

AQA

Business Studies

Units 2 and 3

Case Study for June 2005

Chinatown

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6 April 2005

Fight a wolf with a flex stalk

Chinese Proverb seen on the wall of the Jack Lisle restaurant

Introduction

This Case Study analysis is divided into SIX parts. Each section will be released over the next SIX days - with the first section being free.

The approach taken is to provide the teacher with a set of 'teaching tools' that will allow easy delivery of the Case Study, the aim being to ensure maximum class participation and learning. We do not provide answers: we do provide questions and the means of encouraging pupils to ask even more.

Therefore each day's 'release' will deal with a section of the Case Study in a fashion that will allow instant application by the teacher.

If you are someone studying by yourself then you could still follow the ideas here: but you'll have to be your own critic!

As my Chinese students say: "*Remember the SKILLS formula: Simply Keep It Logical and Lelevant!*" (*Apologies to any Chinese readers...*)

***Bonus Part:** There will be a role playing exercise that will stimulate discussion when Part Six has been issued.*

The approach

The approach of this analysis is take a pupil/group of pupils' summary, comment on the summary, suggest an alternative and then develop questions and links from there. In addition 'curious' areas or 'controversy' or 'some things to be considered' will be highlighted.

The aim of all this is to encourage pupils to THINK because when the examination comes regurgitation of someone else's expertise will only gain you marks if the question is appropriate. However, develop your own questioning skills and you'll be able to develop your own insights and answers.

The format of this analysis is on landscape paper to allow for frequent jottings as pupils work through what follows.

Section D: Making it happen

On 6th AND 7th of May I am running a two day revision course at London Nautical School:

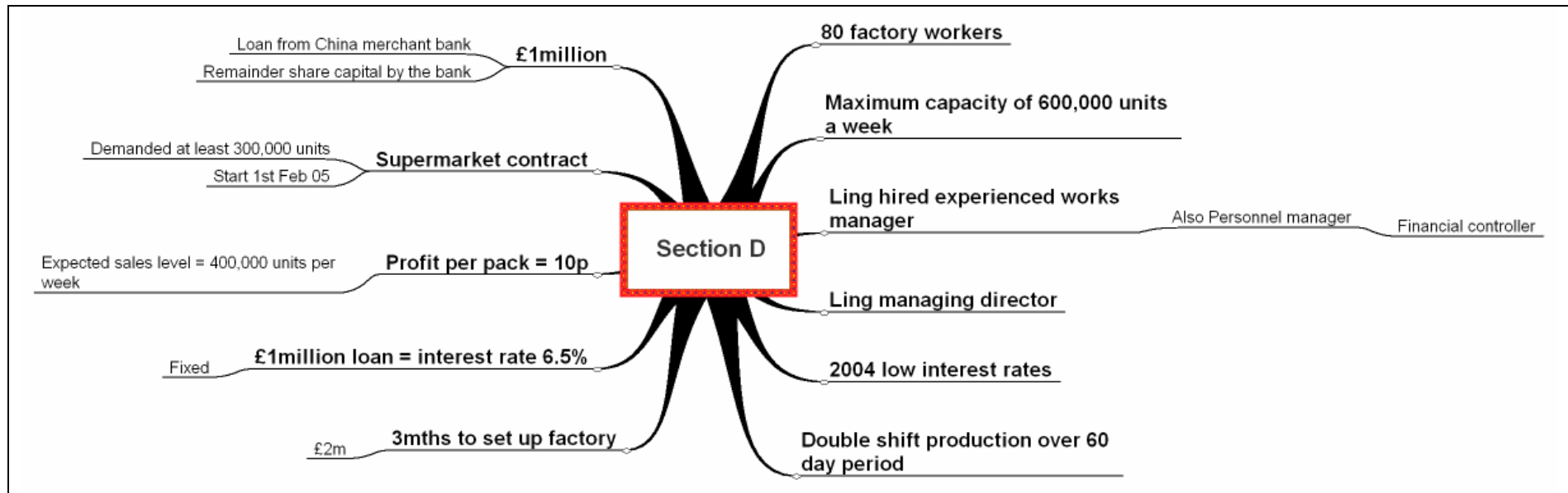


Source: <http://www.lns.org.uk/>

The two days will be spent going over the Case Study, line by line, looking at questions, themes and having discussions. Some of the discussion will be based on the following ...

