Chapter 16 Class Exam

Name:_____   **Score:**_____

Answer all questions
Suggested Exam Length: 40 minutes

Student Input (Pre-exam)

How confident are you about this exam?

What topic am I worried about before I look at the exam? Why?

_____

_____

What strategies did you use to study for this exam? What was the best one?

_____

_____

Which activities in class did you most enjoy for this topic?

_____

_____

Student Reflection (Post-exam)

How happy were you with your result?

What were the hardest questions? Why?

_____

_____

Is there any exam technique I should change/use again for my next exam?

_____

_____

What topics should I look over again?

_____

_____

(a) Outline two internal and two external changes that organisations encounter through their lifetime.

1.

2.

3.

4.

(b) (i) Analyse three reasons for resistance to change in an organisation.

1.

2.

3.

(b) (ii) Outline two approaches which may help to overcome resistance to change.

1.

2.

(c) Identify three practices that promote innovation and entrepreneurial /intrapreneurial thinking.
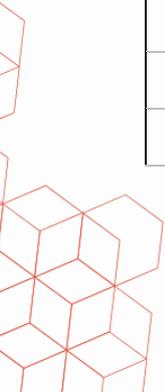
1.

2.

3.

(d) (i) Outline what is meant by strategic planning

(ii) Appreciate the importance of strategic planning as an ongoing process.

(iii) Describe the benefit of strategic planning for an organisation.

PurePulse Nutrition is an Irish protein bar company planning to pull out of retail sales in SPAR and other stores, in order to focus only on online subscription sales. The model offers steady monthly income, lower costs, and a stronger connection with loyal customers. The company has invested in a new website and digital marketing to grow sales. However, leaving retail could reduce brand visibility and make it harder for new customers to discover the product. It would also mean that PurePulse must take on more of the work once done by retailers: managing storage, packaging, and deliveries, which may require hiring extra staff and expanding its warehouse operations. Management must decide whether to go fully online or keep a smaller retail presence to balance growth and visibility.

(e) Use a Force Field Analysis to examine the potential effects of this decision on *PurePulse Nutrition*.

(f) (i) Explain the term contingency planning.

(ii) Discuss how **cost**, **time** and **risk** should be considered by a business when they are developing a contingency plan.

1.

2.

3.

Chapter 16 Marking Scheme – Total 95 marks

(a) Outline two internal and two external changes that organisations encounter through their lifetime.
16m - 4 @ 4m (2+2)

Internal changes

Leadership change
A new leader may bring a different vision or management style that changes goals, work priorities, or the overall direction of the business.

Adoption of technology
Introducing new systems or digital tools can make operations more efficient but may also require training or investment in new equipment.

Restructuring
As a business grows or adapts, departments may merge, job roles may change, or layers of management may be added or removed to improve efficiency.

Changes in workforce skills
Businesses must adapt to changes in employee skills or experience levels, such as upskilling staff to meet new technical or customer service demands.

External changes

Economic conditions
Changes in inflation, wages, or interest rates can increase costs and reduce profits, forcing businesses to adjust prices or budgets.

Competition
Rival businesses launching new products or improving quality can push firms to innovate and find new ways to stay competitive.

Legislation and regulation
New laws or government policies can affect how businesses operate, such as changes in minimum wage, data protection, or environmental standards.

Consumer preferences
Shifts in what customers value such as demand for sustainable, digital, or locally sourced products can influence how a business develops and markets its offerings.

> (b) (i) Analyse three reasons for resistance to change in an organisation.
>
> (ii) Outline two approaches which may help to overcome resistance to change.
>
> MS: (i) 15m – 3 @5m (2+3) (ii) 8m – 2 @ 4m (2+2)

(i) Fear of job loss

Employees may worry that automation, restructuring, or outsourcing will make their roles unnecessary. This fear can lead to anxiety and lower morale, as workers feel insecure about their future. If management does not communicate clearly about job security, small worries can grow into strong resistance.

Fear of failure

Some employees lack confidence in their ability to adapt to new systems or expectations. They may fear making mistakes or being judged for not keeping up with changes. This can create tension and reduce productivity, especially if training or support is limited.

Lack of trust and poor communication

When management does not explain why change is happening or fails to involve staff in decisions, employees can feel excluded or misled. Without trust, people may assume the change will make their jobs harder or less valuable, leading to negativity or pushback.

Comfort with routine

Many employees prefer familiar routines and working methods. Change brings uncertainty, and even improvements can feel disruptive. If staff believe the current system "works fine," they may see no reason to change, which slows down implementation.

