

OXFORD CAMBRIDGE AND RSA EXAMINATIONS

LEVEL 4 CERTIFICATE IN MANAGEMENT CONSULTING 10331

UNIT 4 BUSINESS ENVIRONMENT

WEDNESDAY 13 JUNE 2018

CASE STUDY

INSTRUCTIONS TO CANDIDATES

You should read this Case Study thoroughly and carefully in advance of the examination. You will have 30 minutes reading time. The examinations will require you to refer to the content of the case study and your own knowledge.

Simply Orient

In the summer of 2017 Noreen Alder, a Business Studies teacher with over 26 years' experience, was made redundant. Noreen, aged 56, decided that it was time to do what she had always dreamt of doing – cooking and selling food that she adored. Noreen decided to start her own mobile street food business. She used her redundancy payment of around £16 000 as start-up capital for her new business, Simply Orient.

The mobile street food market has grown rapidly in the last decade. Where once the only mobile street food was a burger van selling cheap, greasy, unhealthy foods there is now a range of on-trend mobile street food outlets serving high quality, gourmet, exotic dishes from around the world. Some street food businesses even rival the best restaurants on our high streets, while charging only a fraction of the price.

Despite the low start-up costs, Noreen's initial investigations into how to set up a mobile street food business uncovered a few potential pitfalls. First, the rapid growth in the popularity of street food meant that competition was high, especially in terms of pricing and the quality of the food. Second, sales would be heavily weather-dependent and research carried out by UK Environmental Change Network suggests that summers in the future will be wetter due to global warming. Noreen knew that careful planning would be required if her new business was to be a success.

Noreen's research revealed that the most successful mobile street food businesses shared a common secret – good quality, unique food. It would be vitally important to carve out a niche for Simply Orient so that it could compete in this rapidly growing sector. The average customer nowadays has an 'educated palate'; primarily as a result of their foreign travels due to low-cost package holidays abroad. Simply Orient would specialise in the food on which Noreen was brought up. Her Malaysian menu would include the dish that is becoming more and more popular – Laksa; which can be served as lunch or a main course for dinner. Other less widely known Malaysian dishes such as ketupat (rice cakes wrapped in woven palm leaves), roti canai (crispy and buttery flatbread) and rojak (a vegetable tofu salad) would also be served, in order to set Simply Orient apart from its rivals.

Food safety regulations require that anybody responsible for handling and selling food must be trained. Noreen completed an online food safety training course about food storage, cooking temperatures, use-by dates, cleaning procedures, preventing cross contamination and allergen labelling. Knowledge of food safety ensured that Simply Orient achieved the highest rating of 5, set by the UK government to promote the importance of good food hygiene. A food safety officer can inspect any food preparation business without notice, at any time, to check that the highest standards of hygiene are being upheld.

Noreen had to obtain public liability insurance to make sure that the business was covered in case of injuries to the public. The business also needed product liability insurance in case the food served caused harm, for example from an outbreak of food poisoning. All gas appliances had to be installed and certified by a gas safety engineer and all electrical equipment had to be tested by a certified electrician. A risk assessment also had to be carried out.

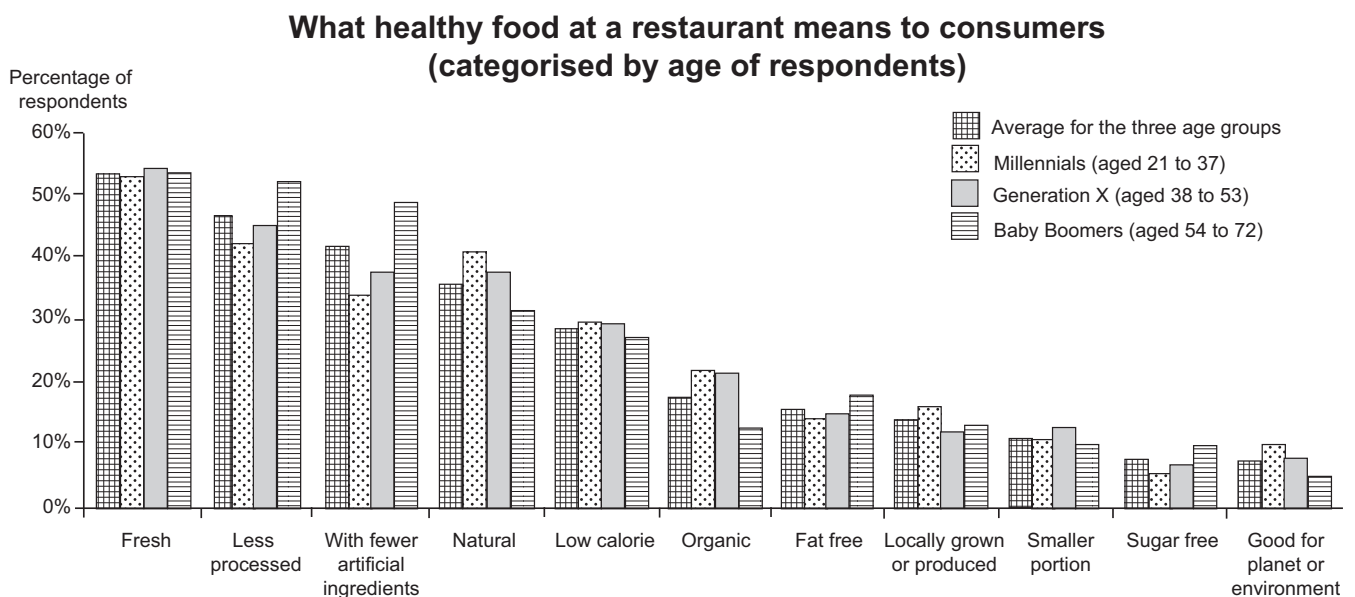
As Noreen was to be self-employed, she had to register with HMRC. In addition, 28 days before commencing trading Noreen had to obtain a trading licence from the local authority to allow Simply Orient to operate on public streets and roadsides. Once registered Simply Orient was inspected by an Environmental Health Officer to ensure that health and hygiene regulations had been observed. A certificate was then issued for meeting the standards set by the Food Standards Agency. The business eventually met all legal and regulatory requirements and began trading in early 2018.