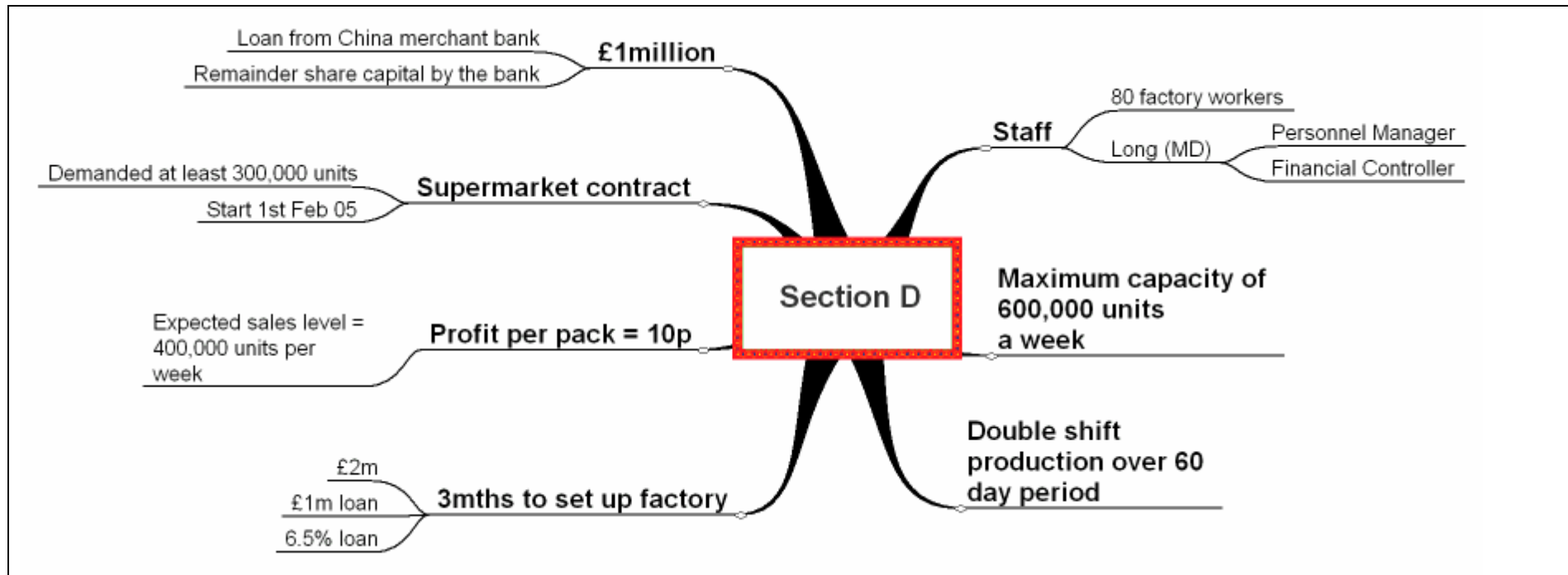
One of the things we will be doing will be to Mind Map various areas of the Case Study for discussion. Even though Mind Maps are included here in this analysis, it always helps if pupils create (and explain) their own. This analysis is a catalyst for discussion not a solution. Pupils that can think, that can discuss and can arrive at their own solutions are far more likely to progress in business Studies than those that simply regurgitate a 'package' photocopied and handed round.

There: rant over. Now onto the Mind Maps!



