformation and analyse their impact on the business during that time. [4 marks]
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<p>2023 Paper 1 Section 1 Question 3</p> <p>Transf. of a business</p>	<p>Read Case study 1 (Stimulus 1–11) in the stimulus book. Describe how one internal operating factor could be influenced by the business transformation. Refer to one relevant stimulus from the case study in your response. [3 marks]</p> <div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p>Stimulus 1</p> <p>Phone conversation between a real estate agent and The Hotel Company’s general manager</p> <div style="margin: 10px 0;"> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p>Real estate agent</p> <p>An oyster farm in your area has just come onto the market. It is definitely worth an inspection as the owners are desperate to sell. The business hasn’t been performing well for some time and is in need of repairs.</p> </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px; background-color: #f0f0f0;"> <p>General manager</p> <p>Thanks for letting me know. Can you send me some information?</p> </div> <div style="border: 1px solid black; padding: 5px;"> <p>Real estate agent</p> <p>Yes, I’ll send you the link to the ad. It’s called The Oyster Farm Company. Here are the key points:</p> <p>Huge opportunity to buy a wholesale oyster farming business in South East Queensland. It is a renovator’s delight and has enormous potential!</p> <p>The sale includes:</p> <ul style="list-style-type: none"> • 9 licensed aquaculture areas for farming oysters • 17 hectares comprising an operations base, marine lease, land and infrastructure • well-established business operating for over 50 years. </div> </div> </div>
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Stimulus 2

Excerpt from The Hotel Company's five-year strategic plan

Market share	Tourism	Operations	Diversification	Sustainability
Increase market share by 5% within next five years to be competitive in the tourism industry.	Become a destination point of interest for both domestic and international tourists.	Adopt operational efficiencies to ensure optimal business performance.	Diversify the business portfolio to remain competitive.	Prioritise sustainable business operations.

Stimulus 3

Emails between The Hotel Company's general manager and finance manager

Potential purchase of an oyster farm

To Finance manager

Subject Potential purchase of an oyster farm

Good morning

The Oyster Farm Company adjacent to our hotel is now on the market for \$100 000 and I have reviewed the initial information supplied by the seller. It is clear sales in this business have been steadily declining over the past few years.

Our hotel's guest numbers and revenue have been lower than usual. After a very unsteady few years, I am hopeful that guests will start to return to our hotel. This might be a great opportunity to increase guest numbers by attracting different customers seeking a unique aquaculture experience.

Can you please review the information and provide your advice?

Thank you
General manager

RE: Potential purchase of an oyster farm

To General manager

Subject RE: Potential purchase of an oyster farm

Good afternoon

Thank you for your email regarding your interest in purchasing The Oyster Farm Company. I understand your goal in purchasing this farm would be to diversify our business portfolio and have sustainable financial viability. I have reviewed the information supplied and believe the key points are:

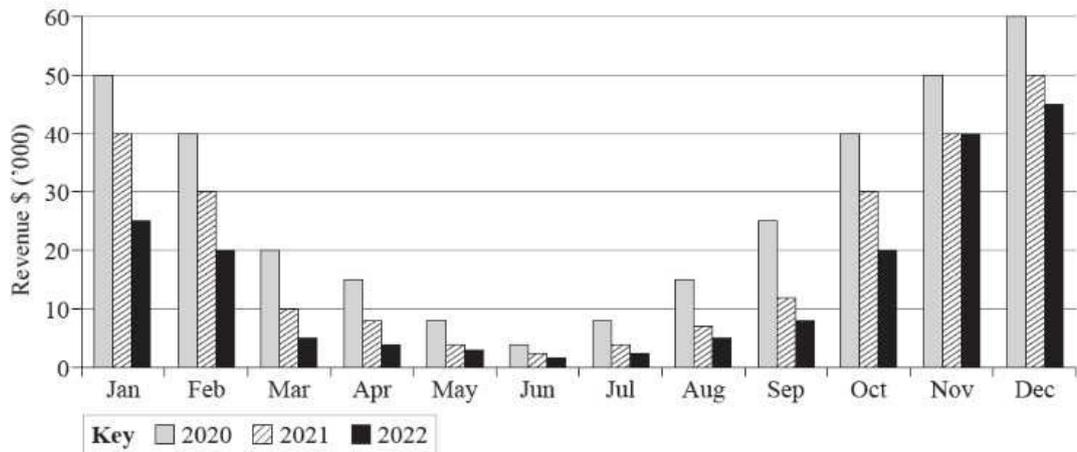
- revenue has declined steadily for three years
- revenue generated from September to February is highest as this is the peak oyster production time
- local wholesale customers have reduced over the last three years. I note that some of these wholesale customers have closed due to a lack of tourists in the area
- operating costs of the business are comparable (\$30 000 per annum) to an oyster farm in another state.

While we have sufficient funds to make the purchase, my advice is that you negotiate the sale price.

Regards
Finance manager

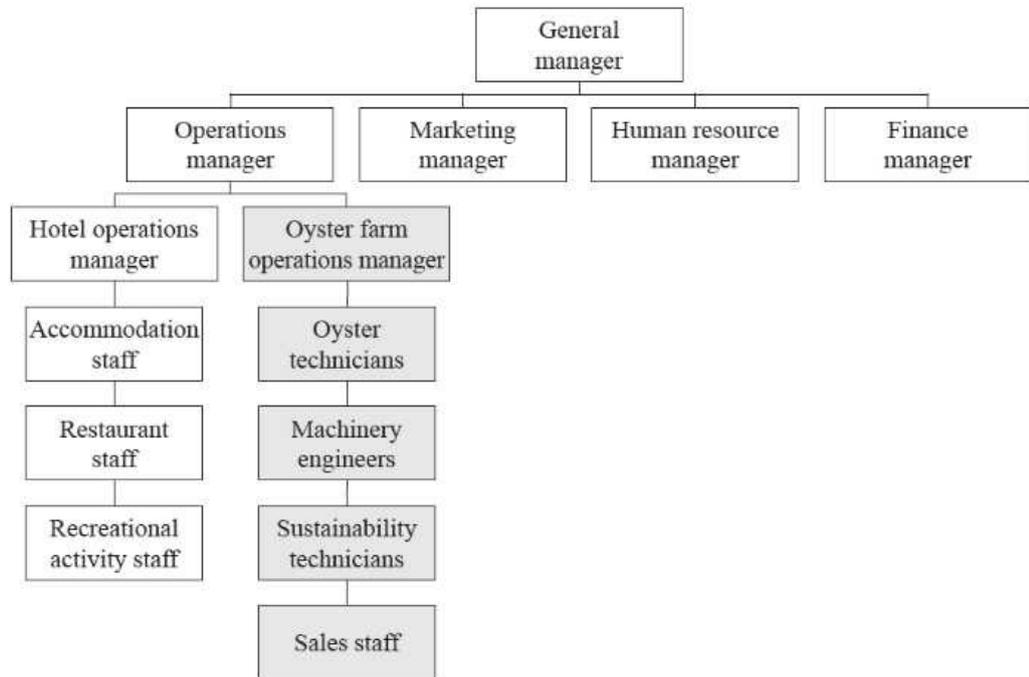
Stimulus 4

Wholesale revenue for The Oyster Farm Company



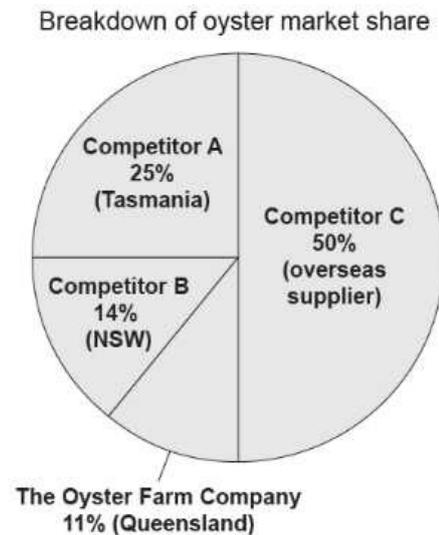
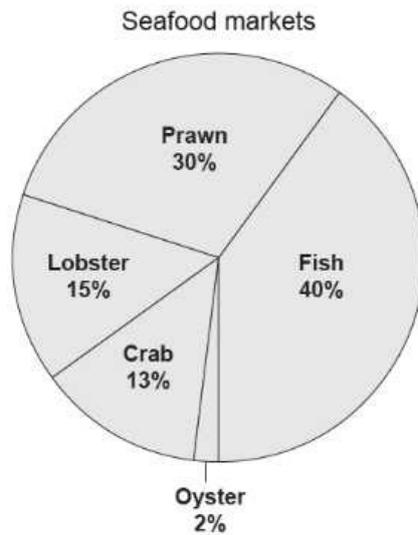
Stimulus 5

Revised organisational chart for The Hotel Company incorporating The Oyster Farm Company



Stimulus 6

Data regarding seafood markets in Australia



Stimulus 7

Newspaper article about Australia's seafood market

The tide is rising on seafood

Retail consumers' demand for Australian seafood has risen 36% over the past five years due to international supply chain difficulties and inflated shipping costs. This is combined with more Australians preferring to buy Australian-grown products. Retail consumers are also prioritising gourmet seafood and premium dining experiences that incorporate education and sustainability. Businesses have adapted operations to appeal to farm gate tourists, allowing the public to buy seafood direct from trawlers or seafood farms.

One of the fastest growing and most profitable seafood items today is the oyster. Oysters are a type of seafood found in many of the world's oceans and usually take 24 to 30 months to be ready to harvest. Oysters are so versatile they can be eaten raw from the shell or cooked, and have become one of the most popular menu items in restaurants. Suppliers in Queensland are struggling to meet the increasing demand for oysters. Perhaps the tide (and profit) is rising for this delicious shellfish. ■

Stimulus 8

The Hotel Company's general manager notified all staff of the possible purchase and asked for feedback. A summary of staff questions and suggestions was compiled

Could the oyster farm business expand its operations into an overseas market?

Could we sell the oysters to both retail and wholesale markets?

Will we be using the oysters in our hotel restaurant?

Open a farm gate where customers buy directly from our oyster farm.

Do we now need to upgrade the equipment in the hotel and the oyster farm?

How do we make sure our oysters are always fresh?

Start up an oyster cooking school in our restaurant using oysters from our oyster farm.

Is the upgrade to eco-friendly machinery affordable?

Do staff need to know how to work in the hotel and the oyster farm?

Stimulus 9

Queensland tourism industry report



Five years ago

1 in 11

Queensland jobs was tourism-based

After a significant decrease since then, tourism jobs in Queensland are climbing



96%

of tourist farms and restaurants have welcomed

new customers in the past year

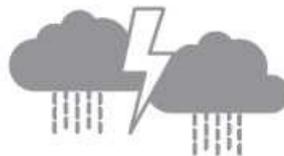
79%

of domestic tourism businesses have experienced an increase in customers in the past two years



25%

of international tourists identify Queensland's **gourmet produce and dining** as a highlight of their visit



Severe weather events have cost

\$2.3 billion

in lost income and damage to Queensland tourism businesses

20%

increase in investment to revitalise tourism business operations

Stimulus 10

Magazine articles on business innovations

The way of the **FUTURE**

It is time to change our way of thinking. A business model could include more than one focus and expand its operations to include a product and a service.

This has been the case recently when a local dairy business decided to open its doors to allow people to experience life on a working dairy farm. The business has built self-contained cottages on the farm to accommodate guests. They are then involved in the day-to-day running of the business, including milking the cows at 4 am. The idea has proven so successful that the business is taking bookings 12 months in advance.

Don't be shellfish!

Reducing waste
a key feature of
modern restaurants

This image has not been published for copyright reasons.

Coffee grounds are turned into fertiliser and cosmetics, plastic lids are transformed into park benches and prosthetic limbs. Now shellfish are being used to regenerate endangered reefs.

Coral reefs are underwater structures that provide protection for marine plants and animals. Although crucial

to our tropical ecosystem and tourism industry, Australia's coral reefs are vulnerable to damage from extreme weather events, climate change and human pollution. Because of this, coral reefs are often rebuilt from materials other than coral in order to regrow and stabilise damaged environments.

Queensland scientists have found discarded oyster shells can be used to create 'oyster shell reefs', restoring structures for marine plants and animals.

The most recent trials have been impressive, with a notable increase in fish populations within oyster shell reefs.

Stimulus 11

Excerpt from transcript of interview on local radio in regional Queensland

Q: So, you're a second-generation oyster farmer. What are some of the biggest challenges you experience working in the industry?

A: One of the most difficult parts is that the laws and regulations around aquaculture change regularly with little or no notice. It then takes a long time to process and approve any new licences. And the fines if we make any mistakes are huge.

Otherwise, environmental protection agencies are always reviewing what we do, not to mention the pressure we receive from different lobby groups. There's also increasing competition from overseas farms and increasing operational costs in aquaculture.

Q: Does oyster farming have significant environmental impacts?

A: Well, any form of marine farming can negatively impact natural ecosystems, but this greatly depends on the species, location and size of the operation. In terms of oyster farming, during the early stages of its life cycle, an oyster spat or larva can take away nutrients from other marine species.

Q: What is the most rewarding aspect of being an oyster farmer?

A: It's a passive income. The oysters don't need a lot of tending to. It can also be very profitable if the farm is big enough to sell in large quantities. And it's pretty stable in terms of environmental fluctuations; all the extreme weather events we've experienced in Queensland haven't impacted the production rate of oysters.

Question 3

Read Case study 1 (Stimulus 1–12) in the stimulus book. Identify and describe one macro environmental factor that could influence the need for change at the vet clinic. Refer to one stimulus from the case study in your response. [4 marks]

Stimulus 1

Business profile

The business is a small vet clinic operating in a regional city. The business has operated for 25 years. It has two full-time veterinarians, four full-time vet nurses and two administration staff that service a small but fast-growing community. Staff are paid above award wages, and have all worked at the clinic for more than 10 years.

Current products and services include health checks, vaccinations, emergency medical care and selling animal care products. The business has received multiple awards from the local council and business associations for outstanding contributions to the community.

The business has recently been purchased by Charlie, a newly qualified vet from Brisbane. Charlie is planning to extend the clinic beyond its traditional services and transform the business.

Stimulus 2

Extract of new 1-year strategic plan written by the new owner, Charlie

Vision: Highly qualified staff who provide compassion, care and commitment to our clients' animals' holistic healthcare needs.

Goal: To expand the clinic's services, thereby increasing profitability and growth by 10%.

Actions:

- Create a comprehensive performance management plan for the clinic.
- Investigate offering alternative services — including animal acupuncture, hydrotherapy, puppy training and behavioural therapy.
- Review current clinic location to assess suitability for expansion needs.
- Audit current staff's skills and experience, and upskill all staff.
- Increase market share.

Stimulus 3

Cost of training courses to upskill staff

Course name	Cost	Course details
Animal Dietary Services	\$14 750	2 years part-time
Animal Behaviour Therapy	\$16 950	2 years part-time
Acupuncture and Herbal Therapies for Animals	\$9500	1 year part-time
Veterinary Nursing	\$5500	6 months part-time

Stimulus 4

Extract of financial report for the business

Year	The business		Direct competitor comparison	
	Revenue \$	Net profit \$	Revenue \$	Net profit \$
2016–17	1 020 002	235 001	1 177 332	266 701
2017–18	980 212	220 212	1 223 333	288 659
2018–19	999 221	214 023	1 432 265	301 108
2019–20	929 221	202 923	1 546 432	317 566
2020–21	772 564	156 656	1 675 504	342 256

Stimulus 5

Online customer reviews for the existing vet business



October

I always feel great when I walk into this vet clinic. It's a calm and relaxing place with amazing staff. The vets really know their stuff and my cat is always well cared for by the nurses.

Thank you for the feedback. We love to hear from our clients! Vet Team.

.....



One month ago

I'm new to the area and I guess I expected a little bit more! I'll make the drive to another vet next time. This place only offers basic services. My dog needs extra care and attention; she needs therapy. I don't know why this place has been given a 5-star rating!! Won't be going back!

Thank you for taking the time to provide feedback. Vet Team.

.....



Two months ago

I need a one-stop vet shop that offers more services. Time to update your business!

Thanks for taking the time to provide feedback. We would love to hear your ideas to improve our business. Vet Team.

.....



Six months ago

I have recently moved and it is such a relief to find a vet that offers conventional medicine to animals! Thanks.

Thank you for the feedback. We always recommend bringing your animals in for a checkup. Vet Team.

.....



One year ago

Thank you for the great service. I love the range of animal care products you sell too. I'll be back for sure.

Thank you for taking the time to provide feedback. Vet Team.

Stimulus 6

Email from new owner to vet clinic staff

 Send	To	All staff
	Cc	
Subject		Meeting

I am here and ready to 'go go go' in my new business. I am changing the business name to include 'Go 2', because I want the name to reflect my new business model, which is to be the go-to place for a greater range of animal health services, including holistic care.