(ii) Open communication

Explaining the reasons for change and how it benefits both the business and staff helps reduce fear and confusion. Employees are more likely to cooperate when they understand the purpose behind decisions.

Training and support

Offering workshops, mentoring, or resources gives staff the skills and confidence to adapt. Feeling capable and supported makes employees less anxious about new systems or roles.

Leading by example

Managers who demonstrate a positive attitude towards change set the tone for the whole organisation. When leaders are consistent, visible, and enthusiastic, staff are more willing to follow their lead.
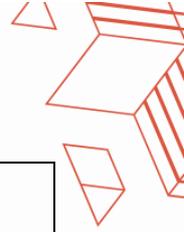
> (c) Identify three practices that promote innovation and entrepreneurial /intrapreneurial thinking.
>
> 6m - 3 @ 2m

- Encouraging employees to share and test new ideas without fear of failure.
- Providing time, resources, and training to support creative projects or improvements.
- Recognising and rewarding staff who develop new products, solutions, or ways of working.

> (d) (i) Outline what is meant by strategic planning
>
> (ii) Appreciate the importance of strategic planning as an ongoing process.
>
> (iii) Describe the benefit of strategic planning for an organisation.
>
> 12m – (i) 4m (2+2), (ii) 4m (2+2), (iii) 4m (2+2) (benefit + example)

(i) Strategic planning is the process of setting long-term goals for a business and deciding the actions and resources needed to achieve them. It provides direction and helps the organisation prepare for future opportunities and challenges.

(ii) Strategic planning must be reviewed regularly to reflect changes in the market, technology, and customer needs. Treating it as an ongoing process allows a business to stay flexible, identify risks early, and adapt its goals to changing conditions.

(iii) Strategic planning helps a business prepare/focus its resources on the long-term goals, improving decision-making and efficiency.
For example, a retailer planning to expand online can use strategic planning to prioritise digital investment and staff training, ensuring steady and sustainable growth.
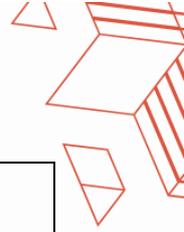
> (e) Use a Force Field Analysis to examine the potential effects of this decision on the business.
>
> MS: 20m – 2 driving and 2 restraining forces – 4 @ 4m (2+2), 4m decision

Driving Forces

Steady monthly income (5/5)

Subscription sales provide predictable revenue, helping the business plan ahead and manage cash flow more effectively than fluctuating retail orders.

Lower distribution costs (4/5)

Selling directly to customers online cuts out the need for retail distributors, reducing transport, packaging, and retail margin costs.

Stronger customer relationships (4/5)

Online sales allow the company to collect feedback, personalise offers, and build brand loyalty with repeat customers through direct communication channels.

Restraining Forces

Reduced brand visibility (4/5)

Leaving SPAR and other stores removes the product from public view, making it harder for new customers to discover it.

Loss of convenience for casual buyers (3/5)

Some customers prefer picking up a bar in-store rather than committing to a subscription, which could reduce overall market reach.

Increased operational workload (4/5)

Managing storage, packing, and delivery in-house requires more staff, warehouse space, and logistics management, increasing pressure on resources.

Decision

The driving forces slightly outweigh the restraining forces. Focusing on online subscriptions would likely improve profitability and brand loyalty, but PurePulse could consider maintaining a limited retail presence with one retailer or pop-up partnerships to have some visibility in stores for consumers while building its online model.
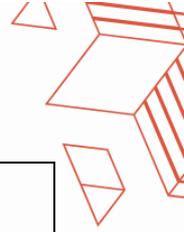
(f) (i) Explain the term contingency planning.

(ii)Discuss three factor that should be considered when developing a contingency plan.

MS: 20m (i) 5m (3+2), (ii) 15m – 3 @ 5m (2+3)

(i) Contingency planning means preparing backup plans or procedures to deal with unexpected events or crises that could disrupt a business.

(ii)

Cost

Preparing for emergencies can involve expenses such as staff training, insurance, or backup equipment. A business must weigh these costs against the potential losses that could occur if no plan is in place.

Time

Some crises, like cyberattacks or power cuts, happen without warning. A good contingency plan should be ready in advance and regularly updated so that staff know exactly how to respond immediately. There should also be steps so it can be put in to action quickly.

Risk

Not all threats are equally likely or serious. Businesses should focus on the risks that could cause the most disruption, such as loss of data, supplier failure, or fire, and prepare detailed plans to manage those events first.