

Pearson BTEC Level 3 Nationals

Business/Enterprise and Entrepreneurship

Unit 6: Principles of Management/
Unit 12: Principles of Management

Part B

Diploma/Extended Diploma

Additional Sample Assessment Material

Paper Reference

31588H

You do not need any other materials.

Instructions

- **Part A** will have been used in preparation for completion of **Part B**.
- **Part B** contains material for the completion of the set task under supervised conditions.
- **Part B** should be undertaken in 3 hours during the assessment period of 2 days timetabled by Pearson.
- **Part B** is specific to each series and this material must only be issued to learners who have been entered to undertake the task in the relevant series.
- **Part B** should be kept securely until the start of the 3 hour supervised assessment period.

Information

- The total mark for this paper is 88.

Turn over ►

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Instructions to Teachers/Tutors and/or Invigilators

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

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

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

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

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

All learner work must be completed independently.

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

Refer carefully to the instructions in this task booklet and the BTEC Nationals Instructions for Conducting External Assessments (ICEA) document to ensure that the assessment is supervised correctly.

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

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

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

Maintaining security

During supervised assessment periods, the assessment areas must only be accessible to the individual learner and to named members of staff

- Learners can only access their work under supervision.
- The total mark for this paper is 88.
- During any break materials must be kept securely.
- Learner work must be backed up regularly.
- Any work learners produce under supervision must be kept securely.
- Learners are not permitted to have access to the internet or other resources during the supervised assessment period.

Outcomes for submission

Each learner will submit:

- a report on management and leadership issues and styles
- a presentation on change management.

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

Instructions for Learners

Read the set task information carefully.

This session is three hours.

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

Plan your time carefully.

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

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

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

Outcomes for submission

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

- a report on management and leadership issues and styles
- a presentation on change management

A fully completed authentication sheet must also be submitted.

Set Task

You must complete both activities.

Activity 1

With reference to the information and data in the **Part A** Set Task Information, you are to prepare a report for your manager to give to the owners of *Bingham's Bakehouse Ltd*. Your report should:

- show your understanding of the management and leadership issues at *Bingham's Bakehouse Ltd*
- show your understanding of the management style issues facing *Bingham's Bakehouse Ltd*
- make recommendations on the actions that can be taken to improve the current situation at *Bingham's Bakehouse Ltd*.

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

(Total for Activity 1 = 44 marks)

Activity 2

With reference to the information and data in the **Part A** Set Task Information, you are to prepare a presentation to be given to the owners of *Bingham's Bakehouse Ltd*. The presentation must be accompanied by speaker's notes/script. The presentation should:

- show your understanding of the need to manage the forthcoming change at *Bingham's Bakehouse Ltd* to ensure business success
- show your understanding of the factors and stakeholders who will influence change at *Bingham's Bakehouse Ltd*
- recommend the actions to be taken to manage the necessary change.

(Total for Activity 2 = 44 marks)

TOTAL FOR PAPER = 88 MARKS

Part A Set Task Information

Bingham's Bakehouse Ltd

Bingham's Bakehouse Ltd is a regional chain based in North Yorkshire.

The business operates in Harrogate, Knaresborough, York and other nearby towns. The business is owned by two brothers, Jack and John Bingham, who have been managing the business since inheriting it following the death of their father in 2014. Their father set up the business in 1985. The brothers and their mother are the only shareholders in *Bingham's Bakehouse Ltd*. Each brother owns a 40 per cent shareholding.

Bingham's Bakehouse Ltd consists of a central bakery that produces bread, cakes and savouries. The central bakery supplies both part-baked and fully-baked products to their ten food outlets. Each food outlet has onsite baking facilities to fully bake the part-baked items. *Bingham's Bakehouse Ltd* food outlets offer both an eat-in and takeout service.

Between 1990 and 2012 *Bingham's Bakehouse Ltd* experienced growth in sales together with increasing gross and net profits. More recently, competition from national chains such as Greggs and Subway, and an increasing number of independent food outlets, has had an impact upon revenue and profit margins. The sales from both the eat-in and the takeout sides of the business have been hit. There is also additional competition from major retailers and the large supermarkets who offer takeout meal deals.

Bingham's Bakehouse Ltd food outlets are located in the centre of towns which are visited by large numbers of both domestic and international tourists. The tourist trade is year-round with peaks during the summer months and the run up to Christmas. *Bingham's Bakehouse Ltd* food outlets mainly cater for tourists, with opening hours from 10.00 until 16.00. *Bingham's Bakehouse Ltd* food outlets do not offer an early morning takeout service to people working in the town centres.

Jack is Managing Director of *Bingham's Bakehouse Ltd*. He is responsible for the finances of the business together with the operations of the central bakery.

John is the Sales Director, responsible for purchasing, human resources and strategic management of the food outlets. Their mother does not work in the business. Neither brother has any management experience nor business or management qualifications. Before inheriting *Bingham's Bakehouse Ltd*, John had just graduated with a degree in tourism and Jack had taught sport for three years. Jack and John make business decisions relating to their own areas of responsibility. The brothers have not developed a business strategy or a vision for the business and there are no medium- or long-term plans in place. Current business decisions tend to be reactions to competitors' activity and to other market situations.

Business performance in the last two years has been disappointing with falling gross and net profit margins and a downturn in total revenue.

The data in Table 1 is an extract of financial information for *Bingham's Bakehouse Ltd* for the years 2011–2015.