My accountant tells me the business has not shown any financial growth in years. There is an immediate need for change and all employees must be on board.

I will be selecting two of you to complete extensive training in additional animal care services, including hydrotherapy, acupuncture and behavioural therapy. The business currently refers these services to other businesses, when we can provide them ourselves. This is not negotiable. Training will start in two weeks.

I will also be reducing shifts and reconsidering the number of staff employed.

I am scheduling a meeting one hour before the clinic opens on Monday. Attendance is compulsory.

Charlie

Stimulus 7

Online chat between staff members after receiving the email (Stimulus 6)

Nurse 1 We have all worked together for a long time and our clinic works so well. Why do we need to change anything?

Admin 1 Why aren't we all being offered training?

Vet Our current equipment needs replacing, let alone getting new equipment to offer new services

Admin 2 Our customers are loyal and have been with us for years. Will they like the changes?

Nurse 2 We don't have the facilities to offer any new services

Admin 1 I checked our appointments ... we are booked out for the next 3 months

Vet Our current services are high quality and we have a great reputation

Nurse 1 I don't want to do the training. I hope Charlie doesn't pick me

Nurse 2 If we stop referring customers to other providers, how is it going to affect our business?

Admin 1 With all these changes, I hope I don't lose my job

Stimulus 8

Magazine article

Complementary therapies for pets

Industry data shows that over the past two years, household pet ownership has increased from 42% to 68%. With this increase, there has been a higher demand for complementary therapies for four-legged family members, as veterinarians expand the range of services they offer to include more non-medicinal therapies.

Businesses providing behavioural therapy for anxious and lonely pets, or acupuncture and hydrotherapy to improve joint health and mobility, have been inundated with people wanting to minimise the use of drugs as treatment for their furry friends.

While these therapies may be expensive, they are alleviating worry for animal owners.

Mary, owner of two dogs, said, 'When I returned to the office after working from home for so long, my dogs were crying all day and digging holes in the garden. Behavioural therapy sessions have really improved their ability to handle the separation.'

Of course, as with all complementary therapies, results may vary between our furry friends.

Stimulus 9

Veterinary services trends over the past five years

Behavioural therapy

16%  increase

Acupuncture therapy

4%  increase

Animal counselling

12%  increase

Clipping and grooming

11%  decrease

Pet kennelling/boarding

37%  decrease

Pet herbal medicine

7%  increase

Hydrotherapy

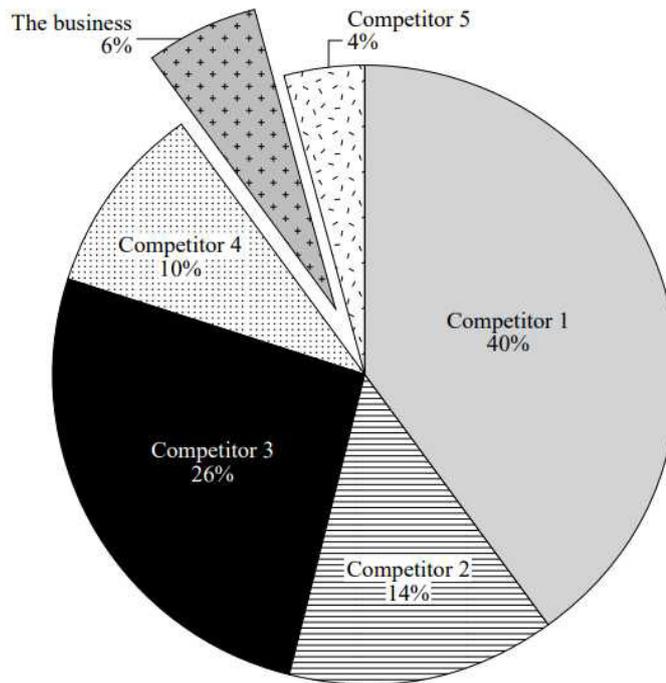
15%  increase

Hip and knee surgery

13%  decrease

Stimulus 10

Current market share of vet clinics in the regional city



Stimulus 11

Newspaper article

A win for the animals!

It has been a long time coming, but Queensland's largest animal welfare group, in conjunction with the veterinary association, has recently achieved success in achieving legislative change. This is a win for all pet owners to ensure the care their animals receive when visiting their trusted vet is compliant with health, safety and wellbeing standards.

The animal welfare group was worried about the growing number of complementary animal therapy services being provided by vets and vet nurses. A spokesperson said, 'We love that the profile of animal wellness is expanding and increasing but we are concerned that many vet nurses aren't presently qualified to perform these services'.

The 1985 legislation allowed veterinary surgeons to deliver therapeutic support to animals; however, qualified veterinary nurses have been unable to provide these treatments. The recent legislative change sees the mandating of veterinary nursing qualifications to include sufficient training in order to perform these services.

2021
Paper 1
Section 1
Question 3-4

Transf. of a
business

Question 3

Use Case study 1 (Stimulus 1–3 in the stimulus book) to identify and explain one circumstance in which a consultant and/or professional service could assist this surfboard business. [3 marks]

Stimulus 1

Excerpt from company annual report (September 2021)

We are a small-scale manufacturer of short and long surfboards. We are based in Queensland and currently serve 6% of the market for custom surfboards in Queensland and northern New South Wales.

The company has built its reputation by focusing on high-quality inputs and handcrafted board shaping and finishing. All our staff are surfers and most have been with us since we started 15 years ago. Where possible, we source our foam, wood, fibreglass and resin from local or Australian sources. Every year, we commission an emerging local artist to develop designs that will feature on our boards for the following year.

In anticipation of listing as a public company on the Australian Securities Exchange by 2026, we are considering trialling offshore manufacturing in Thailand to take advantage of advanced robotic technologies and computer-aided design (CAD) and manufacturing in our basic shortboard model.

We hope this approach will deliver high production volumes and enable us to offer a lower price to attract first-time surfers to our boards. This approach will also increase our ability to compete with other offshore manufacturers who have lower labour, transportation and input costs.

Stimulus 2

Australian Government trade report (September 2021)

Recent data shows that the value of surfboard exports has risen from \$9.2 million in 2013–14 to \$24.3 million in 2020–21. The main export markets are New Zealand, the United States, Hong Kong and Singapore.

Stimulus 3

Media article headlines (January–September 2021)

FINALLY! Lower Australian dollar helping local manufacturers



High-quality craftsmanship boosts domestic small-scale manufacturing

Consumer spending on recreational activities is **ON THE RISE** *Special report*

SPOT THE DIFFERENCE

Made overseas
\$400



Made in Australia
\$900



Fashion and celebrities driving surfboard and surfwear sales

‘Cheap overseas boards are taking over the market.’



JONO SMITH
Gold Coast surfing celebrity

Question 2

Use Case study 1 (Stimulus 1–9 in the stimulus book) to explain two objectives that could be included in a strategic plan for Herbs & Spices Inc. to realise Elkie’s vision for change. [6 marks]

Stimulus 1

Business overview

Herbs & Spices Inc. is a Queensland family-owned business that started in 1980. The business grows and packages fresh herbs, buying seeds, fertilisers and pesticides from local suppliers. The market for Herbs & Spices Inc. includes a mix of wholesalers and supermarkets, predominantly in Queensland.

In 2017, a modernised packaging plant was installed, enabling Herbs & Spices Inc. to meet their customers’ orders in a more timely manner. Employees were concerned that their jobs would be cut because of the mechanised system. The family has worked hard to ensure that no jobs were lost due to the modernisation of the packaging process. The owners, Joe and Diane Green, believe that the new packaging process is all that is needed to move the business forward.

Stimulus 2

Email from Elkie Green to her parents (owners of Herbs & Spices Inc.)

 **Future business direction ideas**

September 2020

Hi Mum and Dad,

Since I finished my business degree two years ago, I’ve been working hard, learning about your business and the industry. I am grateful that you want me to become Managing Director when you retire next year.

As future Managing Director, I want to:

- transition our business to an eco-friendly business
- move our business forward by expanding our market
- increase the revenue and profits for our business.

To achieve this, I think we should reduce our focus on soil-grown herbs and move to a hydroponic growing system. From my research, hydroponics is more efficient and sustainable. Hydroponic plants grow 25–30% faster than soil-grown plants, which means we could increase our production.

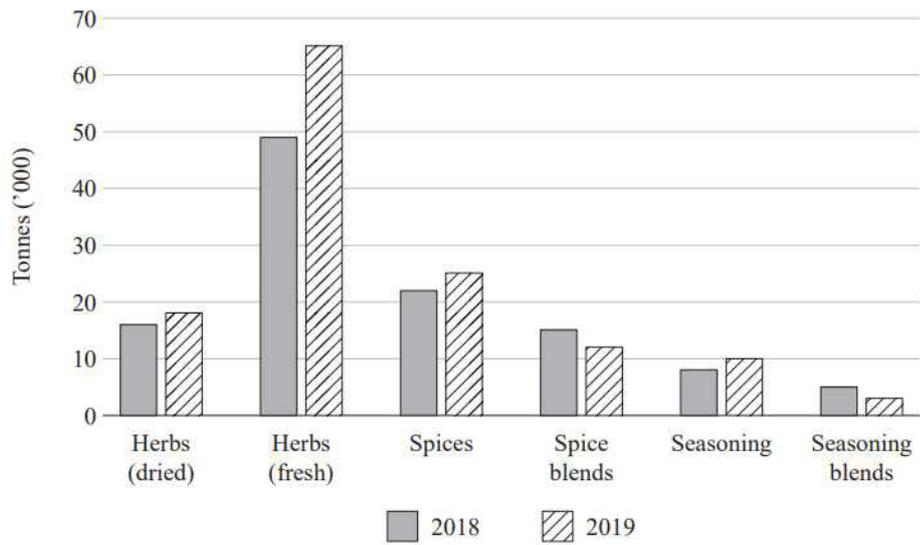
I also surveyed our major customers and suppliers, and all of our employees. What I found is that while loyalty to Herbs & Spices Inc. is high among our employees, it is low for our suppliers and our customers. Overall, our customers are mostly satisfied with us but want fewer seasonal fluctuations in the supply of herbs.

I know you don’t think we need any more change right now but I think this will be best for our business and your retirement fund!

Love you,
Elkie

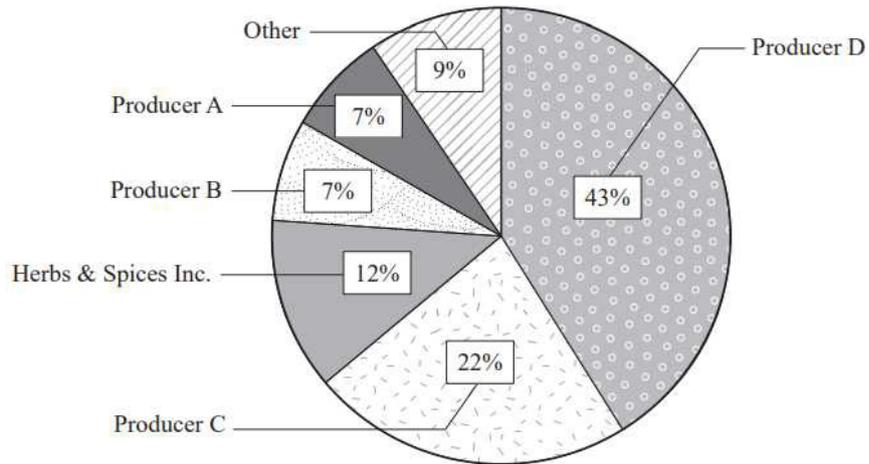
Stimulus 3

Herb, spice and seasoning industry sales in Queensland (2018–2019)



Stimulus 4

Herb, spice and seasoning producers in Queensland (by sales volume, 2019)



Stimulus 5

Blog: 'Herb Blog'



www.herblog.blog/

Herb Blog

APRIL 2020

Queensland Harvest reports that consumers and food manufacturers are turning to herbs as an alternative to salt, additives and sugar. In a bid to create healthier products, there is growing use and consumption of herbs. Sales of fresh herbs are increasing significantly and demand is strong year-round. Herbs are being used in cooking and drinks such as smoothies and teas.

Not only do herbs enhance the taste and appearance of food, they have health benefits too. According to Healthy Vege Eaters, consuming herbs can support healthy lifestyles and assist with health issues. Herbs are packed with nutrients to boost overall health.

Stimulus 6

Magazine article: 'The new trend in growing herbs is hydroponics'

The new trend in growing herbs is **HYDROPONICS**

A faster growing system for plants without the use of soil, hydroponics is particularly healthy as all the nutrients remain intact.

Using the hydroponic method of growing is more profitable as it enables large amounts of crops to be grown in a small area. Hydroponics is one of the easiest methods for growing herbs. Additionally, the system is environmentally friendly and sustainable. The reservoir tank for growing the plants reduces water consumption and retains the nutrients in the system, eliminating the need to use fertilisers.