Since then, by far the biggest challenge that Noreen has faced is the marketing of her mobile street food business. It is pointless having excellent food if nobody knows about it. Whilst Noreen had good knowledge of marketing principles, she lacked the real-life practice of creating marketing materials; especially how best to exploit social media. She had to learn how to design and create a website, a Facebook page, a Twitter and an Instagram account for her business. Getting people to 'talk' about your business is the name of the game and Noreen had a lot to learn in this respect.

Four months on, Simply Orient has secured a stall at a major food festival in London. Noreen expects sales to be high as she has gained a good number of followers on social media. With forecasts indicating that interest rates will remain low and the government's favourable fiscal policy towards small businesses likely to continue, Noreen is feeling positive about the future for Simply Orient. However Noreen is not complacent and realises that consumer trends cannot be ignored.

One consumer trend which Noreen has been investigating is the increasing popularity of healthy food. **Fig. 1** shows the results of a recent survey into what healthy food means to consumers. Whilst it is not always possible to embrace all the attributes consumers look for when eating out, Noreen believes that she must make all Simply Orient's dishes meet as many of these needs as possible. Even though she serves foreign dishes, most of her ingredients could be locally sourced, apart from the coconut products.

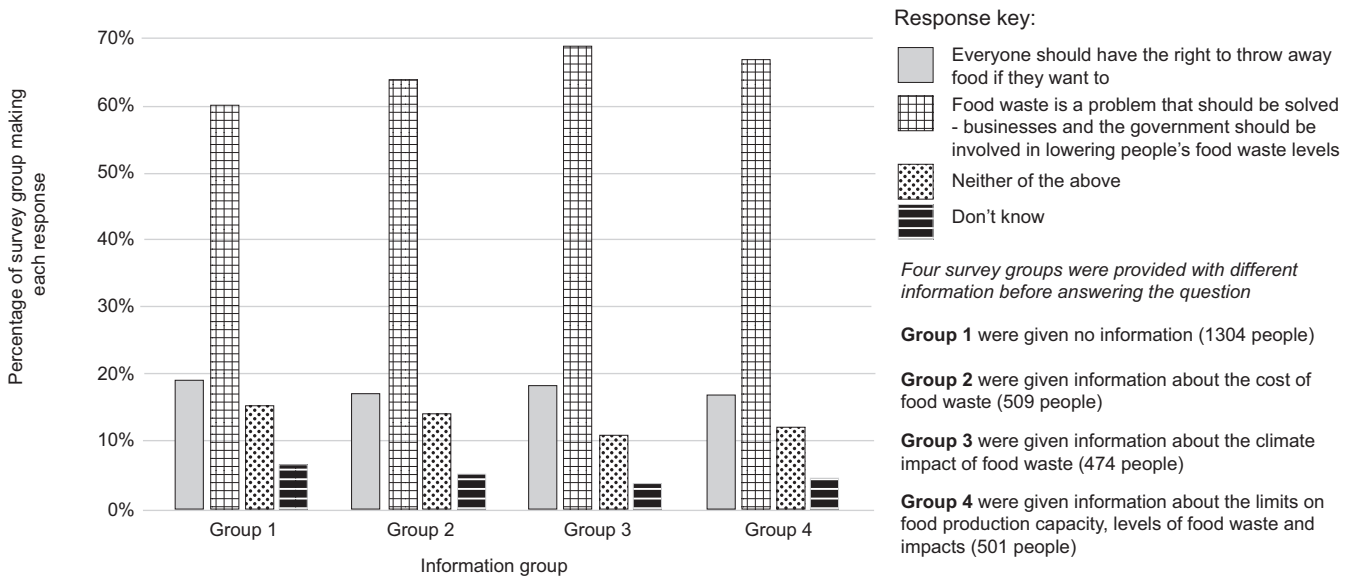
Fig. 1



Another emerging trend relates to the general public's attitude to food waste (see **Fig. 2**, overleaf). This is another factor that Noreen would like to incorporate into Simply Orient's business strategy.

Fig. 2

**Responses to the statement “Business and government should be involved in lowering people’s food waste”
(categorised by information group)**



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