



Rewarding Learning

**ADVANCED**  
**General Certificate of Education**  
**2024**

Centre Number

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Candidate Number

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# Business Studies

Assessment Unit A2 1

*assessing*

Strategic Decision Making



**[ABU11]**

\*ABU11\*

**TUESDAY 21 MAY, MORNING**

## TIME

2 hours.

## INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number in the spaces provided at the top of this page.

**You must answer the questions in the spaces provided. Answer all questions.**

**Do not write outside the boxed area on each page or on blank pages.**

Complete in black ink only. **Do not write with a gel pen.**

## INFORMATION FOR CANDIDATES

The total mark for this paper is 90.

Quality of written communication will be assessed in Questions **2, 3, 4** and **5**.

Quantitative skills will be assessed in Question **4**.

Figures in brackets printed down the right-hand side of pages indicate the marks awarded to each question or part question.

Any workings should be clearly shown since marks may be awarded for partially correct solutions. You may use a calculator.

This paper is accompanied by a Case Study Booklet.

## ADVICE TO CANDIDATES

You are advised to take account of the marks for each part question in allocating the available examination time.

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For Examiner's use only	
Question Number	Marks
1(a)	
1(b)	
2	
3	
4	
5	

<b>Total Marks</b>	
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Examiner Number

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## **Business Studies**

Assessment Unit A2 1

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Strategic Decision Making

**[ABU11]**

**TUESDAY 21 MAY, MORNING**

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**CASE STUDY**  
**BOOKLET**

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Read the following information and answer Questions 1 to 5 in the question and answer booklet.

### Barclay Communications Ltd (Barclay Communications)

Barclay Communications is the largest information technology (IT) and locally owned Northern Ireland telecoms firm. Barclay Communications has been helping businesses stay connected for more than two decades. The business began as a single mobile shop selling phones, tablets, SIM cards, tariffs and accessories to consumers. It expanded its product portfolio by moving into the Business to Business (B2B) sector, which has increased its market share by 50% over the past 10 years. It quickly established itself as a reliable and trusted business telecommunications supplier, creating partnerships with some of the industry’s biggest names. It has more than 11 000 customers across the UK, but its focus has remained unchanged to help businesses connect in a better way.

In November 2017, BT announced that the traditional phone systems would no longer operate after December 2025. The impact of this meant that Barclay Communications has had to expand its product portfolio to have new communication alternatives such as VoIP (Voice over Internet Protocol). VoIP software allows businesses to communicate with anyone over the internet, which brings many benefits to small businesses. Within the business industry, the need to communicate with colleagues, customers and teammates on a regular basis is essential. Barclay Communications is at the forefront of developing new methods of technology to help improve communication to all stakeholder groups.

The Finance Director, Ian Murray, has considered how Kaplan and Norton’s Balanced Scorecard could be used in the business, as summarised in **Table 1** below:

**Table 1: Barclay Communications Balanced Scorecard**

	Examples
<b>Financial</b>	Growth in 5G market share. Increase sales revenues, from £750 m to £780 m.
<b>Customer</b>	Impact of technology – investment of £1.2 m in customer support packages to provide after-sales support and training.
<b>Internal business processes</b>	Efficient logistics and supply chain management, including partnerships with key industry names.
<b>Learning and growth</b>	Staff development scheme – leader and expert in business mobile, landline and IT software. Store manager development programme.

Barclay Communications' main objectives are:

- To strive to be a recognised leader and expert in business mobile, landline, IT and workforce management software, which will lead to growth.
- To focus on developing long-term partnerships with its clients by simplifying technology and delivering an exceptional customer experience, which will lead to long-term survival.
- To use a consultative approach, to strive to find the most innovative, bespoke and cost-efficient communication solutions that help its clients grow and excel in their own fields, leading to improved corporate image.

There are a number of external factors that influence Barclay Communications achieving its main objectives; these include:

- Competition from rival firms Radium, Welcom and Yellowcom. Barclay Communications provides all-in-one communication solutions to keep businesses responsive and dynamic; its speciality is customer service alongside an experienced team of staff that are dedicated to managing all customer enquiries, giving them a competitive edge over their rivals.
- Research and development costs into the latest technology to keep ahead of competitors.
- The state of the economy, which refers to issues outside the business's control that are likely to affect performance and the achievement of business objectives. Rising inflation and interest rates have affected consumer spending over the past number of years.

Barclay Communications has a very detailed contingency plan to protect customer data in an event of a data breach. Barclay Communications has taken several proactive decisions to implement controls:

- Additional passwords on work laptops and PCs to provide further security to help protect against hacking.
- Data protection – data is backed up and stored offsite to allow for the restoration of information in the event of data loss.
- Cybercrime – it has a secure destruction process to ensure that sensitive information is properly disposed of and cannot be easily restored in the event of theft.
- It has two offices, both of which have capacity to hold all staff. In the event of a data breach in one office, they can use the other. The IT systems are backed up remotely and therefore can be accessed from either location.

Barclay Communications has won multiple awards for its dedication to customer service. It has recently invested £1.2m to showcase its dedication to customers. The aim of the new investment is to ensure that customers have a full communications package with unbeatable aftersales support and training. This investment of £1.2m helps achieve the objective of developing long-term partnerships with clients.

Before proceeding with the investment of £1.2m the management team had to take into consideration a number of qualitative issues.

Qualitative issues include:

- Technical – introduction of VoIP technology. VoIP technology means it is much easier to make calls and connect to every person within an organisation. As a modern tool, it provides more than just a phone service – a VoIP system usually offers other advanced features, such as built-in SMS messaging, voice mail, video calls and caller IDs, compared to traditional landline phone systems. Businesses might invest in the most up-to-date equipment, which might improve productivity, but in turn may lead to staff redundancies and increased training costs. This may create unfavourable press speculation, and force the business to reconsider or postpone such investment plans.
- Uncertainty – a business might not be able to proceed with a planned project if the funding is not available from the business’s own retained profit or from a bank loan. Currently, bank interest rates are fluctuating, therefore most businesses are postponing investment plans due to the rising energy costs, wage increases, rising inflation and uncertainty within the economy.

Susie Megahey, Business Improvement Director drew up a Boston Matrix (**Fig. 1** below) to help with product positioning and key business decisions within Barclay Communications.

	High market share	Low market share
High market growth	<p><b>‘Stars’</b></p> <p>WorkPal Broadband</p>	<p><b>‘Question marks’ or ‘Problem children’</b></p> <p>Mobile broadband VoIP</p>
Low market growth	<p><b>‘Cash cows’</b></p> <p>Business mobile</p>	<p><b>‘Dogs’</b></p> <p>Calls and landline (phone systems)</p>

**Fig. 1: Barclay Communications Boston Matrix**

Barclay Communications’ product ranges include business mobiles, landlines and IT services. It also offers a workforce management solution through its sister company WorkPal. The management team has identified WorkPal as a ‘star’ product and hopes, with continued investment, that it may become a ‘cash cow’. Customers can come to Barclay Communications with an issue and have a solution all under the one roof. The management team is also of the view that traditional phone systems are now its ‘dog’ product. In a similar vein, the management team of Barclay Communications has identified VoIP as its ‘question mark’ product in its product range along with ‘mobile broadband’.

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