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graph TD; 1((1 Reservoir tank)) --> 2((2 Growing trays)); 2 --> 3((3 Recycling system)); 3 --> 4((4 Plants are harvested)); 4 --> 1;
```

Differences between soil-grown and hydroponic systems for growing herbs

Soil-grown system	Hydroponic system
Labour-intensive system	System requires limited intervention
Slow growth rate of herbs	Growth rate is greatly increased from soil-grown (approximately 30% higher) and consumes less water, energy and natural resources for the same output
Expensive to maintain watering and fertilising requirements	Initial expense of nutrients is relatively minor and the system is cost-efficient to operate
Employment of significant number of people to plant seeds, maintain plants during growing and harvest plants	Employment of limited number of people to plant seeds and harvest plants
At risk from weather patterns, pests and pesticides	Protected from weather patterns, pests and pesticides
	Reduces land usage significantly

Growers MAGAZINE JULY 2020

Stimulus 7

Factsheet: 'Queensland's water resources'

Queensland's water resources



Queensland's accessible water storage capacity is almost

101 000
gigalitres

In 2019–2020, water storage was around 80% full at 81 000 gigalitres.

In 2019, the gross value of Queensland's agricultural production was \$65 billion and more than

\$45 billion

of this was irrigated products.

Total water use on Queensland farms has increased by

15%
between 2017 and 2019

From 2017 to 2019, water usage to support agricultural production increased by

45%

Climate change and changes in weather patterns have caused reductions in water availability, resulting in

reduced
agricultural productivity

The government plans to

fast-track
water infrastructure

due to rising water consumption in the farming industry.

Stimulus 8

Email from a hydroponics equipment supplier

✉ Re: Hydroponic system set-up cost

September 2020

Hi Elkie,

Thank you for your enquiry about the costs to establish a hydroponic system to grow herbs.

Based on the estimates you provided, I can confirm that the initial set-up costs are \$50 000. This will include all the necessary equipment to convert your current operations. You will also need to factor in training for your staff. I would be prepared to offer this at a discounted rate of \$2000 in total.

All staff will need to be trained in how to use a nutrient-dependent growing system. This is not easy and is completely different from your current operations. Once your staff are trained, there should be no need for any further training. You will also notice a reduction in daily tasks and maintenance under the hydroponic system. It looks after itself! I would suggest that you also purchase the hydroponic converter and train at least one person in how to manage this. This is a crucial step in maintaining your system.

The ongoing costs for a hydroponic system are minimal compared to a soil-grown system. You will no longer need to budget for irrigation or fertilisers for your crops. The only ongoing cost for the hydroponic system is the nutrients. With the size of your farm, this could be an enormous cost benefit.

You will notice a difference when it comes time to harvest your herbs. As the system is in a confined space, the labour intensity of harvesting compared to a soil-grown system is reduced dramatically. Harvesting time is halved. The benefits of a hydroponic system are endless.

I look forward to hearing from you soon.

Regards,
John

Stimulus 9

Blog: 'Traditional farming for the future'



Traditional farming for the future

by Annie Rambler

Soilless farming methods such as hydroponics, aeroponics (growing plants in an air or mist environment without the use of soil or an aggregate medium) and aquaponics (a combination of growing fish and other aquatic animals, and hydroponics) are not the way of the future. Here at Rambler Farming we think that traditional methods of farming play an essential role in the future of food production and in local communities. We firmly believe that to achieve equitable and sustainable food systems, new technologies are not the answer. We are not convinced that growing food without the use of soil will work.

Here are some factors we need to consider:

- Hydroponics uses LED technology to create a growing environment inside. What are the greenhouse gas emissions going to be? We must reduce our carbon footprint, not increase it.
- Traditional farming methods are passed down through generations and play a significant role in communities. Could you imagine the effect on rice growers? Rice growing has been around for centuries. It is a technique that requires soil and sun to produce crops.

How could large-scale hydroponics operations work? The cost to establish operations to replace traditional farming methods would be significant.

What's next — cattle-ponics?

Let's keep the conversation going! Use #FarmingFamiliesForOurFuture to let us know your thoughts.

Question 3

Explain three activities the management of Herbs & Spices Inc. could undertake during the 'refreeze' stage of Lewin's model of change management. Provide an example from Case study 1 for each activity. [9 marks]

2024
Paper 1
Section 2
Question 5

Transf. of a
business

Instructions

- Respond in 400–600 words.
- This section has one question and is worth 25 marks.

Using Case study 1 (Stimulus 1–11), prepare a business report for the owners on the feasibility of the strategic plan.

Include a description of the business and perform a SWOT analysis of the business situation. Identify a trend and a relationship in the SWOT analysis, interpret their effects on the business situation and draw conclusions about the implications for the business transformation.

Use two business criteria to evaluate one financial management strategy and propose a recommendation about the transformation.

Stimulus 1

Gym Business webpage

ABOUT US / OUR CLUB / CONTACT US / FAQs / BLOG

GYM BUSINESS

- Open 24/7
- Friendly, experienced staff
- Family owned and operated
- Established in 2017

Gym Business is a small, family-owned and operated suburban fitness centre offering personal training and small group sessions.

Open 24 hours a day, 7 days a week

NO JOINING FEE

Contracts are available for 3, 6 and 12 months; something to suit everyone!

FULLY QUALIFIED STAFF

Harper is our co-owner and fitness expert. Harper has a particular interest in providing quality exercise programs for people of all ages.

Hudson is our co-owner and senior personal trainer. Hudson manages personal training plans and is passionate about fitness and wellbeing.

OUR MISSION

To enhance the quality of life of our local community.

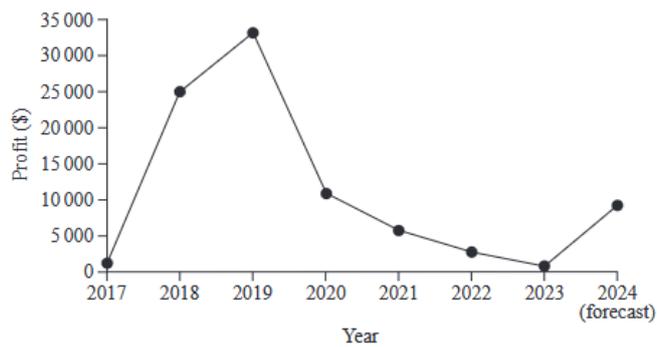


Stimulus 2

Gym Business timeline

2017	<ul style="list-style-type: none">Gym Business officially opened by owners Harper and HudsonAdvertising campaign launched 'Foundation members' deal (100 foundation memberships guaranteed fixed at the introductory price for life)
2018	<ul style="list-style-type: none">Rapid revenue and membership growthRenovations to improve fittings and fixtures in fitness centre
2019	<ul style="list-style-type: none">Steady revenue and membership growth
2020	<ul style="list-style-type: none">Forced business closure from April to July due to pandemicContracts suspended; some members cancelProfits decline and membership numbers drop
2021	<ul style="list-style-type: none">Traditional marketing campaign launched (flyers in letterbox)Profits decline further and membership numbers continue to drop
2023	<ul style="list-style-type: none">Profits decline further and membership numbers continue to dropOwners seek financial stimulus injection
2024	<ul style="list-style-type: none">Submission of proposed new strategic plan by new partner, Anton

Gym Business profit results 2017–2024



Stimulus 3

Organisational structure for Gym Business



Stimulus 4

Online customer reviews for Gym Business

Reviews

★★★

February 2023

No wait for equipment

I've been coming to this gym for a couple of years. I like that the owners take some of the classes and there is a personal feel to the gym as they know you by name. Some of the younger members have stopped coming, so it has been a bit quieter lately, but that means you can get on the exercise equipment without a wait.

★

November 2022

Lacks a vibe

This place has no vibe. It used to be a happening place, but lately there doesn't seem to be many people around and it's not enjoyable anymore. A few classes have been cancelled at the last minute due to lack of numbers. I'm headed to the gym nearby where the vibe is pumping and there aren't any lock-in contracts.

★

May 2022

Limited options

I've been a member of this gym for almost five years, but not much has changed in that time. The owners are enthusiastic and very visible on the gym floor, but they seem to be struggling with how to manage a gym. Repeated requests for a wider range of classes and services have been ignored and the gym just does not meet my needs. They also need to keep up with changes in technology. Sadly, I will be leaving this gym and checking out other fitness centres.

★★★★★

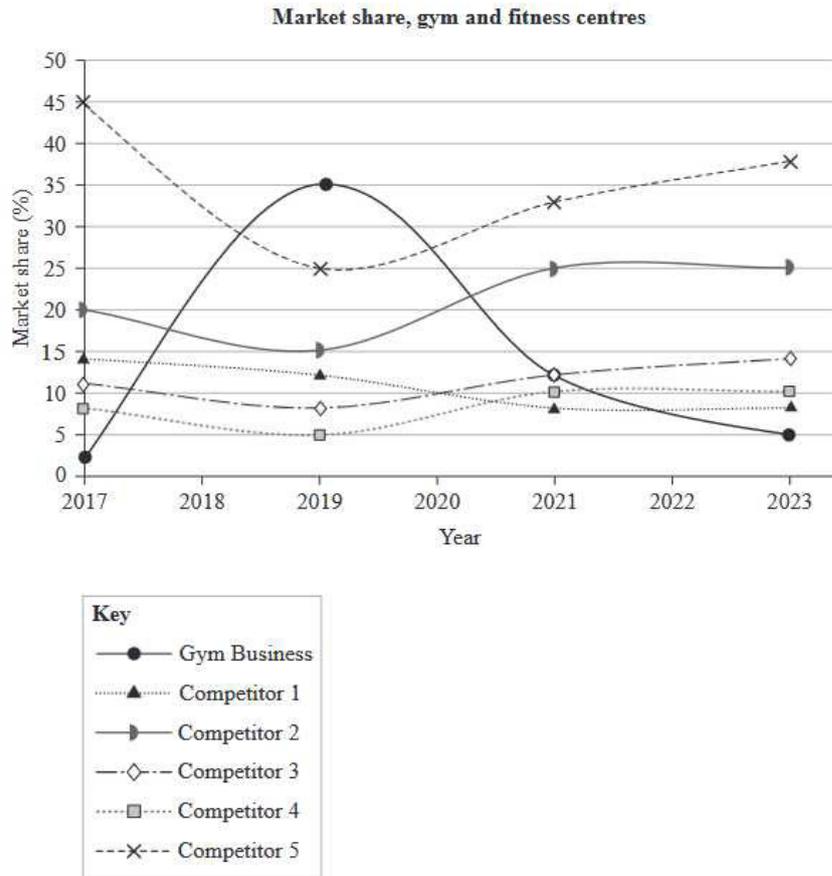
March 2022

Great gym, great owners

As a foundation member, this is a great gym with really positive owners who are passionate about fitness and helping clients on their fitness journey. The owners lead by example with their own fitness, very keen and committed. I strongly recommend giving this gym a go.

Stimulus 5

Market share of gym and fitness centres in the local area of Gym Business



Stimulus 6

Gym Business meeting agenda and minutes with new business partner, Anton

Planning meeting agenda

Date: 2 January 2024, 9:00 am

Invitees: Harper, Hudson, Anton, external financial advisor

Topic	Presenter
1. Strategic plan 2024–26 for new ownership	Anton
2. Staffing restructure	Anton
3. Financial position and budget forecasts	Hudson
4. Members' engagement strategy	Harper

Planning meeting minutes

Date: 2 January 2024

Attendees: Harper, Hudson, Anton, external financial advisor

1. Strategic plan 2024–26 for new ownership (Anton)

The 2024–26 strategic plan was presented and proposed a transformation of the business through the addition of services. Anton proposed an investment of \$900 000 in exchange for a 50% ownership share. This would change the ownership portions to Anton 50%, Harper 25% and Hudson 25%. The \$900 000 will fund the changes to the business proposed in the strategic plan.

Outcome: All parties agreed to this proposal and a new structure will be created and registered by the external financial advisor.

2. Staffing restructure (Anton)

A new staffing and organisational structure will need to be adopted to operationalise the new strategic plan. This could include the redeployment of current permanent staff or recruitment of new staff.

Outcome: A new organisational structure was agreed, and restructuring should commence immediately.

3. Financial position and budget forecasts (Hudson)

No budget documents were prepared other than bank statements for 2023, and no financial forecast was provided, except for a cost–benefit summary developed by a business consultant for the implementation of the new strategic plan. As such, a budget forecast could not be developed.

Outcome: This item was carried over to the next meeting.

4. Members' engagement strategy (Harper)

Harper presented a new marketing strategy to increase the business's digital presence and market share. The strategy requires the engagement of a marketing agency. Harper suggested a local company or one based in Melbourne that could deliver the project.

Outcome: The new marketing strategy was agreed, along with the decision to engage a local marketing agency.

Date of next meeting: 1 February 2024

Stimulus 7

Gym Business strategic plan (excerpt)

Gym Business — Strategic plan (excerpt) 2024–26

Purpose

Committed to delivering the highest quality services, empowering members for a life of wellness.

Objectives



Market growth



Financial viability



People development



Diversification

Initiatives

- attract new members and retain existing members
- increase online presence

- change ownership structure from partnership to private company to protect each owner's personal liability
- reduce operating costs
- develop outsourcing agreements
- develop financial plan for new investment funds

- recruit specialist staff to provide additional services
- train and develop staff

- expand services to include dietitian, physiotherapy, retail (clothing and equipment)

Key performance indicators

- growth in new members, increased retention of existing members
- increased online engagement

- increased cash flow and profits

- specialist staff to provide additional services are recruited
- organisational structure changed to include additional managers

- engagement targets for new services are met

Stimulus 8

Financial snapshot of Gym Business

Bank statement	Investment account (excerpt)
Investment period: 5-year investment	
Expiry date: January 2026	
Fixed interest: 4.5%	
Account summary: January 2023	
Details	Balance
Opening balance	\$27 300.63
Add interest earned	\$1 228.53
Closing balance on 31 January 2023	\$28 529.16
Important: Penalty fee of \$1 500 applies for withdrawal of investment prior to expiry date.	

Bank statement	Daily transaction account (excerpt)		
	Account number: 0000324		
Account summary: September to December 2023			
Details	Withdrawals	Deposits	Balance
Opening balance			\$7 201.67
Transactions during period	32 371.49	29 476.90	\$4 307.08
Closing balance on 31 December 2023			\$4 307.08

Additional costs		Value (\$)
Fees for private company registration		15 000
Proposed new owner and managers' wages		342 000
Recruitment, orientation and training		2 470
Refurbishment and establishment of new services		500 000
New marketing strategy		75 000
Total additional costs		934 470
Benefits		Value (\$)
Extra sales from new markets		719 550
Improved customer retention sales		379 150
Total benefits		1 098 700

*Note from financial advisor:
Payback period = 0.85 years (10.2 months)*

Stimulus 9

Email from a business consultant to Gym Business owners



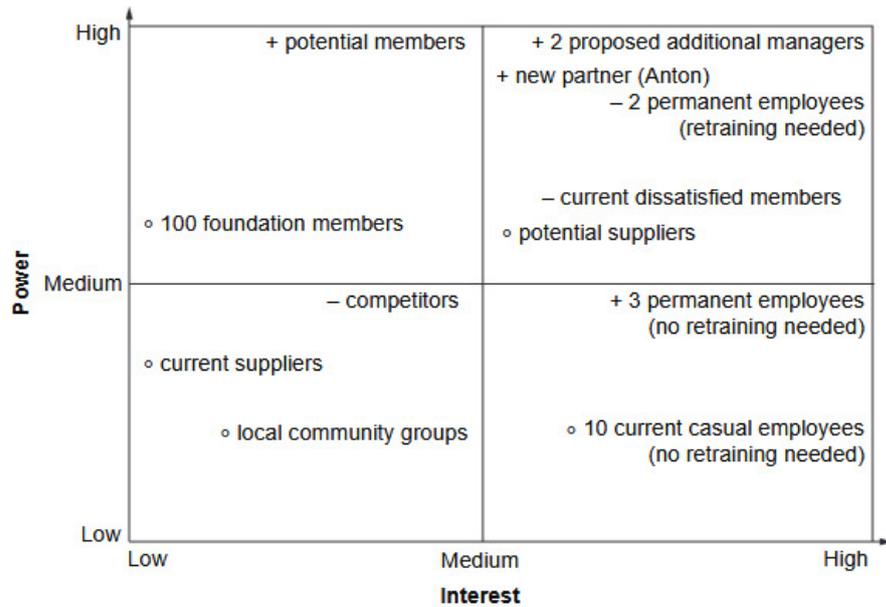
To: Gym Business

Subject: Stakeholder interest

As requested, please find below the recent findings from the stakeholder power interest analysis conducted in anticipation of the restructure.

