

**Modified Enlarged 18 pt**

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**

**Friday 15 January 2021 – Morning**

**Level 3 Cambridge Technical in Business**

**05837/05878**

**Unit 15: Change management**

**RESOURCE BOOKLET**

**Time allowed: 1 hour 30 minutes plus your additional time allowance**

## **INSTRUCTIONS**

**You should refer to this Resource Booklet when answering the exam questions which are contained in a separate booklet.**

**Do NOT send this Resource Booklet for marking. Keep it in the centre or recycle it.**

## **INFORMATION**

**The business described in this Resource Booklet is fictitious.**

## **RESOURCE 1**

**‘May’s Farm’ is a dairy farm located near some of the best beaches in Wales. The farm is owned by Tom May and his wife Jane (now in their late sixties) and their four children. Due to plummeting milk prices in 2014, the partners diversified the farm’s core business of milk production by adding 10 glamping tents to their business activities. Although the glamping tents are doing reasonably well because of an increase in holidaymakers choosing not to travel abroad, intense competition has meant that profit margins are low. Cash flow during the winter months also proves to be challenging. The farm needs to further diversify if it is to provide a living for all six of the partners.**

**After much deliberation the partners have decided to convert a large disused barn into a suitable venue for holding corporate events and social functions, such as weddings. Each customer will be provided with a named event organiser to help them plan and choose catering services, type of music, how the hall is to be decorated, furniture needed, etc. according to their budget. Barn weddings have recently gained popularity as couples look for unique venues at which to celebrate their special days. Although the project will be expensive, interest rates are at an all-time low.**

**Below is a summary of the main contributions and thoughts of the partners who attended the most recent business development meeting.**

Name	Verbal contribution	Unexpressed thought
Eve	Converting the barn is a huge financial risk but I think our location is ideal for weddings. We shall name it 'May's Hall'.	Must tell Leo and Chi that they could get married on the beach followed by an all-night party in our barn!
Beth	Our location and facilities are ideal. Wedding guests could even stay in our glamping tents. In fact, we could offer a wedding package which includes the ceremony, food and drinks and accommodation.	I love cooking but I have never worked in a professional kitchen.
Jane	Your father and I would like to spend more time with our grandchildren. Learning new ways of doing business is definitely not our priority.	I wish we could retire tomorrow! I dread the disruption and all the dust and dirt that we have to put up with during the building work. It is likely to take at least 15 months!

Name	Verbal contribution	Unexpressed thought
Jack	The biggest issue is finance. Whilst there is retained profit, it is not going to be enough to finance the whole project, we will need to borrow at least £850 000 for the conversion alone.	It's not just the building work that needs to be paid for. Marketing will also be costly. And we will need to recruit additional workers; the workers we currently have are needed to run our farming and glamping activities.
Ben	The glamping tents have brought in much-needed revenue, it is proof that we have moved in the right direction. However, we must consider the legal aspects such as planning permission and food safety.	The service sector is the future for our business, we must adapt and grow at all costs, whether we like it or not!
Tom	This new project is a further step into the service sector. Are we ready for it?	At this stage in our lives, is it wise to take this huge financial risk? Besides, none of us has any experience or skills for organising big events.

## **RESOURCE 2**

**Six months after the official opening of May's Hall, the partners produced a performance report containing each of the following:**

**a summary of the findings of its recent customer survey;**

**a comparison of performance against industrial averages in the venue rental industry;**

**a comparison of performance against objectives for the first six months of trading.**

### **Customer survey - May's Hall**

#### **Summary of findings:**

**Toilets often dirty, especially in the late evenings.**

**Catering staff were easily flustered and sometimes unfriendly.**

**Food menu lacked imagination.**

**Glamping tent customers complained of noise.**

**Communication with the event organiser was deemed to be 'excellent'.**

**92% thought the wedding packages offered value for money.**

**87% considered the location ideal for weddings.**

**79% thought the furnishing was of a good standard.**

**84% thought the glamping tents offered convenience to wedding parties.**

**82% would like to see more information on the website, to include clear prices for different services on offer.**

## Comparison of performance against industrial averages in the venue rental industry

	May's Hall	Industrial average
Gross profit margin	40%	33%
Net profit margin	5%	10%
Food wastage rate	12%	19%
Booking cancellation rate	35%	22%

## A comparison of performance against objectives for the first six months of trading

	Target	Actual
Number of bookings	2	3
Proportion of products with plastic packaging (including food packaging)	25%	30%
Proportion of local suppliers (by value of purchase)	80%	85%
Proportion of staff with appropriate training/ qualifications	75%	60%



Oxford Cambridge and RSA

**Copyright Information:**

OCR is committed to seeking permission to reproduce all third-party content that it uses in its assessment materials. OCR has attempted to identify and contact all copyright holders whose work is used in this paper. To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced in the OCR Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download from our public website ([www.ocr.org.uk](http://www.ocr.org.uk)) after the live examination series.

If OCR has unwittingly failed to correctly acknowledge or clear any third-party content in this assessment material OCR will be happy to correct its mistake at the earliest possible opportunity.

For queries or further information please contact the Copyright Team, OCR (Oxford Cambridge and RSA Examinations), The Triangle Building, Shaftesbury Road, Cambridge CB2 8EA. OCR is part of the Cambridge Assessment Group. Cambridge Assessment is the brand name of University of Cambridge Local Examinations Syndicate (UCLES), which is itself a department of the University of Cambridge.

© OCR 2021

**Version 3**