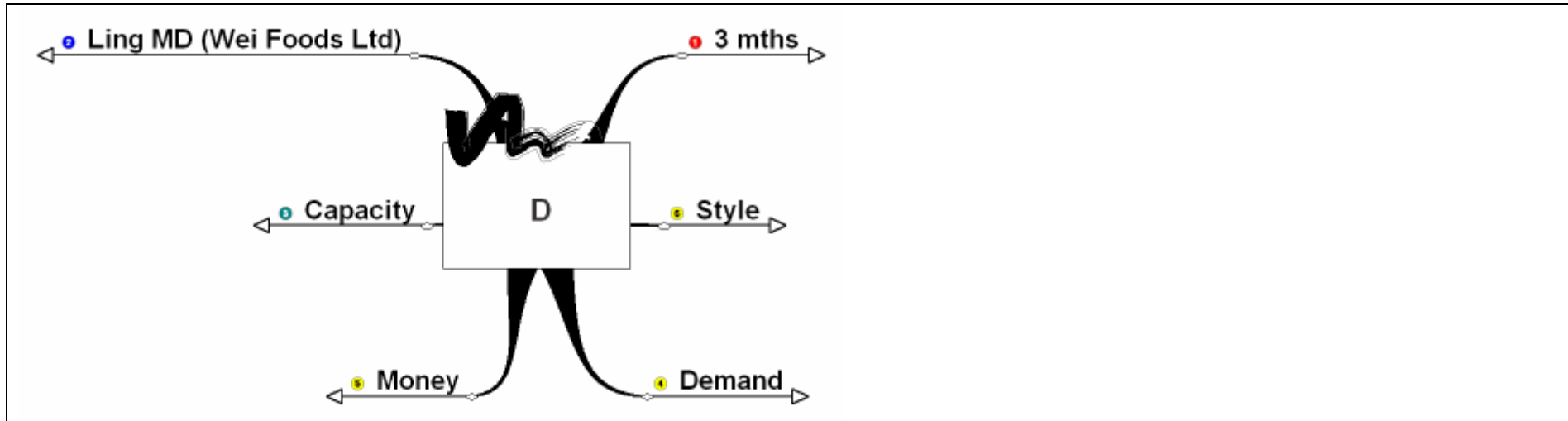
Comments

The above map is exactly how it was drawn. Even a few simple changes/modifications would be an improvement. See below how simple changes make even an unplanned map 'seemingly' clearer:



Comment

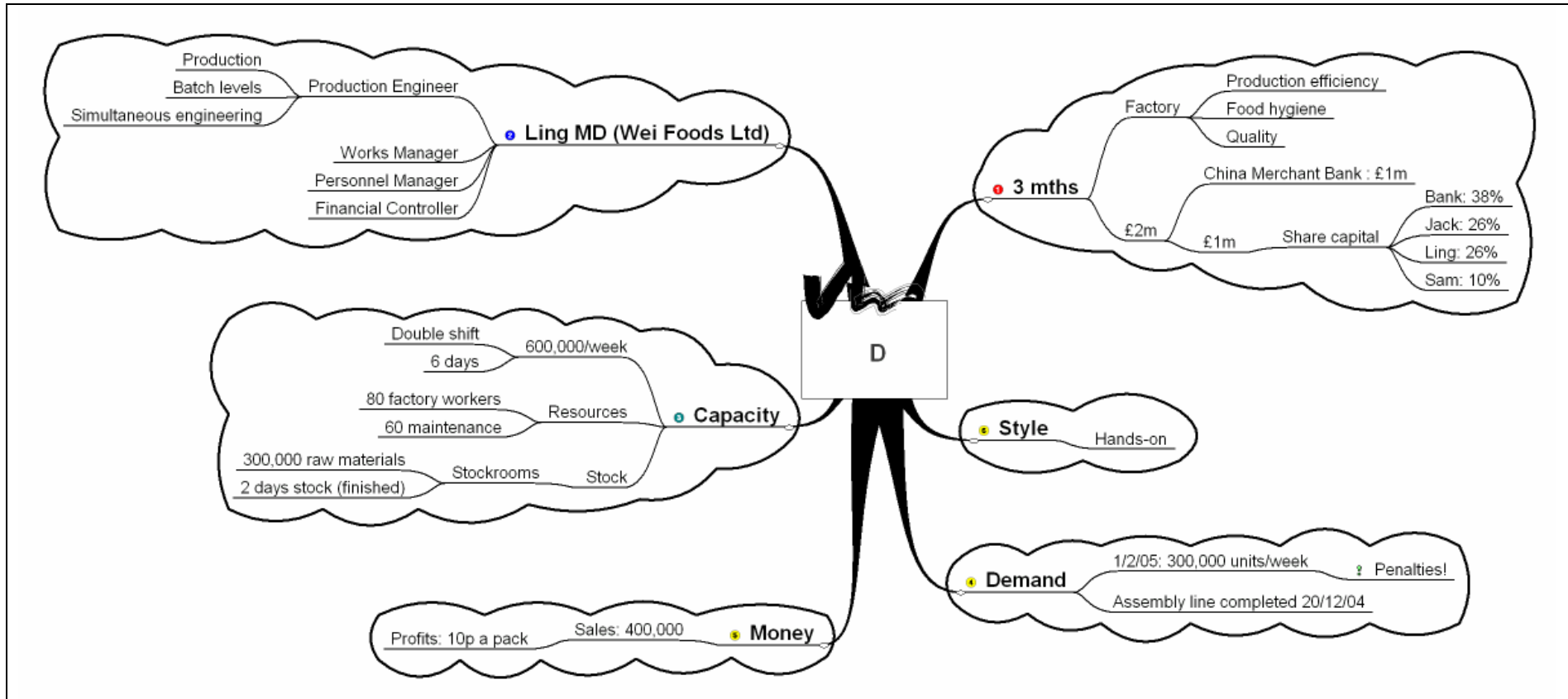
This way ideas are not repeated. It is still not ideal as there is more grouping to be done: but this should be done at the planning stage whereas I am trying to do it 'after the event' i.e. after the Mind Map has been drawn. As an idea why not draw your own Map based on the following 'starter:



Comment

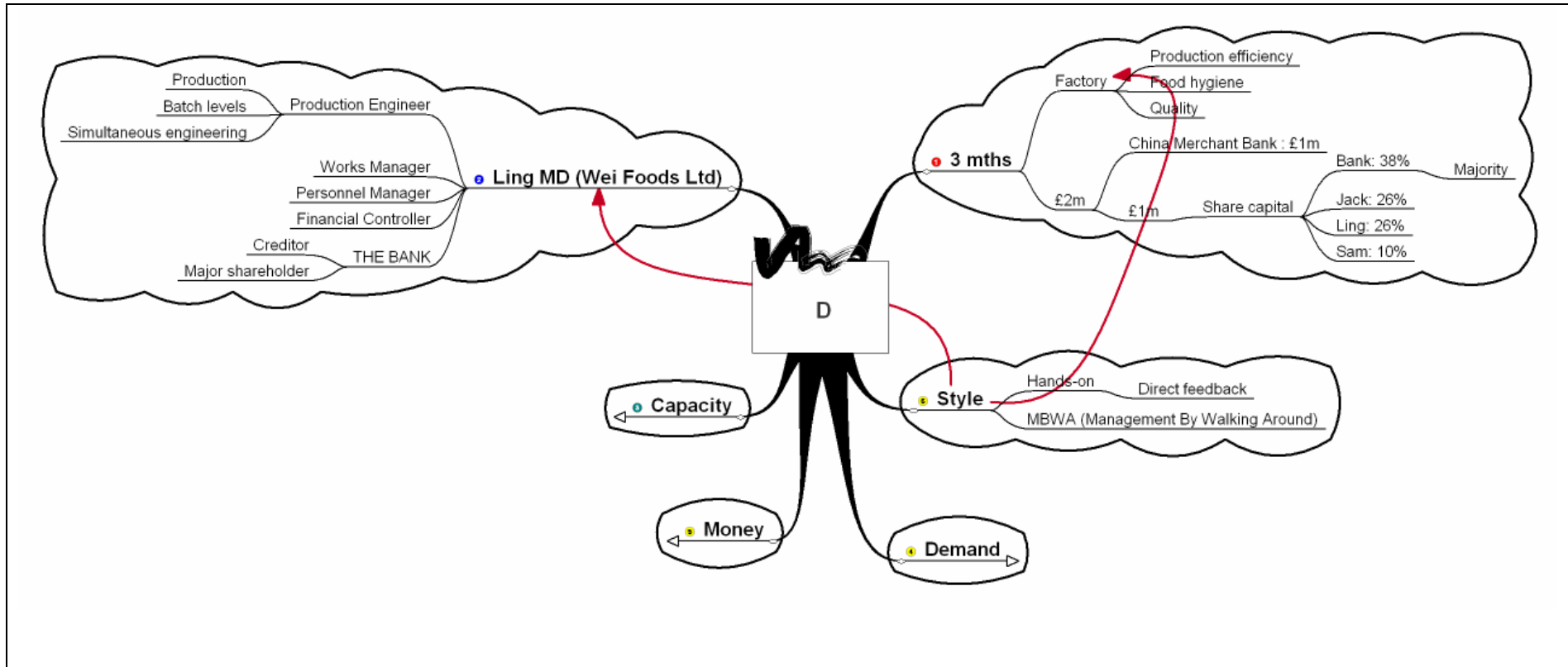
You may care to amalgamate Style with Ling (MD). Try handing the above out and see what your pupils come up with!