Regards

Business consultant



Key
+ Positive - Negative ◦ Neutral

Stimulus 10

Gym and fitness industry snapshot

Gym and fitness industry snapshot, Queensland, 2023

Market size

**\$1.5
billion**

Number of
businesses

6 893

Industry
employment

17 325

Gym and fitness industry insights, Queensland, 2019–23



Increases

Home gym equipment	236%
Health and wellbeing programs	147%
Virtual fitness programs	95%
Yoga and pilates classes	78%
Wearable fitness technology	22%
Mindfulness training	18%



Decreases

Weight training	46%
Obstacle-based races	34%
Outdoor bootcamps	31%
Circuit training programs	20%
Workplace fitness classes	17%
Traditional gyms	15%

**2023
Paper 1
Section 2
Question 4**

**Transf. of a
business**

Instructions

- Respond in 400–600 words.
- This section has one question and is worth 25 marks.

Using Case study 1 (Stimulus 1–11), prepare a business report on the incorporation of The Oyster Farm Company into The Hotel Company to present to the general manager.

Include a SWOT analysis of the incorporation, identify two relationships, patterns or trends and interpret their effect on the business situation to draw conclusions about the implications for change.

Use two business criteria to evaluate one operational strategy to propose a recommendation about the transformation.

Stimulus 1

Phone conversation between a real estate agent and The Hotel Company's general manager

Real estate agent

An oyster farm in your area has just come onto the market. It is definitely worth an inspection as the owners are desperate to sell. The business hasn't been performing well for some time and is in need of repairs.

General manager

Thanks for letting me know. Can you send me some information?

Real estate agent

Yes, I'll send you the link to the ad. It's called The Oyster Farm Company. Here are the key points:

Huge opportunity to buy a wholesale oyster farming business in South East Queensland. It is a renovator's delight and has enormous potential!

The sale includes:

- 9 licensed aquaculture areas for farming oysters
- 17 hectares comprising an operations base, marine lease, land and infrastructure
- well-established business operating for over 50 years.

Stimulus 2

Excerpt from The Hotel Company's five-year strategic plan

Market share	Tourism	Operations	Diversification	Sustainability
Increase market share by 5% within next five years to be competitive in the tourism industry.	Become a destination point of interest for both domestic and international tourists.	Adopt operational efficiencies to ensure optimal business performance.	Diversify the business portfolio to remain competitive.	Prioritise sustainable business operations.

Stimulus 3

Emails between The Hotel Company's general manager and finance manager

✉ **Potential purchase of an oyster farm** — ↗ ✕

To Finance manager

Subject Potential purchase of an oyster farm

Good morning

The Oyster Farm Company adjacent to our hotel is now on the market for \$100 000 and I have reviewed the initial information supplied by the seller. It is clear sales in this business have been steadily declining over the past few years.

Our hotel's guest numbers and revenue have been lower than usual. After a very unsteady few years, I am hopeful that guests will start to return to our hotel. This might be a great opportunity to increase guest numbers by attracting different customers seeking a unique aquaculture experience.

Can you please review the information and provide your advice?

Thank you
General manager

✉ **RE: Potential purchase of an oyster farm** — ↗ ✕

To General manager

Subject RE: Potential purchase of an oyster farm

Good afternoon

Thank you for your email regarding your interest in purchasing The Oyster Farm Company. I understand your goal in purchasing this farm would be to diversify our business portfolio and have sustainable financial viability. I have reviewed the information supplied and believe the key points are:

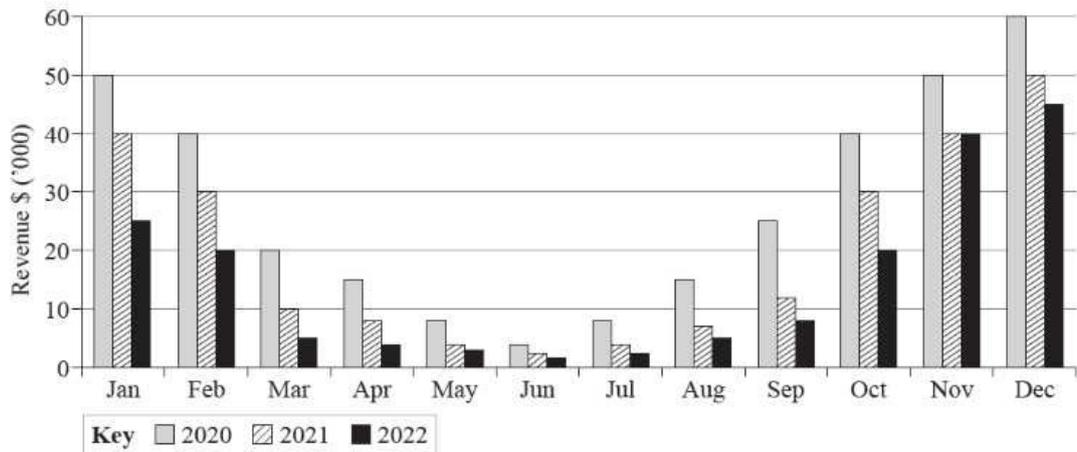
- revenue has declined steadily for three years
- revenue generated from September to February is highest as this is the peak oyster production time
- local wholesale customers have reduced over the last three years. I note that some of these wholesale customers have closed due to a lack of tourists in the area
- operating costs of the business are comparable (\$30 000 per annum) to an oyster farm in another state.

While we have sufficient funds to make the purchase, my advice is that you negotiate the sale price.

Regards
Finance manager

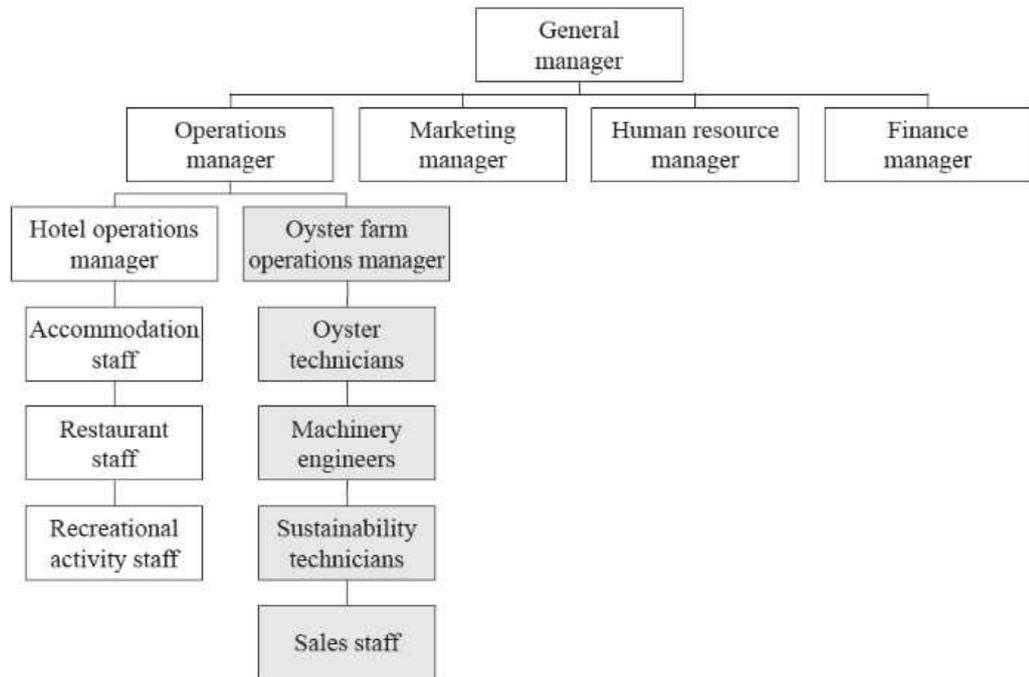
Stimulus 4

Wholesale revenue for The Oyster Farm Company



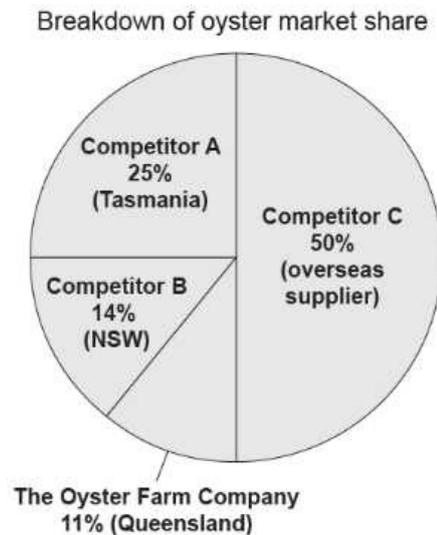
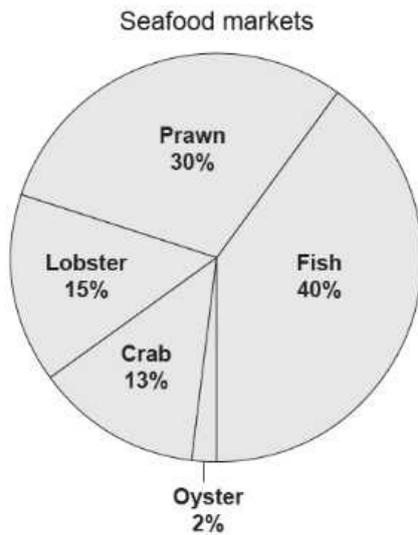
Stimulus 5

Revised organisational chart for The Hotel Company incorporating The Oyster Farm Company



Stimulus 6

Data regarding seafood markets in Australia



Stimulus 7

Newspaper article about Australia's seafood market

The tide is rising on seafood

Retail consumers' demand for Australian seafood has risen 36% over the past five years due to international supply chain difficulties and inflated shipping costs. This is combined with more Australians preferring to buy Australian-grown products. Retail consumers are also prioritising gourmet seafood and premium dining experiences that incorporate education and sustainability. Businesses have adapted operations to appeal to farm gate tourists, allowing the public to buy seafood direct from trawlers or seafood farms.

One of the fastest growing and most profitable seafood items today is the oyster. Oysters are a type of seafood found in many of the world's oceans and usually take 24 to 30 months to be ready to harvest. Oysters are so versatile they can be eaten raw from the shell or cooked, and have become one of the most popular menu items in restaurants. Suppliers in Queensland are struggling to meet the increasing demand for oysters. Perhaps the tide (and profit) is rising for this delicious shellfish. ■

Stimulus 8

The Hotel Company's general manager notified all staff of the possible purchase and asked for feedback. A summary of staff questions and suggestions was compiled

Could the oyster farm business expand its operations into an overseas market?

Could we sell the oysters to both retail and wholesale markets?

Will we be using the oysters in our hotel restaurant?

Open a farm gate where customers buy directly from our oyster farm.

Do we now need to upgrade the equipment in the hotel and the oyster farm?

How do we make sure our oysters are always fresh?

Start up an oyster cooking school in our restaurant using oysters from our oyster farm.

Is the upgrade to eco-friendly machinery affordable?

Do staff need to know how to work in the hotel and the oyster farm?

Stimulus 9

Queensland tourism industry report



Five years ago

1 in 11

Queensland jobs was tourism-based

After a significant decrease since then, tourism jobs in Queensland are climbing



96%

of tourist farms and restaurants have welcomed

new customers in the past year

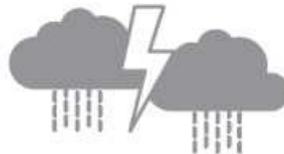
79%

of domestic tourism businesses have experienced an increase in customers in the past two years



25%

of international tourists identify Queensland's **gourmet produce and dining** as a highlight of their visit



Severe weather events have cost

\$2.3 billion

in lost income and damage to Queensland tourism businesses

20%

increase in investment to revitalise tourism business operations

Stimulus 10

Magazine articles on business innovations

The way of the **FUTURE**

It is time to change our way of thinking. A business model could include more than one focus and expand its operations to include a product and a service.

This has been the case recently when a local dairy business decided to open its doors to allow people to experience life on a working dairy farm. The business has built self-contained cottages on the farm to accommodate guests. They are then involved in the day-to-day running of the business, including milking the cows at 4 am. The idea has proven so successful that the business is taking bookings 12 months in advance.

Don't be shellfish!

Reducing waste
a key feature of
modern restaurants

This image has not been published for copyright reasons.

Coffee grounds are turned into fertiliser and cosmetics, plastic lids are transformed into park benches and prosthetic limbs. Now shellfish are being used to regenerate endangered reefs.

Coral reefs are underwater structures that provide protection for marine plants and animals. Although crucial

to our tropical ecosystem and tourism industry, Australia's coral reefs are vulnerable to damage from extreme weather events, climate change and human pollution. Because of this, coral reefs are often rebuilt from materials other than coral in order to regrow and stabilise damaged environments.

Queensland scientists have found discarded oyster shells can be used to create 'oyster shell reefs', restoring structures for marine plants and animals.

The most recent trials have been impressive, with a notable increase in fish populations within oyster shell reefs.

Stimulus 11

Excerpt from transcript of interview on local radio in regional Queensland

Q: So, you're a second-generation oyster farmer. What are some of the biggest challenges you experience working in the industry?

A: One of the most difficult parts is that the laws and regulations around aquaculture change regularly with little or no notice. It then takes a long time to process and approve any new licences. And the fines if we make any mistakes are huge.

Otherwise, environmental protection agencies are always reviewing what we do, not to mention the pressure we receive from different lobby groups. There's also increasing competition from overseas farms and increasing operational costs in aquaculture.

Q: Does oyster farming have significant environmental impacts?

A: Well, any form of marine farming can negatively impact natural ecosystems, but this greatly depends on the species, location and size of the operation. In terms of oyster farming, during the early stages of its life cycle, an oyster spat or larva can take away nutrients from other marine species.

Q: What is the most rewarding aspect of being an oyster farmer?

A: It's a passive income. The oysters don't need a lot of tending to. It can also be very profitable if the farm is big enough to sell in large quantities. And it's pretty stable in terms of environmental fluctuations; all the extreme weather events we've experienced in Queensland haven't impacted the production rate of oysters.

2022
Paper 1
Section 2
Question 5

Transf. of a
business

Instructions

- This section has one question and is worth 19 marks.
- Respond in 400-600 words.

Using Case study 1, select data and information to analyse the pressures for and against change in the business. Identify two relationships, patterns or trends in the analysis, interpret their effect on the business situation and draw conclusions about the implications for change. Present your findings as a business report to the owner. [19 marks]

Stimulus 1

Business profile

The business is a small vet clinic operating in a regional city. The business has operated for 25 years. It has two full-time veterinarians, four full-time vet nurses and two administration staff that service a small but fast-growing community. Staff are paid above award wages, and have all worked at the clinic for more than 10 years.

Current products and services include health checks, vaccinations, emergency medical care and selling animal care products. The business has received multiple awards from the local council and business associations for outstanding contributions to the community.

The business has recently been purchased by Charlie, a newly qualified vet from Brisbane. Charlie is planning to extend the clinic beyond its traditional services and transform the business.

Stimulus 2

Extract of new 1-year strategic plan written by the new owner, Charlie

Vision: Highly qualified staff who provide compassion, care and commitment to our clients' animals' holistic healthcare needs.

Goal: To expand the clinic's services, thereby increasing profitability and growth by 10%.

Actions:

- Create a comprehensive performance management plan for the clinic.
- Investigate offering alternative services — including animal acupuncture, hydrotherapy, puppy training and behavioural therapy.
- Review current clinic location to assess suitability for expansion needs.
- Audit current staff's skills and experience, and upskill all staff.
- Increase market share.

Stimulus 3

Cost of training courses to upskill staff

Course name	Cost	Course details
Animal Dietary Services	\$14 750	2 years part-time
Animal Behaviour Therapy	\$16 950	2 years part-time
Acupuncture and Herbal Therapies for Animals	\$9500	1 year part-time
Veterinary Nursing	\$5500	6 months part-time

Stimulus 4

Extract of financial report for the business

Year	The business		Direct competitor comparison	
	Revenue \$	Net profit \$	Revenue \$	Net profit \$
2016–17	1 020 002	235 001	1 177 332	266 701
2017–18	980 212	220 212	1 223 333	288 659
2018–19	999 221	214 023	1 432 265	301 108
2019–20	929 221	202 923	1 546 432	317 566
2020–21	772 564	156 656	1 675 504	342 256

Stimulus 5

Online customer reviews for the existing vet business



October

I always feel great when I walk into this vet clinic. It's a calm and relaxing place with amazing staff. The vets really know their stuff and my cat is always well cared for by the nurses.

Thank you for the feedback. We love to hear from our clients! Vet Team.

.....



One month ago

I'm new to the area and I guess I expected a little bit more! I'll make the drive to another vet next time. This place only offers basic services. My dog needs extra care and attention; she needs therapy. I don't know why this place has been given a 5-star rating!! Won't be going back!

Thank you for taking the time to provide feedback. Vet Team.

.....



Two months ago

I need a one-stop vet shop that offers more services. Time to update your business!

Thanks for taking the time to provide feedback. We would love to hear your ideas to improve our business. Vet Team.

.....



Six months ago

I have recently moved and it is such a relief to find a vet that offers conventional medicine to animals! Thanks.

