

**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****C428/2101****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.

**FOLD OUT PAGE****INFORMATION**

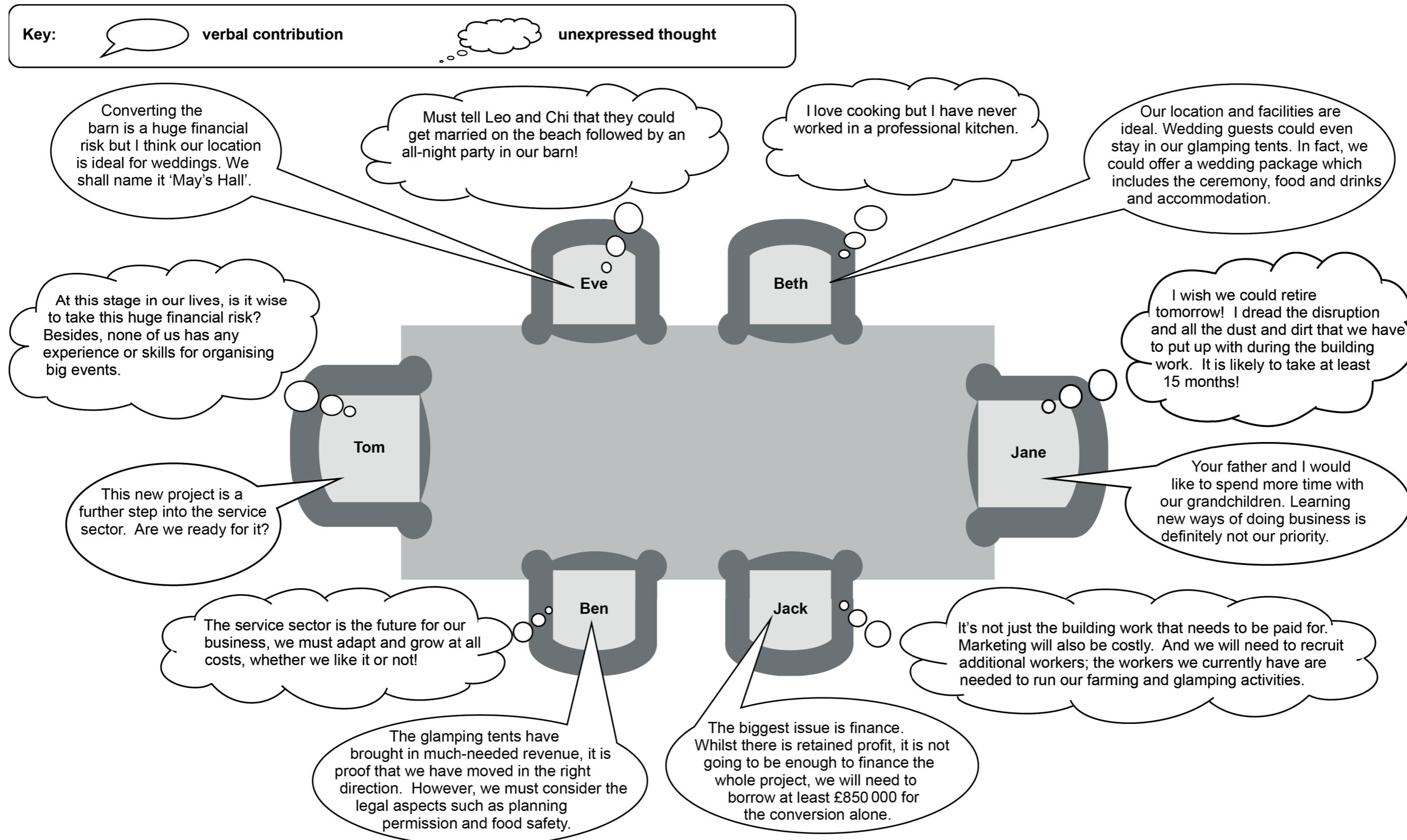
- The business described in this Resource Booklet is fictitious.
- This document has **5** pages.

### 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.



## 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%



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