UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
Cambridge International Diploma in Business
Standard Level

EFFECTIVE BUSINESS COMMUNICATIONS **5162/01**

Core Module **October 2009**

2 hours plus 15 minutes reading time

Additional Materials: Answer Booklet/Paper

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name on all the work you hand in.
Write in dark blue or black pen.
You may use a soft pencil for any diagrams, graphs or rough working.
Do not use staples, paper clips, highlighters, glue or correction fluid.

Attempt **all** tasks.
Start each task on a new piece of paper.
Please leave a margin on the right and left hand side of each new page.

At the end of the examination, fasten all your work securely together, in the correct order.
The number of marks is given in brackets [ ] at the end of each question or part question.

This document consists of **4** printed pages.

UNIVERSITY *of* CAMBRIDGE
International Examinations

[Turn over

You must read the case study below and attempt ALL the tasks which follow.
(The case study is fictitious.)

YAKLIN INSURANCE

Yaklin Insurance is a small family owned insurance business based in the suburbs of Shanghai. There are two business streams, the domestic insurance market and the manufacturing business insurance market.

Yaklin has recently announced that it will become an online business for its domestic insurance market. It will offer all domestic insurance such as for houses, cars, boats, personal effects i.e. *5* jewellery, computers and other similar products online. The manufacturing business insurance will not go online and will continue to trade as it has done in the past.

In order to implement the online business activity, Yaklin will need to automate all of its processes; something it has never done before. The idea is that every piece of business communication Yaklin sends out to the domestic insurance market, from letters and emails through to SMS texts, will be *10* produced automatically using a database. This will mean that every time a transaction is completed online it is registered on the database and a letter or email is automatically generated, which confirms the insurance policy agreement.

The type of business communication generated will now be based on the customer's own preference. So at the point of sale, the customer is asked how they would like to receive their *15* immediate confirmation; via letter, email or even SMS text. The customer will always be sent a hard copy of their policy document and an accompanying letter by post as well because this is required by law. The automation aims to provide an immediate confirmation of the sale, instead of taking 5 to 7 working days for confirmation, which was the previous service standard.

John Ying, the Operations Director for Yaklin, believes that by using the Internet and going online, *20* the quality of service will be much better. It would also improve the operational and financial performance of the business because the manual system of writing business correspondence was taking far too long and was not a cost effective way of operating.

Automating the business correspondence should not only improve the overall quality of service, but also the consistency of business correspondence sent by Yaklin to customers. In the past some of *25* the correspondence was incorrect and had a bad effect on the business.

Customers have complained that letters and emails were unclear; that the letters were not tailored to their needs and were often full of mistakes. To check these complaints John carried out an audit and found that 63% of all letters sent out from Yaklin Insurance contained at least one error, something he personally found quite unsatisfactory. This had in the past led to disciplinary *30* procedures as some personnel had a high error rate.

The changes mean that customers will need to be notified that Yaklin is now a 'total online service provider' for domestic insurance. The whole new service will need to be communicated to that market. Yaklin will keep some telephone support, but it will be much reduced.

John also realises that in the immediate future Yaklin may lose some custom and he needs to *35* prepare the staff for this. He also realises that by taking Yaklin online he is opening up new markets, and the loss of current custom will soon be replaced by significant new custom from across the whole of China.

John wants to bring together an internal project team, the Online Project Group, to carry out the automation of the correspondence and to develop the new online provision. He wants the team to be made up of experienced individuals who will help him to develop the necessary business communications content. He also requires help to plan a series of communications to customers telling them of the changes to their service provision and how it might affect their account handling in the future. You have been nominated as the team leader for this project.

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You must attempt ALL of the following tasks. Where appropriate use information from the case study to support your answer.

1   John has asked you to prepare some notes giving reasons why it is important that Yaklin communicates the changes to its customers.

    (a) Suggest **four** reasons why it is important for Yaklin Insurance to communicate effectively with its customers. **[4 x 2 = 8]**

    (b) Suggest **three** factors that should be considered when choosing the most appropriate method of communication for external customers. **[3 x 2 = 6]**

    (c) Explain **three** methods of two-way communications you and John could use to involve the project team and other staff in developing ideas to support the new business processes.
[3 x 2 = 6]
[Total: 20]

2   **(a)** Write a letter to Yaklin's customers telling them about the changes in the business. Use the details in the case study. You may create all other details. **[12]**

    (b) Give **four** advantages to the customers of Yaklin's business going 'online' and using the Internet for its domestic insurance market. **[4 x 2 = 8]**
[Total: 20]

3   **(a)** Explain **four** reasons why it is important to establish smaller groups, such as the Online Project Group, to support business activities in a large organisation. **[4 x 3 = 12]**

    (b) Explain **four** ways of ensuring that the project team meetings are successful. **[4 x 2 = 8]**
[Total: 20]

4   You have been asked by John to recruit a new team member with database experience. John is concerned that the database administrators are not going to be able to cope with the added pressure that the automation will bring to the business.

    (a) Identify **six** things you will need to plan for a recruitment interview. **[6 x 2 = 12]**

    (b) Identify **four** features of a successful recruitment interview. **[4 x 2 = 8]**
[Total: 20]

5   John is aware that sales of insurance policies may decline as a result of the change, although in the long-term he expects an increase.

    (a) Describe **four** different types of graph which John could use to present Yaklin's monthly sales information in his monthly management report. Give reasons for choosing **each** graph.
[4 x 3 = 12]

    (b) Explain **four** ways in which different computer software packages could enhance the presentation of the sales reports. **[4 x 2 = 8]**
[Total: 20]