Thank you for the feedback. We always recommend bringing your animals in for a checkup. Vet Team.

.....



One year ago

Thank you for the great service. I love the range of animal care products you sell too. I'll be back for sure.

Thank you for taking the time to provide feedback. Vet Team.

Stimulus 6

Email from new owner to vet clinic staff

 Send	To	All staff
	Cc	
Subject		Meeting

I am here and ready to 'go go go' in my new business. I am changing the business name to include 'Go 2', because I want the name to reflect my new business model, which is to be the go-to place for a greater range of animal health services, including holistic care.

My accountant tells me the business has not shown any financial growth in years. There is an immediate need for change and all employees must be on board.

I will be selecting two of you to complete extensive training in additional animal care services, including hydrotherapy, acupuncture and behavioural therapy. The business currently refers these services to other businesses, when we can provide them ourselves. This is not negotiable. Training will start in two weeks.

I will also be reducing shifts and reconsidering the number of staff employed.

I am scheduling a meeting one hour before the clinic opens on Monday. Attendance is compulsory.

Charlie

Stimulus 7

Online chat between staff members after receiving the email (Stimulus 6)

Nurse 1 We have all worked together for a long time and our clinic works so well. Why do we need to change anything?

Admin 1 Why aren't we all being offered training?

Vet Our current equipment needs replacing, let alone getting new equipment to offer new services

Admin 2 Our customers are loyal and have been with us for years. Will they like the changes?

Nurse 2 We don't have the facilities to offer any new services

Admin 1 I checked our appointments ... we are booked out for the next 3 months

Vet Our current services are high quality and we have a great reputation

Nurse 1 I don't want to do the training. I hope Charlie doesn't pick me

Nurse 2 If we stop referring customers to other providers, how is it going to affect our business?

Admin 1 With all these changes, I hope I don't lose my job

Stimulus 8

Magazine article

Complementary therapies for pets

Industry data shows that over the past two years, household pet ownership has increased from 42% to 68%. With this increase, there has been a higher demand for complementary therapies for four-legged family members, as veterinarians expand the range of services they offer to include more non-medicinal therapies.

Businesses providing behavioural therapy for anxious and lonely pets, or acupuncture and hydrotherapy to improve joint health and mobility, have been inundated with people wanting to minimise the use of drugs as treatment for their furry friends.

While these therapies may be expensive, they are alleviating worry for animal owners.

Mary, owner of two dogs, said, 'When I returned to the office after working from home for so long, my dogs were crying all day and digging holes in the garden. Behavioural therapy sessions have really improved their ability to handle the separation.'

Of course, as with all complementary therapies, results may vary between our furry friends.

Stimulus 9

Veterinary services trends over the past five years

Behavioural therapy

16%  increase

Acupuncture therapy

4%  increase

Animal counselling

12%  increase

Clipping and grooming

11%  decrease

Pet kennelling/boarding

37%  decrease

Pet herbal medicine

7%  increase

Hydrotherapy

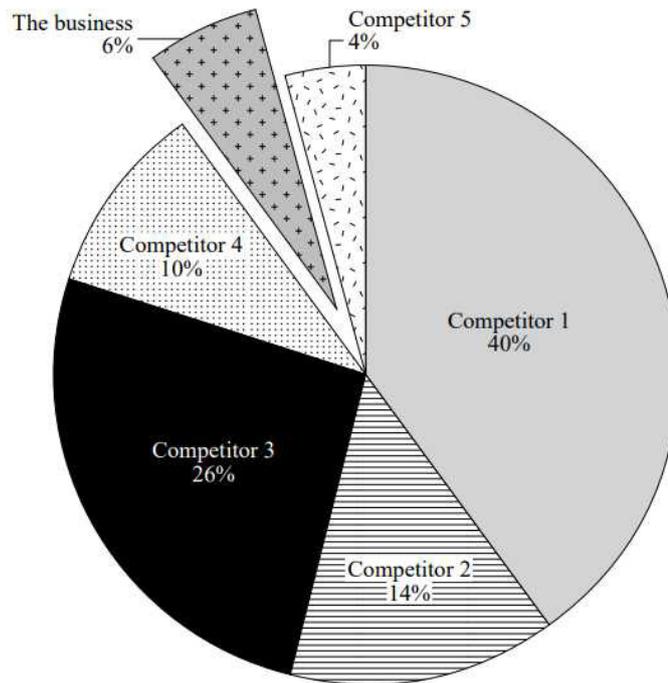
15%  increase

Hip and knee surgery

13%  decrease

Stimulus 10

Current market share of vet clinics in the regional city



Stimulus 11

Newspaper article

A win for the animals!

It has been a long time coming, but Queensland's largest animal welfare group, in conjunction with the veterinary association, has recently achieved success in achieving legislative change. This is a win for all pet owners to ensure the care their animals receive when visiting their trusted vet is compliant with health, safety and wellbeing standards.

The animal welfare group was worried about the growing number of complementary animal therapy services being provided by vets and vet nurses. A spokesperson said, 'We love that the profile of animal wellness is expanding and increasing but we are concerned that many vet nurses aren't presently qualified to perform these services'.

The 1985 legislation allowed veterinary surgeons to deliver therapeutic support to animals; however, qualified veterinary nurses have been unable to provide these treatments. The recent legislative change sees the mandating of veterinary nursing qualifications to include sufficient training in order to perform these services.

<p style="text-align: center;">2021 Paper 1 Section 2 Question 5</p> <p>Transf. of a business</p>	<p>Instructions</p> <ul style="list-style-type: none"> • Respond in 400–600 words. • This section has one question and is worth 20 marks. <hr/> <p>Use Case study 2 (Stimulus 4–10 in the stimulus book) to analyse the business situation using a SWOT analysis. Interpret trends in the analysis to determine implications for the business transformation, then evaluate marketing strategies used in the transformation to propose recommendations for future success. Present your findings as a business report to the owner. [20 marks]</p> <div style="border: 1px solid black; padding: 10px; margin-top: 20px;"> <p>Stimulus 4</p> <p>Profile in a local business magazine (October 2021)</p> <p>Last year, Francis, a fifth-generation butcher, decided to rebrand his family business to incorporate vegetarian and vegan products. The business has been operating in an outer suburb of Brisbane for the past 75 years — for many years it has been the only standalone butcher in a 10 km radius. There are two major supermarkets in the adjacent suburb. The local area now includes many young singles and couples, with rising vegetarianism evident through the establishment of numerous local vegetarian restaurants.</p> <p>Francis’s decision to change the focus of the business and diversify his product range from purely meat-based products to include vegan and vegetarian products has proved to be a challenge. Francis wanted to ensure the long-term sustainability of the business by introducing a range of innovative meat substitutes (known as ‘vege-meat’). He decided to phase out all meat-based products gradually while expanding the new vege-meat range. But sales are not rising as quickly as he had planned.</p> <p>Francis is promoting his new business focus through social media. His idea is to encourage meat-eaters to include meat-free products in their diets, particularly in his target market of people aged 25 to 45. He has also included a ‘review’ section on his business website where customers identify how they found out about his business and rate his products. From this data, Francis has found that social media is the main source of new customers, followed by word of mouth, with his website providing only a small number of new customers.</p> <p>The most popular product in the new vege-meat range is the spicy vegetarian burger patties. Customers have told Francis that they are easy to cook and taste good.</p> </div>
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Stimulus 5

Excerpt from email from Francis to his father, the previous owner of the business (October 2021)

✉ RE: Suggestions for the business

Thanks, Dad. While I respect your suggestions, I can't afford to hire anyone right now to help with the business and consultants are just out to profit themselves. I admit it has been a challenge to get everything done myself, but I feel I have no other choice. It doesn't help that our existing customers keep moving away! The Luxtons are the latest in a long list to retire to the coast.

I want to try new things too. We've offered the same chops and sausages for so long that I'm starting to get bored. I've really enjoyed experimenting both on the product side and in how we reach our customers. It's funny to think that before last year I'd never eaten tofu, and now I make my own. I'm confident that things will pick up and this new focus will pay off soon.

Stimulus 6

News article

DAILY NEWS

The steady rise of vegetarianism in Australia

Many Australians today are aware of the health benefits of a vegetarian diet. In fact, there has been significant growth in the number of people now looking for alternatives to meat products in their diets. As a consequence, companies are expanding their consumer appeal by staying away from animal ingredients wherever possible. The rise in demand for vegan and vegetarian products indicates current market trends.

An international panel of health experts recommends eating a variety of foods originating mainly from plants, rather than animals. Between 2012 and 2019, the number of Australian adults whose diet was all or almost all vegetarian rose from 9.7% of the population to 12.1%, findings from research reveals. Together with research that suggests a vegan diet can reduce greenhouse gases, it is unlikely this trend will reverse. ■

Stimulus 7

Excerpt from Roy Morgan Research media release

Norman Morris, Industry Communications Director, Roy Morgan Research, says:

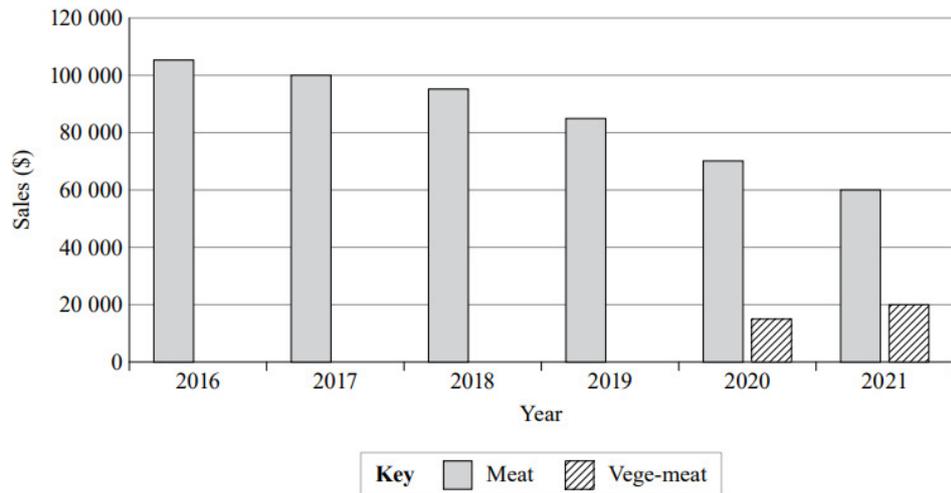
Whether people are embracing a less meat-heavy diet for health, environmental or animal-welfare reasons, the fact remains that this trend looks set to continue. Not only has there been an increase in near or total vegetarianism across Australia, but almost 9.9 million Aussie adults (53.4%) agree that they're 'eating less red meat these days'.

If they have not already, supermarkets and eateries would be wise to revisit their vegetarian-friendly options to ensure they are catering adequately for this growing — and potentially lucrative — consumer segment.

Of course, to do this successfully, an in-depth understanding of the segment is crucial ... For example, Australians whose diet is largely or completely vegetarian are 20% more likely than average to spend more than \$40 per week on fruit and vegetables, 93% more likely to buy organic food whenever they can, and 14% more likely to try new types of food.

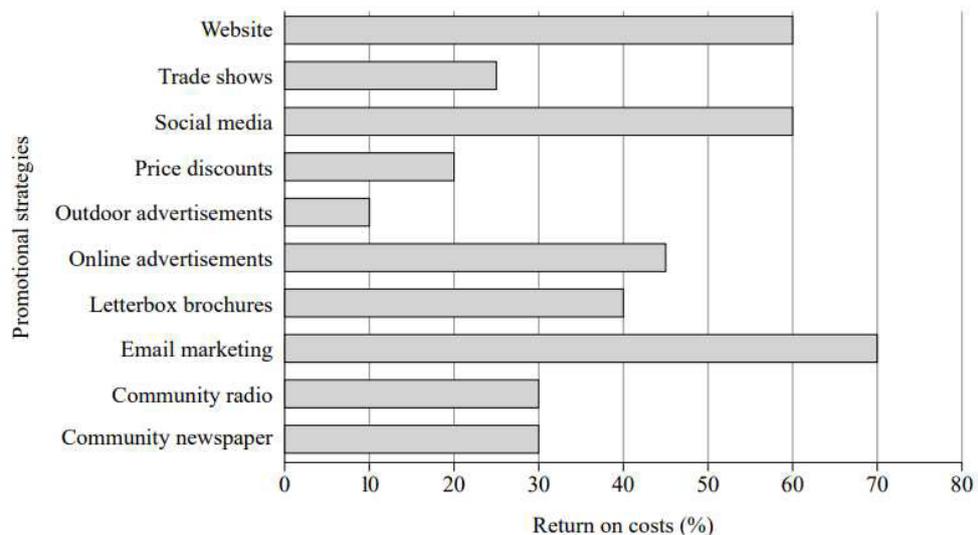
Stimulus 8

Annual retail sales for the vegetarian butcher business



Stimulus 9

Return on costs for promotional strategies used by small businesses



Instruction

- This section has one question and is worth 24 marks.

Analyse the power interests of stakeholders in Case study 1 and evaluate the proposed switch to hydroponic operations. Present your findings in a business report to the owners, using evidence from the case study.

Stimulus 1

Business overview

Herbs & Spices Inc. is a Queensland family-owned business that started in 1980. The business grows and packages fresh herbs, buying seeds, fertilisers and pesticides from local suppliers. The market for Herbs & Spices Inc. includes a mix of wholesalers and supermarkets, predominantly in Queensland.

In 2017, a modernised packaging plant was installed, enabling Herbs & Spices Inc. to meet their customers' orders in a more timely manner. Employees were concerned that their jobs would be cut because of the mechanised system. The family has worked hard to ensure that no jobs were lost due to the modernisation of the packaging process. The owners, Joe and Diane Green, believe that the new packaging process is all that is needed to move the business forward.

Stimulus 2

Email from Elkie Green to her parents (owners of Herbs & Spices Inc.)

 Future business direction ideas

September 2020

Hi Mum and Dad,

Since I finished my business degree two years ago, I've been working hard, learning about your business and the industry. I am grateful that you want me to become Managing Director when you retire next year.

As future Managing Director, I want to:

- transition our business to an eco-friendly business
- move our business forward by expanding our market
- increase the revenue and profits for our business.

To achieve this, I think we should reduce our focus on soil-grown herbs and move to a hydroponic growing system. From my research, hydroponics is more efficient and sustainable. Hydroponic plants grow 25–30% faster than soil-grown plants, which means we could increase our production.

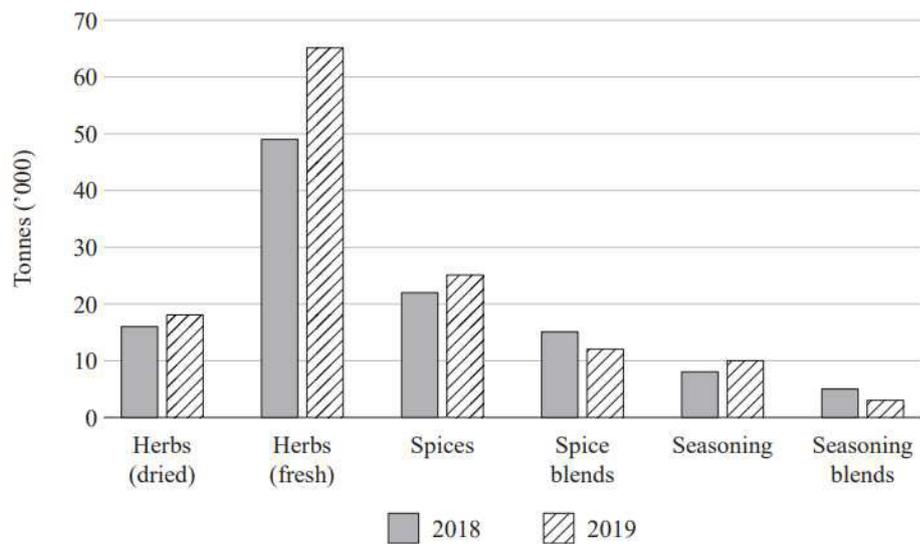
I also surveyed our major customers and suppliers, and all of our employees. What I found is that while loyalty to Herbs & Spices Inc. is high among our employees, it is low for our suppliers and our customers. Overall, our customers are mostly satisfied with us but want fewer seasonal fluctuations in the supply of herbs.

I know you don't think we need any more change right now but I think this will be best for our business and your retirement fund!

Love you,
Elkie

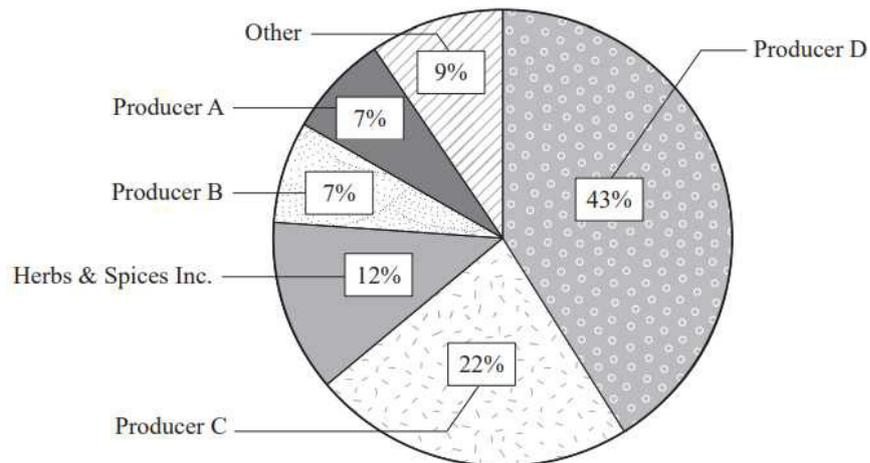
Stimulus 3

Herb, spice and seasoning industry sales in Queensland (2018–2019)



Stimulus 4

Herb, spice and seasoning producers in Queensland (by sales volume, 2019)



Stimulus 5

Blog: 'Herb Blog'



www.herblog.blog/

Herb Blog

APRIL 2020

Queensland Harvest reports that consumers and food manufacturers are turning to herbs as an alternative to salt, additives and sugar. In a bid to create healthier products, there is growing use and consumption of herbs. Sales of fresh herbs are increasing significantly and demand is strong year-round. Herbs are being used in cooking and drinks such as smoothies and teas.

Not only do herbs enhance the taste and appearance of food, they have health benefits too. According to Healthy Vege Eaters, consuming herbs can support healthy lifestyles and assist with health issues. Herbs are packed with nutrients to boost overall health.

Stimulus 6

Magazine article: 'The new trend in growing herbs is hydroponics'

The new trend in growing herbs is **HYDROPONICS**

A faster growing system for plants without the use of soil, hydroponics is particularly healthy as all the nutrients remain intact.

Using the hydroponic method of growing is more profitable as it enables large amounts of crops to be grown in a small area. Hydroponics is one of the easiest methods for growing herbs. Additionally, the system is environmentally friendly and sustainable. The reservoir tank for growing the plants reduces water consumption and retains the nutrients in the system, eliminating the need to use fertilisers.

