Question 1 (6 marks)

(a) How are the operations of a business interdependent on ONE other key business function?

A business's operations are independent of the key business function. Human resources

are relied upon by a business's operations as they are considered a transforming resource and management of HR is essential to achieve efficient and effective operations. Human resources may also need to be managed and trained in specific ways such as specialization.

(b) Explain how using the strategic approach to differentiation of a good/service
can impact upon a business' performance objectives.

Differentiation is a strategic approach which is aimed at providing consumers with a unique or a wide range of products and services, differentiating from competitors. This approach may impact a business' performance objects, particularly quality and customization. Customization may be impacted as goods/services can differentiate on quality and can provide consumers with more dependable and higher-quality products. Customization may be impacted on if the business aims at differentiating with a unique and customized product.
Question 1 (6 marks)

(a) How are the operations of a business interdependent on ONE other key business function?

Operations and marketing are mutually interdependent. Marketing provides research and decisions regarding what consumers desire for their firms' products. Operations must also inform marketing of volume, capacities, and production flexibility.

(b) Explain how using the strategic approach to differentiation of a good/service may impact upon a business' performance objectives.

The operation strategy of differentiation involves creating a product unique in the market through extra or unappreciated features or better quality. This often involves higher quality inputs, increasing cost to the firm as well as more care reducing the speed of production. A differentiated product will often be more dependable and of high quality, generally increasing consumer expectations.
Question 2 (10 marks)

"Solarite" is a company that uses leading edge technology to produce Australian made solar panels to provide alternative energy sources for major TNC's. They rely on government assistance although have faced recent scrutiny from the public due to high costs and the time taken to repair products under warranty.

(a) Describe THREE influences that have impacted on SOLARITE.

Influence 1. Technology has had a significant impact on Solarite. Solarite have produced their products using leading edge technology, which is more advanced and innovative technology available. Technology has allowed them to produce more advanced products efficiently.

Influence 2. Environmental sustainability has also impacted Solarite as their business is based around the sustainable use of energy. It has influenced the business as Solarite has based their product around using energy in a sustainable way so that future generations have access to the same resource.

Influence 3. Quality expectations have impacted Solarite. The company has faced problems with the repair of products as they have failed to meet and sustain the expectations of consumers. The company may need to reassess their quality management to reassure that customer expectations of quality are been met by the products.
Question 2 (continued)

(b) Discuss the impacts for business of embracing corporate social responsibility?

Embracing corporate social responsibility generally has a positive impact on businesses. Corporate social responsibility is the business's efforts based on respect for people, the community, and the broader environment. Developing a good CSR involves doing more than the minimum legal requirements and demonstrating a responsibility for the community. Businesses who develop a good CSR can develop a strong reputation among their consumers. This can lead to the development of a greater customer base and ultimately lead to improved sales and greater profit. Although embracing CSR is more beneficial for a business, it can bring about a range of various costs as business's may have to change and adopt new practices and procedures to develop corporate social responsibility.

End of Question 2
Question 3 (10 marks)

Wong Tong Noodle Bar Pty Ltd is a restaurant that has made a decision to cook their meals directly in front of the customer rather than behind kitchen doors. They believe that they might develop a competitive advantage over their competitors using this approach.

(a) Distinguish between transformed and transforming resources and provide an example of EACH in the context of the stimulus above.

Transformed resources are inputs into the operations...HTML...
are changed... etc. in the transformation process...

Transfornad resources includes raw materials... in this case, noodles, ingredients, etc. For Wong Tong, maybe a recipe, which is converted into a meal...pasta, etc., where...change...

After entering the machine...

Transforming resources are inputs into the operation process...HTML...
do not change or convert in the transformation process. Transforming resources include human resources such as the chef and...

Societies like the machine, blender, and equipment used to cook the noodles.
(b) Identify which influence on the transformation process is most relevant to Wong Tong's decision to cook in front of the customers and explain ONE implication this decision may have on the operations process.

Identify Influence: [Student's response]

Explain Implication: [Student's response]

(c) Define the term warranty and explain ONE potential benefit to a company that decides to issue one.

A warranty is a legally binding guarantee, provided by the business, which states that the good or service will meet certain standards or obtain certain attributes. One potential benefit a company may get from issuing a warranty is a larger appeal to customers. When customers see a warranty on a product, it increases their confidence in the business and makes the product more attractive to customers. The benefit to the business is an increase in sales and revenues.

End of Question 3
Question 4 (14 marks)

Stig is an operations manager at a furniture manufacturer in Melbourne. They have been selling uniquely designed, contemporary furniture in the global market for two years, with strong sales particularly in the United Arab Emirates. However, all inputs are sourced in Australia. The business has recently suffered a loss of market share as a new competitor from Brazil now offers similar unique furniture at a cheaper price and with faster lead times.

(a) Describe TWO operations performance objectives that Stig should aim to achieve given the influences on the business.

One performance objective Stig should aim to achieve is the speed of operations. Speed increases allow the business to produce goods faster from the line. Once an order for the furniture has been made, therefore increasing the competitiveness of Stig’s lead times against the competitor. Stig should also aim to achieve cost as a performance objective. Stig can take necessary action to run operations as cheaply as possible. This allows Stig to reduce the cost to consumers of his products while still retaining a similar profit margin. Thus increasing his cost competitiveness against the competitor & increases his market share.
(b) Discuss the use of outsourcing for Stig's business.

Some benefits of outsourcing for Stig's business would be quality, cost, and the ability to focus on core business operations. Outsourcing refers to the engagement of an outside business to perform non-core business operations. For Stig, this can increase the quality of his goods and services as he can control his own production, often more specialized. It can also reduce running costs & labor costs, which increases profit. However, outsourcing can lead to loss of control of business operations, for example, the quality of the work as well as a loss of important security information in operation of Stig's business.

(c) Analyse how the strategy of quality management assists businesses to sustain a competitive advantage.

Quality management refers to a business conducting the strategy of assurance, control, & improvement to ensure the functionality, durability, & consistency of its goods & services. Setting quality standards through the use of quality assurance, taking corrective action on discrepancies, & planned quality standards through checks & inspections, through control & employing strategies such as TQM to continuously improve will greatly affect a business's competitive advantage. High-quality outputs & processes mean there is a lower failure of service & costs incurred, therefore improving the efficiency & reducing production & expenses of the business, allowing the business to maintain a competitive advantage by competing on cost. Effective quality management will also lead to a smaller number of defects, sold to the customer, & higher standards products generally. Therefore, better satisfying consumer quality expectations & improving the reputation of the business leading to increased sales & repeat sales & therefore a competitive advantage.