Table 1: Extract of financial information for *Bingham's Bakehouse Ltd*, 2011–2015

	2011	2012	2013	2014	2015
Total Revenue (£)	4 400 000	5 600 000	6 900 000	7 500 000	6 800 000
Gross Profit (£)	1 742 400	2 329 600	2 704 800	2 857 500	2 427 600
Gross Profit (%)	39.6	41.6	39.2	38.1	35.7
Net Profit (£)	272 800	414 400	407 100	382 500	326 400
Net Profit (%)	6.2	7.4	5.9	5.1	4.8

Since Jack and John have owned the business, the food outlet side of the business has lost a number of key staff. Information from staff leaving the business shows that they are unhappy with the power culture and management style.

Both brothers have strong personalities. Their autocratic management style is very different to the paternalistic style of their father. The brothers' lack of business and management experience clearly shows in their lack of business vision and values, strategic planning and staff involvement. It also shows in the way that they override decisions made by the food outlet managers.

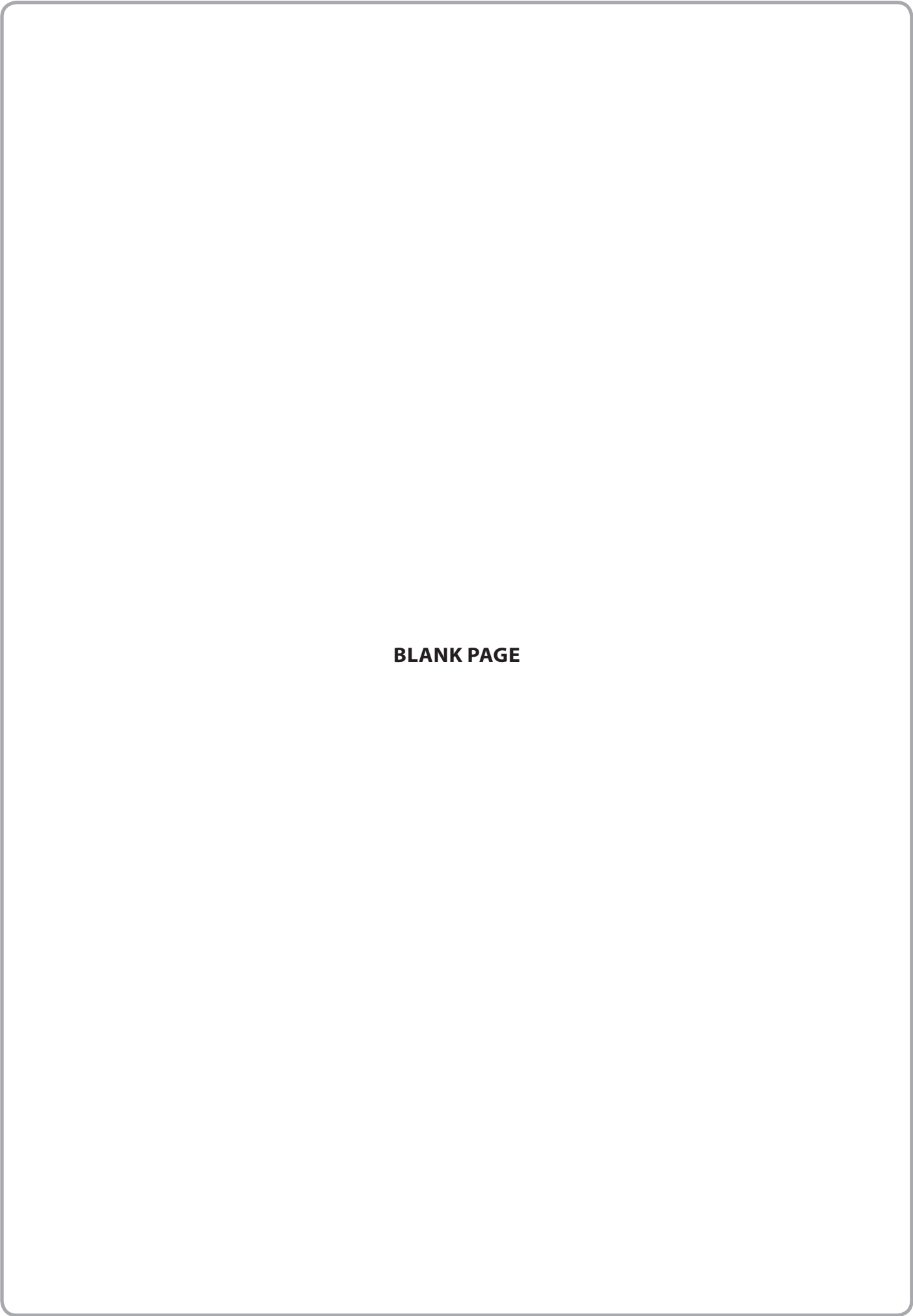
Table 2 shows staffing and staff turnover data for *Bingham's Bakehouse Ltd's* food outlets between 2011–2015:

Table 2: *Bingham's Bakehouse Ltd's* food outlets staffing and staff turnover data 2011–2015

	2011	2012	2013	2014	2015
Food outlet managers	10	10	10	10	10
Food outlet serving staff (full-time)	20	20	26	38	44
Food outlet serving staff (part-time)	36	36	36	22	10
Staff turnover of food outlet managers (%)	10	10	10	40	60
Staff turnover of overall serving staff (%)	7.14	7.14	8.06	6.66	8.14

Jack, John and their mother have held a shareholders' meeting and have decided that they need some help to address the problems the business is facing. They have approached a management consultancy firm, Peacock and Associates, to investigate and make recommendations on how the business can overcome these problems.

Jack and John understand that implementing the recommendations from the consultancy will cause a period of change within the business. They know that this change will need to be managed if *Bingham's Bakehouse Ltd* is to become successful again.



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