



Oxford Cambridge and RSA

Tuesday 14 May 2024 – Morning

A Level Business

H431/01 Operating in a local business environment

Resource Booklet

Time allowed: 2 hours



INSTRUCTIONS

- Use this Resource Booklet to answer the questions in **Section B**.
- Do **not** send this Resource Booklet for marking. Keep it in the centre or recycle it.

INFORMATION

- The business described in this Resource Booklet is a **real** business.
- This document has **4** pages.

Dev Draper Landscaping (DDL)

Dev Draper Landscaping (DDL) was set up in 1993 as a private limited company. Dev and his wife, Emma, are the only shareholders. DDL is a premium-quality garden design and landscaping business, including garden construction and maintenance.

DDL's work is mainly for private households, although it will also work for corporate customers. Its 'design and build' projects are typically priced between £20 000 and £100 000. DDL's turnover for 2023 was £1.5m. 5

In addition to Dev and Emma, DDL employs 20 people. Five employees work in the office (which also has a storage area for materials and equipment). Two of these do design work while the others, under Emma's leadership, negotiate new projects and manage existing ones. The other 15 employees are landscapers who work on construction and maintenance. All employees are paid above the average wage for the industry. Landscapers work in teams and, although labour turnover is very low, if a team leader leaves Dev likes to promote internally. Additional casual labour is used as necessary - there are five self-employed landscapers who Dev says, "are pretty much reliant on DDL for their work". 10

Dev tries to source materials and plants locally, although this is not always possible. He has a good working relationship with his suppliers. 15

Dev has two strategic objectives for DDL:

1. Increase turnover to £2m by the end of 2025
2. Develop a 'succession plan' so that Dev becomes less involved in the day-to-day running of DDL. Currently, he is personally managing over half of the business' projects. He is intending to employ another manager, within the next year, to take on some of his responsibilities. He wants to recruit externally for this role. 20

Dev will normally only accept a project which is within one hour's drive from DDL's office. This is because the landscapers are contracted to work an eight-hour day and their driving time must be deducted from this. If work on a particular day is scheduled to take more than six hours and is more than an hour away, then overtime must be paid. All the landscapers are skilled and versatile, but the work is physically demanding, and more than eight hours work per day is not always welcomed by them, even if overtime is paid. 25

DDL's projects can be varied. Typically, following an enquiry, Dev or one of the other designers will visit a client to go through the design proposal they have been given. A design will go back and forth between the client and the designer several times. There will usually be about 30 enquiries, 10 design projects and 5 'builds' being worked on at any one time. 30

DDL is in a good financial position with no external debt or cash flow issues. The latter is due to how it invoices customers. There is an initial deposit, once a design has been agreed, and then a payment of 40% of the project's value is taken before any work commences. Invoices are then sent monthly detailing the work completed. Dev uses cost-plus pricing with a 30% mark-up. He tries to improve mark-up by taking advantage of economies of scale. 35

At the centre of the business' marketing is its website. This is regularly updated and contains details of what the business does, along with awards that it has won. DDL has a Facebook account and word of mouth is also an important source of publicity. Dev is one of about 200 fully qualified members of The Society of Garden Designers. The organisation's website contains details about its members. DDL has gained a large amount of business from this source. 40

Dev likes to be well organised and DDL's projects have always been managed to a high standard, but they are becoming ever more complex. Dev admits that when it comes to planning a project, he uses a basic spreadsheet which contains, "just a few figures showing how long the tasks involved should last". He recognises the limitations of this. Planning tools such as a Gantt chart are not used, but Dev is considering using them in the future. 45

Health and Safety considerations are a major issue. Construction design must incorporate what can be safely built and managed. Risk assessment is important, for example in the handling of heavy loads and the use of weedkillers. 50

DDL is also affected by external quality standards. These are voluntary, but certain groups of customers expect them to be followed. Whilst most customers are not concerned about, or even aware of, these standards, corporate customers usually are. Dev ensures that the company uses products and procedures which are approved by the British Standards Institution (BSI). Over time, new standards are introduced and existing ones are changed. Recently, a corporate customer insisted that DDL plant trees in accordance with BS 5837 which relates to creating a sustainable environment between new constructions and the nearby trees. 55

Another external standard Dev is aware of is ISO 9001. This is an international standard which states the requirements an organisation must maintain in its quality systems to qualify for the awarding of ISO 9001 status. 60

NB: DDL is a real business. However, to protect sensitive information, the name of the business and its owner's name have been changed.

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