They may come up with....



Comment

It may be a useful exercise to just take extracts from the above and expand on and/or show links.... ONE example only, is below:



Comment

The above is simply an example: far better to use this as a starting point only and then encourage pupils to develop their own! An alternative is to split the class into groups and put A2 paper on the wall: pupils then create their own expansions.

Now we will look at each section and relate the syllabus to the section and vice versa....

1. 3mths to set up the factory

Topic	Module2	Module 3
2 months to set up		Business planning, finance
Combination	Productive efficiency (including HRM and motivation)	

2. £2m to set up the factory

Topic: branch	Module2	Module 3
Source of finance	Accountability (shareholders)	Interest rate: 6.5% ; stakeholders
'Looked affordable'		Cash flow; finance

3. Ling is MD

Topic: branch	Module 2	Module 3
Ling MD	Management style	

4. Production Engineer's Plans: 600,000 capacity

Topic: branch	Module 2	Module 3
Capacity 600,000	Capacity utilisation	Business cycle?
12 shifts a week	Productivity - theorists	Technological change?

5. Stockrooms

Topic: branch	Module 2	Module 3
Storerooms	3 days stock: stock control	
	2 days stock: stock control	

6. Supermarket demand

Topic: branch	Module 2	Module 3
Supplies of 300,000 a week	Capacity utilisation	Market conditions
		Factors affecting demand

7. Installation of machinery and equipment

Topic: branch	Module 2	Module 3
Assembly line	Simultaneous engineering	finance

8. Appointment of staff

Topic: branch	Module 2	Module 3
Hiring of staff	Decentralised structure?	stakeholders
	Organisational hierarchies	
	Span of control	
	Delegation and consultation	

9. Continued - staff

Topic: branch	Module 2	Module 3
Mid-January all staff	Management style	Stakeholders; Health and Safety legislation
	Japanese management: waste (<i>mura</i>)	
	Quality control	

Notes:

The above is derived from slowly going through Section D. An alternative approach is to base it on the key branches in the Mind Map.

Now for some discussion!

1. What is the China Merchant Bank getting out of this? Does it have too much power? What risks is Ling running?

Your comments:

2. Look at the allocation of shares. Is this a recipe for conflict? Who is in charge? What do shareholders get out of Wei Foods Ltd?

Your comments:

3. How much is output per head?

Your comments:

4. With reference to Maslow, Taylor etc how may productivity be improved?

Your comments:

5. Are there any problems in holding stock? How were the 2 days and 3 days decided on? Why not have both at 2 days or both at 3 days?

Your comments:

6. Production and batch levels have to be matched to demand by the supermarket. What factors might affect that demand?

Your comments:

7. Ling has one customer only. Thinking ahead, what should she be doing?

Your comments:

8. Comment on: “The basis of managing time on a project is simultaneous engineering”. (Have a read of this FT article: <http://www.pocketmanager.com/index.jsp?action=previewFocusOn&newsletterID=33>))

Your comments:

9. Outline a procedure to reduce waste?

Your comments:

10. Organisation charts: their disadvantages?

Your comments:

Some things to consider

- ✓ 6.5% interest rates! Is the China Merchant Bank exploiting Ling? And if so what does this say about Ling's financial acumen? Look at Tables 1 & 2: no 6.5%
- ✓ The Bank has 38% of the shares. How much power is that? Are there any other sources of control/power that the Bank has?
- ✓ 80 factory workers. Is that 40 a shift? Why 2 shifts: why not 3 or is that an option for the future if capacity is exceeded?
- ✓ Ling is dealing with 'customer service' ...so who is dealing with Marketing?
- ✓ The profits are 10p a pack. What calculations would have been made to arrive at the 10p?
- ✓ There is over-dependence on the one supermarket. Is this a major strategic flaw?

Conclusion

The above merely provides some ideas as to how to approach this Case Study, Section D. In no way are the mind maps here supposed to be the ideal: the ideal is a mind map drawn by YOUR pupils and fully understood by them. You are urged to visit www.osl-ltd.co.uk and <http://www.duncanwil.co.uk/> and browse through the extensive resources there. Also: why not book a conference at: www.oxford-conferences.com ?



Everyone applauded the Production Engineer...