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91380



Level 3 Business Studies, 2017

91380 Demonstrate understanding of strategic response to external factors by a business that operates in a global context

9.30 a.m. Friday 10 November 2017 Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of strategic response to external factors by a business that operates in a global context.	Demonstrate in-depth understanding of strategic response to external factors by a business that operates in a global context.	Demonstrate comprehensive understanding of strategic response to external factors by a business that operates in a global context.

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

There is ONE task in this booklet. You should attempt ALL FOUR parts of the task.

Refer to relevant business knowledge and/or Māori business concepts in your answers.

If you need more room for any answer, use the extra space provided at the back of this booklet.

Check that this booklet has pages 2–12 in the correct order and that none of these pages is blank.

YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.

TOTAL

	Ocean King is a New Zealand-based deep sea fishing company. All shares in the company are owned by iwi (Māori tribes) across New Zealand.
	Its major export market was Japan, where it had a large, geographically extended sales team. However, due to greater competition from Asia, demand from the Japanese market has dropped steeply. This has weakened <i>Ocean King</i> 's financial performance.
	<i>King</i> is considering merging with a Japanese company, but management wants to ler alternative strategies first.
т	ource: https://media1.britannica.com/eb-media/81/97281-004-FDB18FB2.jpg.
You bus In p	y choose to answer parts (a), (c), and (d) using <i>Ocean King</i> , or a New Zealand-registered s(es) operating in a global context that you have studied in depth. b) you must use a New Zealand-registered business operating in a global context that you
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Ocean King used funds that became available to introduce operations into Spain (Europe) in 2015. Business analysts have suggested that common reasons for becoming a multinational business are spreading risk and developing economies of scale.

(b)

Select a New Zealand-registered business operating in a global context that can be described as a multinational business, i.e. it has facilities and other assets in at least one country other than its home country.				
Name of New Zealand- registered business				
In your answer, refer to: the reason the busine	for your chosen business becoming a multinational business. ess became a multinational business ming a multinational business has had on shareholders.			

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Senior management at *Ocean King* feel strongly that their business is a New Zealand business. This includes the understanding and application of Māori culture and values across the business operations. For example, it applies kaitiakitanga to the operation of its Spanish-based fishing subsidiary.

	Maori concept definition
Ka	aitiakitanga: The exercise of guardianship, particularly in relation to natural
res	sources for future generations – not just for short-term or individual profit.
	urce: http://seniorsecondary.tki.org.nz/Social-sciences/Business-studies/Maori-business/Culture-and-values
501	urce. http://sernorsecondary.txi.org.nz/50ctar-sciences/business-studies/waori-business/culture-and-values
c)	 Fully explain ONE impact kaitiakitanga has on how the business operates. In your answer, refer to: how kaitiakitanga impacts on business operations ONE short-term or long-term consequence for profitability.

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The United Arab Emirates (UAE) is a modern and dynamic country at the entrance to the Persian Gulf. In 2016, fish and seafood sales in the UAE saw rapid growth.

Management at *Ocean King* targeted the UAE as a new export market and have hired a local sales team. They now need to develop a strategic response to possible cultural

intelligence concerns between the local team and the four New Zealand managers leading the initiative.

Image source: http://www.uaeinteract.com/news/article_pics/uae-54356.jpg

(d) Evaluate a strategic response that a business could implement to minimise cultural intelligence concerns between the New Zealand workers and new team members based in the export market.

In your answer:

- state the strategic response, and explain why this is a business-wide reaction at multiple levels (at least TWO of size, scope, and timeframe)
- fully explain ONE positive impact and ONE negative impact of the strategic response
- provide a justified conclusion, including any new information, as to the likely success of the strategic response.

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