```
graph TD; 1((1 Reservoir tank)) --> 2((2 Growing trays)); 2 --> 3((3 Recycling system)); 3 --> 4((4 Plants are harvested)); 4 --> 1;
```

Differences between soil-grown and hydroponic systems for growing herbs

Soil-grown system	Hydroponic system
Labour-intensive system	System requires limited intervention
Slow growth rate of herbs	Growth rate is greatly increased from soil-grown (approximately 30% higher) and consumes less water, energy and natural resources for the same output
Expensive to maintain watering and fertilising requirements	Initial expense of nutrients is relatively minor and the system is cost-efficient to operate
Employment of significant number of people to plant seeds, maintain plants during growing and harvest plants	Employment of limited number of people to plant seeds and harvest plants
At risk from weather patterns, pests and pesticides	Protected from weather patterns, pests and pesticides
	Reduces land usage significantly

Growers MAGAZINE JULY 2020

Stimulus 7

Factsheet: 'Queensland's water resources'

Queensland's water resources



Queensland's accessible water storage capacity is almost

101 000
gigalitres

In 2019–2020, water storage was around 80% full at 81 000 gigalitres.

In 2019, the gross value of Queensland's agricultural production was \$65 billion and more than

\$45 billion

of this was irrigated products.

Total water use on Queensland farms has increased by

15%
between 2017 and 2019

From 2017 to 2019, water usage to support agricultural production increased by

45%

Climate change and changes in weather patterns have caused reductions in water availability, resulting in

reduced
agricultural
productivity

The government plans to

fast-track
water infrastructure

due to rising water consumption in the farming industry.

Stimulus 8

Email from a hydroponics equipment supplier

✉ Re: Hydroponic system set-up cost

September 2020

Hi Elkie,

Thank you for your enquiry about the costs to establish a hydroponic system to grow herbs.

Based on the estimates you provided, I can confirm that the initial set-up costs are \$50 000. This will include all the necessary equipment to convert your current operations. You will also need to factor in training for your staff. I would be prepared to offer this at a discounted rate of \$2000 in total.

All staff will need to be trained in how to use a nutrient-dependent growing system. This is not easy and is completely different from your current operations. Once your staff are trained, there should be no need for any further training. You will also notice a reduction in daily tasks and maintenance under the hydroponic system. It looks after itself! I would suggest that you also purchase the hydroponic converter and train at least one person in how to manage this. This is a crucial step in maintaining your system.

The ongoing costs for a hydroponic system are minimal compared to a soil-grown system. You will no longer need to budget for irrigation or fertilisers for your crops. The only ongoing cost for the hydroponic system is the nutrients. With the size of your farm, this could be an enormous cost benefit.

You will notice a difference when it comes time to harvest your herbs. As the system is in a confined space, the labour intensity of harvesting compared to a soil-grown system is reduced dramatically. Harvesting time is halved. The benefits of a hydroponic system are endless.

I look forward to hearing from you soon.

Regards,
John

Stimulus 9

Blog: 'Traditional farming for the future'



Traditional farming for the future

by Annie Rambler

Soilless farming methods such as hydroponics, aeroponics (growing plants in an air or mist environment without the use of soil or an aggregate medium) and aquaponics (a combination of growing fish and other aquatic animals, and hydroponics) are not the way of the future. Here at Rambler Farming we think that traditional methods of farming play an essential role in the future of food production and in local communities. We firmly believe that to achieve equitable and sustainable food systems, new technologies are not the answer. We are not convinced that growing food without the use of soil will work.

Here are some factors we need to consider:

- Hydroponics uses LED technology to create a growing environment inside. What are the greenhouse gas emissions going to be? We must reduce our carbon footprint, not increase it.
- Traditional farming methods are passed down through generations and play a significant role in communities. Could you imagine the effect on rice growers? Rice growing has been around for centuries. It is a technique that requires soil and sun to produce crops.

How could large-scale hydroponics operations work? The cost to establish operations to replace traditional farming methods would be significant.

What's next — cattle-ponics?

Let's keep the conversation going! Use #FarmingFamiliesForOurFuture to let us know your thoughts.

Marking Guide – Paper 1 Section 1

<p>2024 Paper 1 Section 1 Question 1</p> <p>Transf. of a business</p>	<p>Explain the importance of both retraining and development when transforming a business. [2 marks]</p>	
	<p>Sample response</p> <p>When transforming a business, it is important that staff engage in retraining by upskilling in line with strategic priorities, such as by acquiring new technological skills or developing new ways of working. Continuous learning programs will support employee development when transforming a business. One example is the career development of employees, which enables them to update their skills and knowledge along with a future focus for career planning.</p>	<p>The response</p> <ul style="list-style-type: none"> • explains the importance of retraining when transforming a business [1 mark] • explains the importance of development when transforming a business [1 mark]

<p>2024 Paper 1 Section 1 Question 2</p> <p>Transf. of a business</p>	<p>Identify and explain one reason businesses use Kotter’s change management theory rather than Lewin’s change management theory during transformation. Include an explanation of change management in your response. [3 marks]</p>	
	<p>Sample response</p> <p>Change management is a system of ideas that effectively supports the concept of change in an organisation. Two common change management theories are Kotter’s and Lewin’s.</p> <p>Lewin’s change management is not as effective as Kotter’s because it is too simple and does not provide detail with each step of the model. Kotter’s change management theory is more effective, presenting a practical eight-step approach to successfully understanding and leading change. It provides detailed steps on how to implement the model and action the change. Additionally, Kotter’s theory focuses on the importance of overcoming resistance to change and thereby eliminating the resistance to facilitate effective transformation</p>	<p>The response</p> <ul style="list-style-type: none"> • explains change management [1 mark] • identifies a reason businesses use Kotter’s change management theory rather than Lewin’s during transformation [1 mark] • explains the identified reason [1 mark]

<p>2024 Paper 1 Section 1 Question 3</p> <p>Transf. of a business</p>	<p>Read Case study 1 (Stimulus 1–11) in the stimulus book. Use the case study to identify and describe one internal environmental factor and one external operating environmental factor acting as drivers for change when transforming this business. [4 marks]</p>	
	<p>Sample response</p> <p>Organisational structure is an internal driver of change (Stimulus 3). The Gym Business needs to adapt their organisational structure to respond to the business’s declining financial position, by reducing the number of roles and flattening the structure. This organisational structure will drive further change due to operational changes agreed in the minutes (Stimulus 6) to align with the strategic plan objective of ‘people development’ (Stimulus 7).</p> <p>Competition is an external driver of change. Gym Business has experienced a decline in market share from 2019 to 2023 (Stimulus 5), with customer reviews revealing that the business does not offer the range of services or ambience needed to remain competitive (Stimulus 4). The business must respond to market trends, as seen in Stimulus 10, to gain a sustainable competitive edge.</p>	<p>The response</p> <ul style="list-style-type: none"> • identifies one internal environmental factor that is a driver for change when transforming a business [1 mark] • describes the identified internal environmental factor [1 mark] • identifies one external operating environmental factor that is a driver for change when transforming a business [1 mark] • describes the identified external operating environmental factor [1 mark]

2024
Paper 1
Section 1
Question 4

Transf. of a
business

Using Stimulus 9 in Case study 1, identify two key stakeholders that the business should manage closely during transformation and analyse their impact on the business during that time. [4 marks]

Stimulus 9
Email from a business consultant to Gym Business owners

To: Gym Business
Subject: Stakeholder interest

As requested, please find below the recent findings from the stakeholder power interest analysis conducted in anticipation of the restructure.

Regards
Business consultant

Key
+ Positive – Negative o Neutral

Sample response	The response
<p>The power interest grid (Stimulus 9) identifies key stakeholders with high power and high interest who must be managed closely.</p> <p>The new partner Anton is a positive stakeholder. The impact of their introduction into the business and the restructure will need to be carefully managed by the current owners to ensure their power and interests align with the strategic plan and intent of the transformation.</p> <p>The current dissatisfied members have a negative influence on the business and its performance, requiring close management because their impact on other existing and potential members could affect the success of the transformation and the business’s objective of regaining market share.</p>	<p>The response, for one key stakeholder:</p> <ul style="list-style-type: none"> identifies a relevant key stakeholder from Stimulus 9 [1 mark] analyses the impact this stakeholder has on the business during transformation [1 mark] <p>The response, for a second key stakeholder:</p> <ul style="list-style-type: none"> identifies a second relevant key stakeholder from Stimulus 9 [1 mark] analyses the impact this stakeholder has on the business during transformation [1 mark]

2023 Paper 1 Section 1 Question 1 Transf. of a business	Identify and explain the final stage in Lewin's change management model. Use an example to explain one risk for a business if an element of this stage is not implemented. [3 marks]	
	<table border="1"> <tr> <td> The response [3 marks] <ul style="list-style-type: none"> identifies the final stage of Lewin's change management model (refreeze) [1 mark] explains the final stage of Lewin's change management model [1 mark] uses a relevant example to explain a risk for a business [1 mark] </td> </tr> <tr> <td> Sample response The final stage in Lewin's change management model is refreeze. In this stage, the change is solidified and becomes a part of normal business operations. The 'refreezing' stage is crucial to ensuring the change is successful. The goal at this stage is to ensure that the people involved implement the change without resistance and that the change is normalised within the business. A risk for a business if this stage is not implemented is that the previous behaviour could continue, and the change will not happen. For example, the business may need to modify the organisational structure to align with the change and to reinforce the new ways of working. If this is not done, it could jeopardise the change from being adopted. </td> </tr> </table>	The response [3 marks] <ul style="list-style-type: none"> identifies the final stage of Lewin's change management model (refreeze) [1 mark] explains the final stage of Lewin's change management model [1 mark] uses a relevant example to explain a risk for a business [1 mark]
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Sample response The final stage in Lewin's change management model is refreeze. In this stage, the change is solidified and becomes a part of normal business operations. The 'refreezing' stage is crucial to ensuring the change is successful. The goal at this stage is to ensure that the people involved implement the change without resistance and that the change is normalised within the business. A risk for a business if this stage is not implemented is that the previous behaviour could continue, and the change will not happen. For example, the business may need to modify the organisational structure to align with the change and to reinforce the new ways of working. If this is not done, it could jeopardise the change from being adopted.		

2023 Paper 1 Section 1 Question 2 Transf. of a business	Identify and explain one management strategy that a business manager can use to overcome resistance to change. Use an example to explain how the identified strategy could overcome resistance to change when transforming a business. [4 marks]	
	<table border="1"> <tr> <td> The response <ul style="list-style-type: none"> identifies a relevant management strategy that a business manager can use to overcome resistance to change [1 mark] explains the identified management strategy [1 mark] explains how the identified management strategy may be used to overcome resistance to change when transforming a business [1 mark] uses a relevant example [1 mark] </td> </tr> <tr> <td> Sample response Management can use participation as a low-risk strategy when implementing change. Although challenging and time consuming for a manager to implement, participation is highly effective when implementing change. This is because existing stakeholders can directly contribute ideas and raise potential problems or fears experienced at various levels of an organisation. It also reduces resistance to change and minimises staff turnover, because it enhances organisational culture and increases the likelihood that the change will be successful, minimising resistance and implementation problems. An example of using participation as a management strategy during transformation would be to include staff in decision-making throughout the process of change. Including a staff representative would provide staff with an ear and a voice throughout the process. Creating a regular column in the staff newsletter to inform of progress and seek feedback enables staff to participate in change by contributing their ideas, and expressing their concerns or fears, improving the likelihood of successful transformation. It also builds an environment that values and recognises employees' contributions. This would reduce the level of staff turnover when implementing the change. </td> </tr> </table>	The response <ul style="list-style-type: none"> identifies a relevant management strategy that a business manager can use to overcome resistance to change [1 mark] explains the identified management strategy [1 mark] explains how the identified management strategy may be used to overcome resistance to change when transforming a business [1 mark] uses a relevant example [1 mark]
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2023 Paper 1 Section 1 Question 3 Transf. of a business	Read Case study 1 (Stimulus 1–11) in the stimulus book. Describe how one internal operating factor could be influenced by the business transformation. Refer to one relevant stimulus from the case study in your response. [3 marks]	
	<table border="1"> <tr> <td> The response <ul style="list-style-type: none"> identifies one relevant internal operating factor [1 mark] describes how the identified internal operating factor could be influenced by the business transformation [1 mark] refers to one relevant stimulus from the case study [1 mark] </td> </tr> <tr> <td> Sample response An internal operating factor that would be influenced by the business transformation is the organisational structure. The internal organisational structure of the existing business (The Hotel Company) would need to change to incorporate the new operation's processes. The Hotel Company general manager and operations manager will have increased responsibility for overseeing the operations of The Oyster Farm Company. Adding the new business to the organisational structure will require adding new positions, such as oyster technicians, machinery engineers, sustainability technicians and sales staff (Stimulus 5). These new positions are required to operate the farm components of the business. </td> </tr> </table>	The response <ul style="list-style-type: none"> identifies one relevant internal operating factor [1 mark] describes how the identified internal operating factor could be influenced by the business transformation [1 mark] refers to one relevant stimulus from the case study [1 mark]
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2022 Paper 1 Section 1 Question 1 Transf. of a business	Identify and explain a possible performance management outcome when transforming a business. Include an explanation of the role of performance management in your response. [3 marks]				
	<table border="1"> <thead> <tr> <th>Sample Response</th> <th>The response</th> </tr> </thead> <tbody> <tr> <td> Performance management reviews the overall performance of a business and its human resources requirements to ascertain how goals can be better reached. A possible outcome from the performance management review is redundancy. Redundancy is determined during a performance management review process where a position within an organisation may no longer be required as a result of business transformation. </td> <td> <ul style="list-style-type: none"> • identifies a possible performance management outcome when transforming a business [1 mark] • explains the possible outcome [1 mark] • explains the role of performance management [1 mark] </td> </tr> </tbody> </table>	Sample Response	The response	Performance management reviews the overall performance of a business and its human resources requirements to ascertain how goals can be better reached. A possible outcome from the performance management review is redundancy. Redundancy is determined during a performance management review process where a position within an organisation may no longer be required as a result of business transformation.	<ul style="list-style-type: none"> • identifies a possible performance management outcome when transforming a business [1 mark] • explains the possible outcome [1 mark] • explains the role of performance management [1 mark]
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Performance management reviews the overall performance of a business and its human resources requirements to ascertain how goals can be better reached. A possible outcome from the performance management review is redundancy. Redundancy is determined during a performance management review process where a position within an organisation may no longer be required as a result of business transformation.	<ul style="list-style-type: none"> • identifies a possible performance management outcome when transforming a business [1 mark] • explains the possible outcome [1 mark] • explains the role of performance management [1 mark] 				

2022 Paper 1 Section 1 Question 2 Transf. of a business	Identify one step from Kotter’s change management model and explain how it influences corporate culture during transformation. Provide one example in your response. [4 marks]				
	<table border="1"> <thead> <tr> <th>Sample Response</th> <th>The response</th> </tr> </thead> <tbody> <tr> <td> Kotter’s eight-step change model places emphasis on involvement and acceptance of the change to ensure success. Corporate culture, as a driver of change, can impact on the success of transformation as it refers to the values or beliefs of a business. Forming a powerful coalition of key leaders will ensure that corporate culture is positive throughout the change. This is because corporate culture is driven by the leaders in a business, and it is the leaders that will ensure the change is implemented. </td> <td> <ul style="list-style-type: none"> • identifies a relevant step from Kotter’s change management model [1 mark] • explains in-depth how the step influences corporate culture during transformation [1 mark] • provides a relevant example [1 mark] • links identified relevant step to the relevant example [1 mark] </td> </tr> </tbody> </table>	Sample Response	The response	Kotter’s eight-step change model places emphasis on involvement and acceptance of the change to ensure success. Corporate culture, as a driver of change, can impact on the success of transformation as it refers to the values or beliefs of a business. Forming a powerful coalition of key leaders will ensure that corporate culture is positive throughout the change. This is because corporate culture is driven by the leaders in a business, and it is the leaders that will ensure the change is implemented.	<ul style="list-style-type: none"> • identifies a relevant step from Kotter’s change management model [1 mark] • explains in-depth how the step influences corporate culture during transformation [1 mark] • provides a relevant example [1 mark] • links identified relevant step to the relevant example [1 mark]
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2022 Paper 1 Section 1 Question 3 Transf. of a business	Read Case study 1 (Stimulus 1–12) in the stimulus book. Identify and describe one macro environmental factor that could influence the need for change at the vet clinic. Refer to one stimulus from the case study in your response. [4 marks]				
