

Tuesday 15 January 2019 – Morning

LEVEL 3 CAMBRIDGE TECHNICAL IN BUSINESS

05837/05878 Unit 15: Change management

RESOURCE BOOKLET

Duration: 1 hour 30 minutes

C428/1901

INSTRUCTIONS FOR LEARNERS

- This is a resource booklet.
- You should refer to it when answering the examination questions which are printed in a separate booklet.
- The business described in this booklet is fictitious.

INFORMATION FOR LEARNERS

- This document consists of **5** pages. Any blank pages are indicated.

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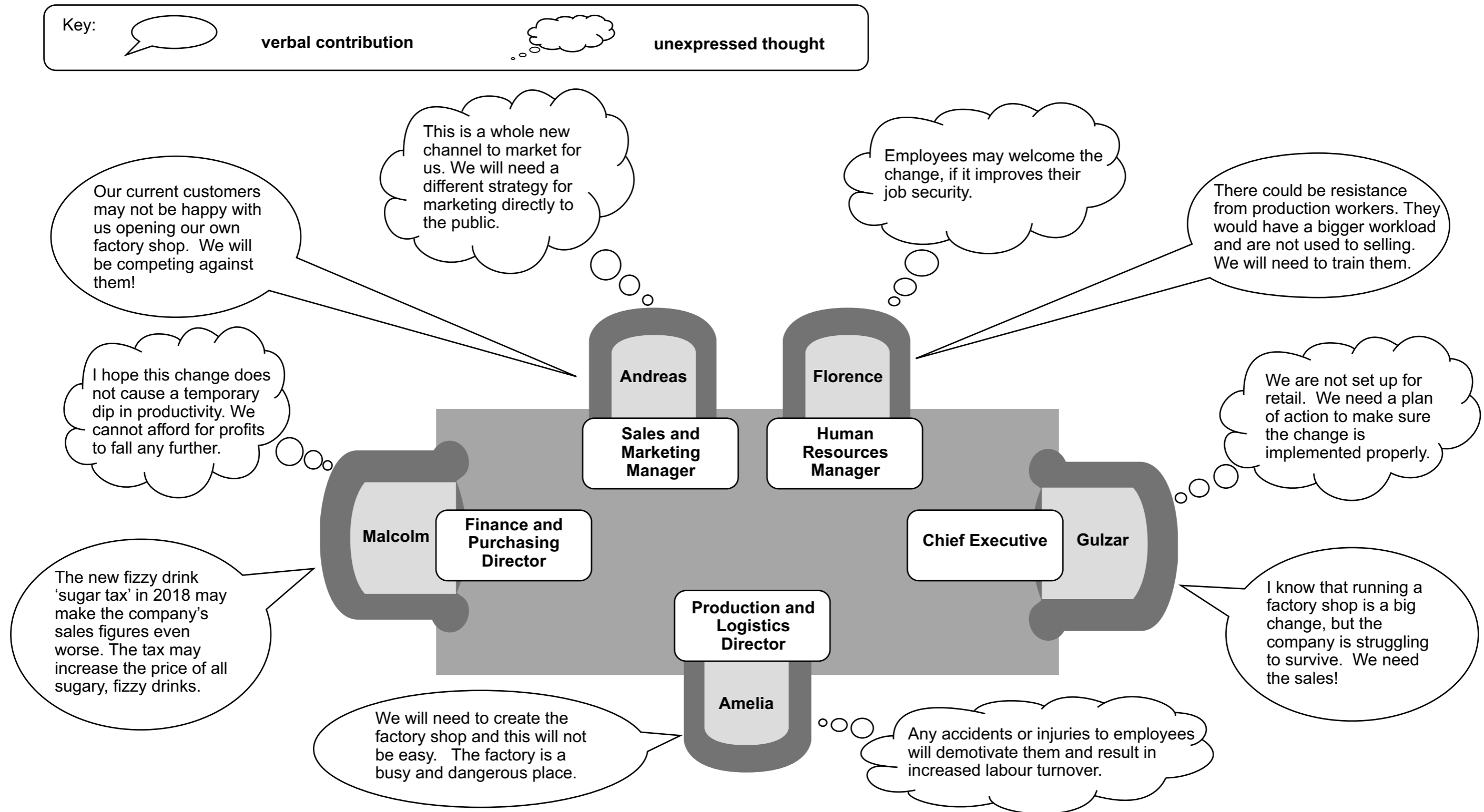


Resource 1

Citru Ltd is an established manufacturer of traditional fizzy drinks. The company is based in Derbyshire and employs 45 people. All of *Citru Ltd's* customers are businesses in the local area. Its main customers are newsagents, independent grocery stores, museums and theme parks.

Citru Ltd is currently facing intense competition from other fizzy drinks manufacturers. In addition, consumer trend data indicates that increasingly consumers are switching from sugary, fizzy drinks to mineral water. *Citru Ltd's* sales and profits are falling. As a result, in addition to supplying trade customers, *Citru Ltd* has decided to open its own, on-site, factory shop. The factory shop will sell *Citru Ltd* drinks directly to the public. The factory floor will be reorganised to create enough space for the factory shop. All 20 of *Citru Ltd's* production workers will be expected to take their turn, on rota, working in the factory shop.

An initial change management meeting has taken place. Below is a summary of the main contributions and thoughts of those who attended this meeting.



Resource 2

Citru Ltd's new factory shop has now been trading for 3 months. The following document has been put together for discussion at the forthcoming change management review meeting.

Key Performance Indicators (KPI's):			Human Resource Indicators:		
Indicator	3 month Actual	3 month Target	Indicator	Before opening factory shop	After opening factory shop
All sales	£1 800 000	£2 000 000	Labour turnover	3%	6%
Factory shop sales	£60 000	£100 000	Reported accidents	1 per month	3 per month
Production errors (as a % of output)	5%	1%	Absenteeism	2%	4%

Informal feedback from production workers after working in the factory shop:

- "I feel demotivated, forced to work in the new factory shop. I am not as focused; 'I never know what job I am supposed to be doing." **Ian**
- "We are not trained in customer service. I find the work difficult to get right, especially how to use the till." **Aisher**
- "The factory shop is next to a busy loading bay. Several employees have collided with moving trolleys and forklift trucks when walking to and from the factory shop. Thankfully no one has been seriously injured." **Jill**

Reported feedback from trade customers that stock *Citru Ltd* drinks:

- The owner of a local newsagents was shocked to hear that *Citru Ltd* is now selling its drinks directly to the public, in direct competition to him. As a consequence, he is buying cheaper fizzy drinks from another supplier, in protest.
- A small chain of convenience stores reported that sales have recently fallen for all sugary, fizzy drinks. This may be due to consumers choosing sugar-free drinks.

Informal feedback from the visiting public as they leave the factory shop:

- "I found the new shop by chance, I never knew you sold directly to the public." **Mr Oaks**
- "As a regular drinker of *Citru Ltd's* fizzy drinks I would visit your factory shop more often if the shop was less cluttered and the drinks more safely stacked." **Mrs Leimbach**



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