	<table border="1"> <thead> <tr> <th>Sample Response</th> <th>The response</th> </tr> </thead> <tbody> <tr> <td> A macro external environmental factor that influenced change at the vet clinic is the legal environment. The legal environment relates to the laws that state how a business must operate. Stimulus 11 refers to the lobbying influence of welfare groups and veterinary associations in achieving legislative change, which resulted in updates to legislation. These updates mandate that vet nurses must have necessary training to perform complementary therapies. Therefore, the business needs to change to abide by the new laws. </td> <td> <ul style="list-style-type: none"> • identifies a macro environmental factor [1 mark] • describes the macro environmental factor [1 mark] • describes how it could influence the need for change in the business [1 mark] • links the macro environmental factor to the case study [1 mark] </td> </tr> </tbody> </table>	Sample Response	The response	A macro external environmental factor that influenced change at the vet clinic is the legal environment. The legal environment relates to the laws that state how a business must operate. Stimulus 11 refers to the lobbying influence of welfare groups and veterinary associations in achieving legislative change, which resulted in updates to legislation. These updates mandate that vet nurses must have necessary training to perform complementary therapies. Therefore, the business needs to change to abide by the new laws.	<ul style="list-style-type: none"> • identifies a macro environmental factor [1 mark] • describes the macro environmental factor [1 mark] • describes how it could influence the need for change in the business [1 mark] • links the macro environmental factor to the case study [1 mark]
Sample Response	The response				
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2022 Paper 1 Section 1 Question 4 Transf. of a business	Referring to evidence in Case study 1, use two business criteria to evaluate one human resource strategy that would transform the business. Make a decision and propose one recommendation for successful transformation of the business. [9 marks]		
	The response for one business	The response, for a second business criterion	The response
	[3 marks] • demonstrates effective use of a relevant business criterion to evaluate the human resource strategy • uses relevant stimulus to evaluate using a business criterion	[3 marks] • demonstrates effective use of a second relevant business criterion to evaluate the human resource strategy • uses relevant stimulus to evaluate using another business criterion	[3 marks] • identifies a relevant human resource strategy from the stimulus • provides a justified decision for the business transformation • makes an appropriate recommendation
	[2 marks] • demonstrates use of a business criterion to evaluate the human resource strategy • refers to a stimulus to evaluate	[2 marks] • demonstrates use of another business criterion to evaluate the human resource strategy • refers to a stimulus to evaluate	[2 marks] • identifies a human resource strategy • provides a decision for the business transformation • makes a recommendation
	[1 mark] • states a business criterion	[1 mark] • states a second business criterion	[1 mark] • states a strategy • states a recommendation
[0 marks] • does not satisfy any of the descriptors above.	[0 marks] • does not satisfy any of the descriptors above.	[0 marks] • does not satisfy any of the descriptors above	

<p>2021 Paper 1 Section 1 Question 1</p> <p>Transf. of a business</p>	<p>Identify two different management styles and explain how each style can act as an internal driver of change. [4 marks]</p>		
	Sample Response	The response	Notes
	<p>Management Style 1</p> <ul style="list-style-type: none"> • identifies a relevant management style [1 mark] • provides an in-depth explanation of how the identified management style acts as an internal driver of change [1 mark] 	<p>Management Style 2</p> <ul style="list-style-type: none"> • identifies a second relevant management style [1 mark] • provides an in-depth explanation of how the identified management style acts as an internal driver of change [1 mark] 	<p>Relevant management styles may include:</p> <ul style="list-style-type: none"> - autocratic - persuasive - consultative - participative/democratic - or other suitable response consistent with a reasonable understanding. <p>Relevant: connected with the matter in hand; applicable and pertinent</p> <p>In-depth: comprehensive and with thorough coverage</p> <p>How the management style drives the change must be explained in detail. This would include specific information about how the identified management style responds to and leads change</p>
<p>Sample Response</p> <p>A management style is the way managers organise tasks and interact with employees to achieve business objectives.</p> <p>A manager with an autocratic style may impose change on the business based on their judgments and opinions only. This style ensures the decision to change is made quickly, and the change commences without the involvement of staff.</p> <p>A manager with a democratic style will drive change that responds to the wishes and judgments of their staff. The open communication associated with this style will ensure the need for change is clear and all are involved.</p>			

<p>2021 Paper 1 Section 1 Question 2</p> <p>Transf. of a business</p>	Using an example, describe one operating environmental factor that could influence a business manager to initiate change. [3 marks]	
	The response	Notes
	<p>[3 marks]</p> <ul style="list-style-type: none"> • describes explicitly how the operating environmental factor influences a business manager to initiate change • uses a relevant example to describe the situation 	<p>Relevant operating factors may include:</p> <ul style="list-style-type: none"> - internal operating environment <ul style="list-style-type: none"> ▫ business leaders: owners and managers ▫ employees ▫ organisational structure ▫ organisational culture ▫ or other suitable response consistent with a reasonable understanding <p>- external operating environment</p> <ul style="list-style-type: none"> ▫ customers ▫ competitors ▫ suppliers ▫ interest groups, e.g. professional associations, unions, public interest groups ▫ or other suitable response consistent with a reasonable understanding. <p>Relevant: connected with the matter in hand; applicable and pertinent Explicit: clearly and distinctly expressing all that is meant; leaving nothing merely implied or suggested</p> <p>A relevant example is connected to the operating environmental factor identified and would influence a business manager to initiate change.</p>
	<p>[2 marks]</p> <ul style="list-style-type: none"> • describes how the operating environmental factor influences a business manager to initiate change • provides an example 	
	<p>[1 mark]</p> <ul style="list-style-type: none"> • states an environmental factor 	
<p>[0 marks]</p> <ul style="list-style-type: none"> • does not satisfy any of the descriptors above. 		
Sample Response		
<p>An external operating environmental factor that could influence a business manager to initiate change is the business's customers. A business must continually ensure that its customers' needs are being met. It also needs to respond quickly, changing the way it operates to satisfy its customers. For example, a business that only provides instore facilities may need to change its operations and provide an online option to meet customer needs and stay competitive.</p>		

<p>2021 Paper 1 Section 1 Question 3</p> <p>Transf. of a business</p>	<p>Use Case study 1 (Stimulus 1–3 in the stimulus book) to identify and explain one circumstance in which a consultant and/or professional service could assist this surfboard business. [3 marks]</p>	
	The response	Notes
	<ul style="list-style-type: none"> • identifies a relevant circumstance [1 mark] • links the circumstance to stimulus [1 mark] • explains how a consultant and/or professional service could assist the surfboard business [1 mark] 	<p>Relevant: connected with the matter in hand; applicable and pertinent, i.e. identifiable in the stimulus and a circumstance requiring the assistance of a consultant and/or professional service.</p> <p>Explanation of how a consultant and/or professional service could assist the surfboard business could include:</p> <ul style="list-style-type: none"> - for future growth, market analysts could help to access new or emerging markets to increase sales and profits - to broaden the market, marketing consultants could help to reach first-time surfers - to restructure the business, lawyers could help to provide legal advice on operating a manufacturing business offshore - or other suitable response consistent with a reasonable understanding.
	Sample response	
<p>The business is in the renewal stage of the business cycle. It is seeking new areas for growth, as shown by the proposal to manufacture overseas and move into mass production (Stimulus 1). Market analysts could help the business identify and access new or emerging markets, potentially increasing sales and profits.</p>		

<p>2021 Paper 1 Section 1 Question 4</p> <p>Transf. of a business</p>	Use Case study 1 to analyse two forces for and two forces against change to the manufacturing operations of the surfboard business. [5 marks]	
	Sample Response	The response
	<p>The business faces pressures for and against the intended change to manufacturing. The switch to more automated manufacturing in Thailand will reduce production costs (Stimulus 1) and mean production is closer to key markets (Stimulus 3). This change will enable the business to meet rising consumer demand more quickly (Stimulus 2) and attract new customers with a low-cost option (Stimulus 1).</p> <p>However, the company has built its brand on traditional, handmade surfboards that use local inputs (Stimulus 1). This goes against the proposed mass production.</p> <p>Continuing to use Australian inputs will be more difficult with overseas manufacturing, and local high-profile surfers do not support mass production of surfboards (Stimulus 2).</p> <p>Overall, the forces for change are stronger, so the business should proceed with the change to overseas manufacturing and should seek advice from consultants or professional services on how to proceed.</p>	<p>[5 marks]</p> <ul style="list-style-type: none"> identifies two relevant forces for change with explicit links to relevant stimulus identifies two relevant forces against change with explicit links to relevant stimulus provides an insightful analysis of the two identified forces for change provides an insightful analysis of the two identified forces against change
		<p>[4 marks]</p> <ul style="list-style-type: none"> identifies two relevant forces for change with links to relevant stimulus identifies two relevant forces against change with links to relevant stimulus provides an appropriate analysis of the two identified forces for change provides an appropriate analysis of the two identified forces against change
		<p>[3 marks]</p> <ul style="list-style-type: none"> identifies forces for and against change from the stimulus provides an analysis of the identified forces for change to the manufacturing operations provides an analysis of the identified forces against change to the manufacturing operations
		<p>[2 marks]</p> <ul style="list-style-type: none"> identifies forces for and/or against change makes a statement about business change
		<p>[1 mark]</p> <ul style="list-style-type: none"> identifies a force for or against change <p>OR</p> <ul style="list-style-type: none"> makes a statement about business change
<p>[0 marks]</p> <ul style="list-style-type: none"> does not satisfy any of the descriptors above. 		

2020 Paper 1 Section 1 Question 1 Transf. of a business	Explain two circumstances, using examples, in which legislative compliance would drive change for a business in the post-maturity stage. [6 marks]		
	Sample response	For the first circumstance, the response	For the second circumstance, the response:
	<p>Changes in legislation may change business operations. For example, workplace safety laws may change. This would require businesses' current operating policies or processes to be rewritten, or physical changes to the premises to ensure compliance, e.g. PPE or fire safety.</p> <p>Businesses must also adhere to governing body industry regulations or standards. A business may need to transform human resources to reflect changed professional qualification requirements to be licensed in an industry, e.g. real estate agents.</p>	[3 marks] • explains one matter of legislative compliance • explains in detail how the impact drives change • provides an example	[3 marks] • explains a second matter of legislative compliance • explains in detail how the impact drives change • provides an example
		[2 marks] • explains one matter of legislative compliance • explains how the impact drives change OR • explains one matter of legislative compliance • provides an example	[2 marks] • explains a second matter of legislative compliance • explains how the impact drives change OR • explains a second matter of legislative compliance • provides an example
		[1 mark] • provides an example of legislative compliance OR • identifies a relevant example	[1 mark] • provides a different example of legislative compliance OR • identifies a relevant example
[0 marks] • does not satisfy any of the descriptors above.		[0 marks] • does not satisfy any of the descriptors above.	

2020 Paper 1 Section 1 Question 2 Transf. of a business	Use Case study 1 (Stimulus 1–9 in the stimulus book) to explain two objectives that could be included in a strategic plan for Herbs & Spices Inc. to realise Elkie's vision for change. [6 marks]		
	Sample response	For the first objective, the response	For the second objective, the response:
	<p>To achieve Elkie's intention of expanding the market, one objective would be to implement a social media marketing campaign within three months to promote the switch to hydroponics and its health and sustainability benefits. This will assist in building market share and to combat lobbying from Rambler Farming.</p> <p>A second objective would be to borrow \$52000 to fund set-up and training for the new system at a rate that is able to be repaid within five years. This allocates time and money to the transition and, by borrowing, cost-cutting measures such as staff redundancy to meet upfront costs are unnecessary. It will also ensure Elkie is able to focus on increasing the revenue and profits for the business immediately</p>	[3 marks] • identifies one objective • provides a detailed explanation of the objective • explains how it will achieve the vision for change	[3 marks] • identifies a second objective • provides a detailed explanation of the objective • explains how it will achieve the vision for change
		[2 marks] • identifies one objective • explains how it will achieve the vision for change	[2 marks] • identifies a second objective • explains how it will achieve the vision for change
		[1 mark] • identifies one objective relevant to the stimulus	[1 mark] • identifies a second objective relevant to the stimulus
[0 marks] • does not satisfy any of the descriptors above.		[0 marks] • does not satisfy any of the descriptors above.	

<p>2020 Paper 1 Section 1 Question 3</p> <p>Transf. of a business</p>	<p>Explain three activities the management of Herbs & Spices Inc. could undertake during the 'refreeze' stage of Lewin's model of change management. Provide an example from Case study 1 for each activity. [9 marks]</p>		
	<p>For one activity, the response:</p>	<p>For a second activity, the response:</p>	<p>For a third activity, the response:</p>
	<p>[3 marks]</p> <ul style="list-style-type: none"> identifies an activity significant to the refreeze stage explains the activity in detail provides an example 	<p>[3 marks]</p> <ul style="list-style-type: none"> identifies a second activity significant to the refreeze stage explains the activity in detail provides an example 	<p>[3 marks]</p> <ul style="list-style-type: none"> identifies a third activity significant to the refreeze stage explains the activity in detail provides an example
	<p>[2 marks]</p> <ul style="list-style-type: none"> identifies an activity relevant to the refreeze stage explains the activity <p>OR</p> <ul style="list-style-type: none"> identifies an activity relevant to the refreeze stage identifies a relevant example 	<p>[2 marks]</p> <ul style="list-style-type: none"> identifies a second activity relevant to the refreeze stage explains the activity <p>OR</p> <ul style="list-style-type: none"> identifies a second activity relevant to the refreeze stage identifies a relevant example 	<p>[2 marks]</p> <ul style="list-style-type: none"> identifies a third activity relevant to the refreeze stage explains the activity <p>OR</p> <ul style="list-style-type: none"> identifies a third activity relevant to the refreeze stage identifies a relevant example
	<p>[1 mark]</p> <ul style="list-style-type: none"> identifies an activity in the refreeze stage 	<p>[1 mark]</p> <ul style="list-style-type: none"> identifies a second activity in the refreeze stage 	<p>[1 mark]</p> <ul style="list-style-type: none"> identifies a third activity in the refreeze stage
	<p>[0 marks]</p> <ul style="list-style-type: none"> does not satisfy any of the descriptors above. 	<p>[0 marks]</p> <ul style="list-style-type: none"> does not satisfy any of the descriptors above. 	<p>[0 marks]</p> <ul style="list-style-type: none"> does not satisfy any of the descriptors above.
	<p>Sample response</p> <p>The refreeze stage ensures change is embedded and sustained. For Herbs & Spices Inc.'s operational change, this could include three activities:</p> <ol style="list-style-type: none"> Create a reward system for staff by setting KPIs appropriate for the hydroponic system, e.g. harvesting rate targets. This will keep staff engaged and help shift the business culture. Create a new organisational structure based on new or refocused processes, functions and markets. An example of this would be establishing a hydroponic system maintenance team, to ensure all staff know where they fit in. Establish a feedback system with customers and consumers to keep the business informed of implications or threats to the change, e.g. regular surveys to quickly address any negative advocacy from Rambler Farming, or to identify new product demand. 		

<p style="text-align: center;">2024 Paper 1 Section 2 Question 5</p> <p>Transf. of a business</p>	<p>Instructions</p> <ul style="list-style-type: none"> • Respond in 400–600 words. • This section has one question and is worth 25 marks.
	<p>Using Case study 1 (Stimulus 1–11), prepare a business report for the owners on the feasibility of the strategic plan.</p>
	<p>Include a description of the business and perform a SWOT analysis of the business situation. Identify a trend and a relationship in the SWOT analysis, interpret their effects on the business situation and draw conclusions about the implications for the business transformation.</p>
	<p>Use two business criteria to evaluate one financial management strategy and propose a recommendation about the transformation.</p>
	<p>Criterion: Describing</p>
	<p>The response</p>
	<p>[2 marks]</p> <ul style="list-style-type: none"> • provides a comprehensive description of the business situation
	<p>[1 mark]</p> <ul style="list-style-type: none"> • provides a description of the business situation
	<p>[0 marks]</p> <ul style="list-style-type: none"> • does not satisfy any of the descriptors above.
	<p>Criterion: Analysing</p>
<p>The response</p>	
<p>[4 marks]</p> <ul style="list-style-type: none"> • selects significant and relevant data and information from the case study • correctly classifies each factor as a strength, weakness, opportunity and threat • provides an insightful analysis of the business situation 	
<p>[3 marks]</p> <ul style="list-style-type: none"> • selects relevant data and information from the case study • classifies each factor as a strength, weakness, opportunity or threat • provides an analysis of the business situation 	
<p>[2 marks]</p> <ul style="list-style-type: none"> • selects data or information • classifies each factor as a strength, weakness, opportunity or threat • makes a statement 	
<p>[1 mark]</p> <ul style="list-style-type: none"> • identifies a factor <p>OR</p> <ul style="list-style-type: none"> • makes a statement 	
<p>[0 marks]</p> <ul style="list-style-type: none"> • does not satisfy any of the descriptors above. 	
<p>Criterion: Synthesising</p>	
<p>The response</p>	
<p>[8 marks]</p> <ul style="list-style-type: none"> • identifies one relevant relationship and one relevant trend • provides a discriminating interpretation of their effects on the business during transformation • provides an insightful synthesis of the implications for the business transformation • draws valid conclusions about the business transformation 	
<p>[7 marks]</p> <ul style="list-style-type: none"> • identifies one relevant relationship and one relevant trend • provides an appropriate interpretation of their effects on the business during transformation • provides an appropriate synthesis of the implications for the business transformation • draws a valid conclusion about the business transformation 	

	<p>[6 marks]</p> <ul style="list-style-type: none"> • identifies one relevant relationship or one relevant trend • provides an appropriate interpretation of its effect on the business during transformation • provides an appropriate synthesis of an implication for the business transformation • draws a valid conclusion about the business transformation
	<p>[5 marks]</p> <ul style="list-style-type: none"> • identifies one relationship and one trend • provides an interpretation of an effect on the business during transformation • provides an implication for the business transformation • draws a valid conclusion about the business transformation
	<p>[4 marks]</p> <ul style="list-style-type: none"> • identifies a relationship or trend • provides an effect on the business during transformation • provides an implication for the business transformation • draws a conclusion about the business transformation
	<p>[3 marks]</p> <ul style="list-style-type: none"> • identifies a relationship or trend • makes a statement about the business transformation • states a conclusion
	<p>[2 marks]</p> <ul style="list-style-type: none"> • states a relationship or trend <p>OR</p> <ul style="list-style-type: none"> • makes a statement about the business transformation
	<p>[1 mark]</p> <ul style="list-style-type: none"> • makes a statement
	<p>[0 marks]</p> <ul style="list-style-type: none"> • does not satisfy any of the descriptors above.
	<p>Criterion: Evaluating</p>
	<p style="text-align: center;">The response</p>
	<p>[8 marks]</p> <ul style="list-style-type: none"> • identifies a relevant financial management strategy from the case study • demonstrates effective use of two business criteria to make perceptive evaluations • makes a thoroughly justified decision for the business transformation • makes an appropriate recommendation drawn from the decision
	<p>[7 marks]</p> <ul style="list-style-type: none"> • identifies a relevant financial management strategy from the case study • demonstrates credible use of two business criteria to make perceptive evaluations • makes a justified decision for the business transformation • makes an appropriate recommendation drawn from the decision
	<p>[6 marks]</p> <ul style="list-style-type: none"> • identifies a financial management strategy from the case study • demonstrates use of two business criteria to make appropriate evaluations • makes a justified decision for the business transformation • makes a recommendation drawn from the decision
	<p>[5 marks]</p> <ul style="list-style-type: none"> • identifies a financial management strategy • demonstrates use of one business criterion to make an appropriate evaluation • makes a decision for the business transformation • makes a recommendation
	<p>[4 marks]</p> <ul style="list-style-type: none"> • identifies a financial management strategy • demonstrates use of one business criterion • states a decision • states a recommendation
	<p>[3 marks]</p> <ul style="list-style-type: none"> • identifies a strategy • refers to a business criterion • states a decision and/or recommendation
	<p>[2 marks]</p> <ul style="list-style-type: none"> • identifies a business criterion • makes a statement

	[1 mark] • makes a statement
	[0 marks] • does not satisfy any of the descriptors above.
	Criterion: Communicating
	The response
	[3 marks] • conveys ideas relating to the question succinctly and fluently • uses the business report genre purposefully to suit the audience
	[2 marks] • conveys ideas relating to the question clearly • uses the business report genre to suit the audience
	[1 mark] • conveys ideas relating to the question
	[0 marks] • does not satisfy any of the descriptors above.

<p>2023 Paper 1 Section 2 Question 4</p> <p>Transf. of a business</p>	<p>Using Case study 1 (Stimulus 1–11), prepare a business report on the incorporation of The Oyster Farm Company into The Hotel Company to present to the general manager.</p>
	<p>Include a SWOT analysis of the incorporation, identify two relationships, patterns or trends and interpret their effect on the business situation to draw conclusions about the implications for change.</p>
	<p>Use two business criteria to evaluate one operational strategy to propose a recommendation about the transformation.</p>
	<p>Criterion: Analysing</p>
	<p>The response</p>
	<p>[6 marks]</p> <ul style="list-style-type: none"> selects significant and relevant data and information from the case study correctly classifies factors as a strength, weakness, opportunity and threat provides an insightful analysis of the business situation
	<p>[5 marks]</p> <ul style="list-style-type: none"> selects relevant data and information from the case study correctly classifies factors as a strength, weakness, opportunity and threat provides a credible analysis of the business situation
	<p>[4 marks]</p> <ul style="list-style-type: none"> selects data and information from the case study classifies factors as a strength, weakness, opportunity and threat provides an analysis of the business situation
	<p>[3 marks]</p> <ul style="list-style-type: none"> selects data or information classifies factors as a strength, weakness, opportunity or threat provides an analysis
	<p>[2 marks]</p> <ul style="list-style-type: none"> identifies one factor as a strength, weaknesses, opportunity or threat makes a statement about the business
<p>[1 mark]</p> <ul style="list-style-type: none"> identifies a factor <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> makes a statement 	
<p>[0 marks]</p> <ul style="list-style-type: none"> does not satisfy any of the descriptors above. 	

Criterion: Synthesising**The response**

[8 marks]

- identifies two relevant relationships, patterns or trends from the analysis
- provides a discriminating interpretation of the effects on the business during transformation
- provides an insightful synthesis of the implications of transforming the business
- draws valid conclusions about the business transformation

[7 marks]

- identifies two relevant relationships, patterns or trends from the analysis
- provides an appropriate interpretation of the effects on the business during transformation
- provides an appropriate synthesis of the implications of transforming the business
- draws a valid conclusion about the business transformation

[6 marks]

- identifies two relevant relationships, patterns or trends from the analysis
- provides an appropriate interpretation of an effect on the business during transformation
- provides an appropriate synthesis of an implication of transforming the business
- draws a valid conclusion about the business transformation

[5 marks]

- identifies two relationships, patterns or trends
- provides an interpretation of an effect on the business during transformation
- provides an implication of transforming the business
- draws a valid conclusion about the business transformation

[4 marks]

- identifies a relationship, pattern or trend
- provides an effect on the business during transformation
- provides an implication of transforming the business
- draws a conclusion about the business transformation

[3 marks]

- identifies a relationship, pattern or trend
- makes a statement about the business transformation
- states a conclusion

[2 marks]

- states a relationship, pattern or trend
- OR**
- makes a statement about the business transformation

[1 mark]

- makes a statement

[0 marks]

- does not satisfy any of the descriptors above.

Criterion: Evaluating**The response**

[8 marks]

- identifies a relevant operations management strategy from the case study
- demonstrates effective use of two business criteria to make perceptive judgments
- makes a thoroughly justified and relevant decision for the business transformation
- makes an appropriate recommendation drawn from the decision

[7 marks]

- identifies a relevant operations management strategy from the case study
- demonstrates credible use of two business criteria to make perceptive judgments
- makes a justified and relevant decision for the business transformation
- makes an appropriate recommendation drawn from the decision

[6 marks]

- identifies an operations management strategy from the case study
- demonstrates use of two business criteria to make appropriate judgments
- makes a justified decision for the business transformation
- makes a recommendation drawn from the decision

[5 marks]

- identifies an operations management strategy
- demonstrates use of one business criterion to make an appropriate judgment
- makes a decision for the business transformation
- makes a recommendation

[4 marks]

- identifies an operations management strategy
- demonstrates use of one business criterion
- states a decision
- states a recommendation

[3 marks]

- identifies a strategy
- refers to a business criterion
- states a decision and/or recommendation

[2 marks]

- identifies a business criterion
- makes a statement

[1 mark]

- makes a statement

[0 marks]

- does not satisfy any of the descriptors above.

Criterion: Communicating**The response**

[3 marks]

- conveys ideas relating to the question succinctly and fluently
- uses the business report genre purposefully to suit audience

[2 marks]

- conveys ideas relating to the question clearly
- uses the business report genre to suit audience

[1 mark]

- conveys ideas relating to the question

[0 marks]

- does not satisfy any of the descriptors above.

**2022
Paper 1
Section 2
Question 5**

**Transf. of a
business**

- Instructions
- This section has one question and is worth 19 marks.
 - Respond in 400-600 words.

Using Case study 1, select data and information to analyse the pressures for and against change in the business. Identify two relationships, patterns or trends in the analysis, interpret their effect on the business situation and draw conclusions about the implications for change. Present your findings as a business report to the owner. [19 marks]

Criterion: Analysing

The response for change	The response against change
<p>[4 marks]</p> <ul style="list-style-type: none"> • selects relevant data and information relating to pressures for change from the stimulus • correctly classifies and uses relevant driving forces to support the analysis • provides an insightful analysis of the driving forces 	<p>[4 marks]</p> <ul style="list-style-type: none"> • selects relevant data and information relating to pressures against change from the stimulus • correctly classifies and uses relevant restraining forces to support the analysis • provides an insightful analysis of the restraining forces
<p>[3 marks]</p> <ul style="list-style-type: none"> • selects data and information relating to pressures for change from the stimulus • classifies and uses driving forces to support the analysis • provides an analysis of driving forces 	<p>[3 marks]</p> <ul style="list-style-type: none"> • selects data and information relating to pressures against change from the stimulus • classifies and uses restraining forces to support the analysis • provides an analysis of restraining forces
<p>[2 marks]</p> <ul style="list-style-type: none"> • identifies data or information relating to pressures for change from the stimulus • makes a statement about pressures for change 	<p>[2 marks]</p> <ul style="list-style-type: none"> • identifies data or information relating to pressures against change from the stimulus • makes a statement about pressures against change
<p>[1 mark]</p> <ul style="list-style-type: none"> • identifies pressures for change 	<p>[1 mark]</p> <ul style="list-style-type: none"> • identifies pressures against change
<p>[0 marks]</p> <ul style="list-style-type: none"> • does not satisfy any of the descriptors above. 	<p>[0 marks]</p> <ul style="list-style-type: none"> • does not satisfy any of the descriptors above.

Criterion: Synthesising	
The response, for relationships/patterns/trends	The response, for effects/implications/conclusion
[3 marks] • identifies two relevant relationships, patterns or trends from the analysis	[5 marks] • provides a discriminating interpretation of the effect on the business during transformation • provides an insightful synthesis of the implications of transforming the business • draws valid conclusions about the business transformation
[2 marks] • identifies a relevant relationship, pattern or trend from the analysis	[4 marks] • provides a reasonable interpretation of the effect on the business during transformation • provides a relevant synthesis of the implications of transforming the business • draws a valid conclusion about the business transformation
[1 mark] • identifies a relationship, pattern or trend	[3 marks] • identifies an effect on the business during transformation • synthesises an implication of transforming the business • draws a conclusion about the business transformation
[0 marks] • does not satisfy any of the descriptors above.	[2 marks] • makes a statement about the business transformation • states a conclusion
	[1 mark] • makes a statement about the business
	[0 marks] • does not satisfy any of the descriptors above.
Criterion: Communicating	
The response	
[3 marks] • conveys ideas relating to the question succinctly and fluently • uses the business report genre purposefully to suit audience	
[2 marks] • conveys ideas relating to the question clearly • uses the business report genre to suit audience	
[1 mark] • conveys ideas relating to the question	
[0 marks] • does not satisfy any of the descriptors above.	

**2021
Paper 1
Section 2
Question 5**

**Transf. of a
business**

Instructions
 • Respond in 400–600 words.
 • This section has one question and is worth 20 marks.

Use Case study 2 (Stimulus 4–10 in the stimulus book) to analyse the business situation using a SWOT analysis. Interpret trends in the analysis to determine implications for the business transformation, then evaluate marketing strategies used in the transformation to propose recommendations for future success. Present your findings as a business report to the owner. [20 marks]

The response Analysing	The response Synthesising
[5 marks] • identifies significant and relevant factors from the stimulus • correctly classifies factors as strength, weakness, opportunity and threat • provides an insightful analysis of strategies in the business transformation	[5 marks] • recognises significant and relevant trends • provides a discriminating interpretation of the effects on the business situation • provides an insightful synthesis of the implications of transforming the business • draws valid conclusions about the business transformation
[4 marks] • identifies relevant factors from the stimulus • correctly classifies factors as strength, weakness, opportunity or threat • provides an appropriate analysis of strategies in the business transformation	[4 marks] • recognises relevant trends • provides a reasonable interpretation of the effects on the business situation • provides a relevant synthesis of the implications of transforming the business • draws a valid conclusion about the business transformation
[3 marks] • identifies factors from the stimulus • identifies a strength, weakness, opportunity and threat • provides an analysis of strategies in the business transformation	[3 marks] • recognises a trend • identifies the effects on the business situation • synthesises the implications of transforming the business • draws a conclusion about the business transformation
[2 marks] • identifies a strength, weakness, opportunity or threat • makes a statement about business transformation	[2 marks] • makes a statement about the business situation • makes a statement about the transformation OR • makes a statement about the business situation and/or transformation • draws a conclusion
[1 mark] • identifies a strength, weakness, opportunity or threat OR • makes a statement about business transformation	[1 mark] • makes a statement about the business situation or transformation OR • states a conclusion
[0 marks] • does not satisfy any of the descriptors above	[0 marks] • does not satisfy any of the descriptors above.

The response Evaluating	The response Communicating
[5 marks] <ul style="list-style-type: none"> identifies relevant marketing strategies from the stimulus demonstrates effective use of business criteria to purposefully evaluate the strategies provides a thoroughly justified and relevant decision for the business situation makes appropriate recommendations drawn from the evaluation 	[5 marks] <ul style="list-style-type: none"> conveys ideas relating to the question succinctly and fluently uses the business report genre purposefully to suit the audience
[4 marks] <ul style="list-style-type: none"> identifies marketing strategies from the stimulus demonstrates credible use of business criteria to evaluate the strategies provides a justified decision for the business situation makes recommendations drawn from the evaluation 	[4 marks] <ul style="list-style-type: none"> conveys ideas relating to the question fluently uses the business report genre appropriately to suit the audience
[3 marks] <ul style="list-style-type: none"> identifies a marketing strategy refers to business criteria states a decision and/or makes a recommendation 	[3 marks] <ul style="list-style-type: none"> conveys ideas relating to the question uses the business report genre
[2 marks] <ul style="list-style-type: none"> identifies a strategy and/or identifies business criterion/criteria states a decision and/or makes a recommendation 	[2 marks] <ul style="list-style-type: none"> conveys ideas relating to the question using paragraphs
[1 mark] <ul style="list-style-type: none"> states a strategy OR <ul style="list-style-type: none"> states a business criterion/criteria OR <ul style="list-style-type: none"> states a decision OR <ul style="list-style-type: none"> states a recommendation 	[1 mark] <ul style="list-style-type: none"> conveys ideas relating to the question
[0 marks] <ul style="list-style-type: none"> does not satisfy any of the descriptors above. 	[0 marks] <ul style="list-style-type: none"> does not satisfy any of the descriptors above.

Notes

Relevant marketing strategies may include:

- product strategies (switch to vege-meat)
- promotional strategies (social media, word of mouth, website)
- or other suitable response consistent with a reasonable understanding.

Business criteria are:

- competitiveness
- stakeholder satisfaction
- efficiency
- effectiveness.

Relevant: connected with the matter in hand; applicable and pertinent

Effective: meeting the assigned purpose

Purposeful: having an intended or desired result

Thorough: attentive to every detail

Justified: sound reasons or evidence are provided

Appropriate: acceptable; suitable for a particular purpose

Credible: convincing

Students may include a decision-making table in their response.

Students should evaluate existing practices (marketing strategies), not possible alternatives.

Students' decisions should relate to the marketing strategies used to date.

Recommendation/s may include alternative strategies.

**2020
Paper 1
Section 2
Question 4**

**Transf. of a
business**

<p>Instruction</p> <ul style="list-style-type: none"> This section has one question and is worth 24 marks. 		
<p>Analyse the power interests of stakeholders in Case study 1 and evaluate the proposed switch to hydroponic operations. Present your findings in a business report to the owners, using evidence from the case study.</p>		
The response	The response	The response
<p>[5 marks]</p> <ul style="list-style-type: none"> recognises the relationships between the stakeholders and the transformation process interprets in detail how the power interest of the stakeholders affects the business situation draws valid conclusions 	<p>[5 marks]</p> <ul style="list-style-type: none"> uses appropriate criteria to evaluate the operation decision presents a justified decision makes recommendations 	<p>[5 marks]</p> <ul style="list-style-type: none"> conveys ideas relating to the question succinctly and fluently uses the business report genre purposefully, with paragraphs organised logically around the central purpose and suited to the audience
<p>[4 marks]</p> <ul style="list-style-type: none"> identifies the relationships between stakeholders and the transformation process interprets how the power interest of the stakeholders affects the business situation draws conclusions 	<p>[4 marks]</p> <ul style="list-style-type: none"> uses criteria to evaluate the operation decision presents a decision makes recommendation/s 	<p>[4 marks]</p> <ul style="list-style-type: none"> conveys ideas relating to the question fluently uses the business report genre, with paragraphs organised around the central purpose and suited to the audience
<p>[3 marks]</p> <ul style="list-style-type: none"> makes a statement about the business situation identifies that the power interest of the stakeholders affects the business situation draws a valid conclusion 	<p>[3 marks]</p> <ul style="list-style-type: none"> refers to a criterion states a decision makes recommendation/s 	<p>[3 marks]</p> <ul style="list-style-type: none"> conveys ideas relating to the question uses the business report genre, with paragraphs based around the central purpose and suited to the audience
<p>[2 marks]</p> <ul style="list-style-type: none"> makes a statement about the business situation draws a conclusion <p>OR</p> <ul style="list-style-type: none"> identifies an effect of stakeholders draws a conclusion 	<p>[2 marks]</p> <ul style="list-style-type: none"> refers to a criterion states a decision <p>OR</p> <ul style="list-style-type: none"> refers to a criterion makes a recommendation 	<p>[2 marks]</p> <ul style="list-style-type: none"> conveys ideas relating to the question using paragraphs
<p>[1 mark]</p> <ul style="list-style-type: none"> makes a statement about the business situation <p>OR</p> <ul style="list-style-type: none"> identifies an effect of stakeholders <p>OR</p> <ul style="list-style-type: none"> states a conclusion 	<p>[1 mark]</p> <ul style="list-style-type: none"> states a recommendation <p>OR</p> <ul style="list-style-type: none"> states a decision 	<p>[1 mark]</p> <ul style="list-style-type: none"> conveys ideas relating to the question
<p>[0 marks]</p> <ul style="list-style-type: none"> does not satisfy any of the descriptors above. 	<p>[0 marks]</p> <ul style="list-style-type: none"> does not satisfy any of the descriptors above. 	<p>[0 marks]</p> <ul style="list-style-type: none"> does not satisfy any of the descriptors above.