Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/42**

Paper 4 Business Strategy **May/June 2024**

1 hour 15 minutes

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You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **all** questions.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **4** pages.

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Clean Arena (CA)

Nala lives in country P. She left school in 2014 and started university in city A to study Business. In her first year she joined CA as a part-time cleaner. CA is a large business that cleans offices. When Nala graduated in 2018, she tried to find a management job while still working as a cleaner. As country P's economy was in recession, there were no suitable vacancies available. Fortunately, the owners of CA offered Nala the post of Operations Manager. She accepted and became a full-time employee.

Timeline of CA

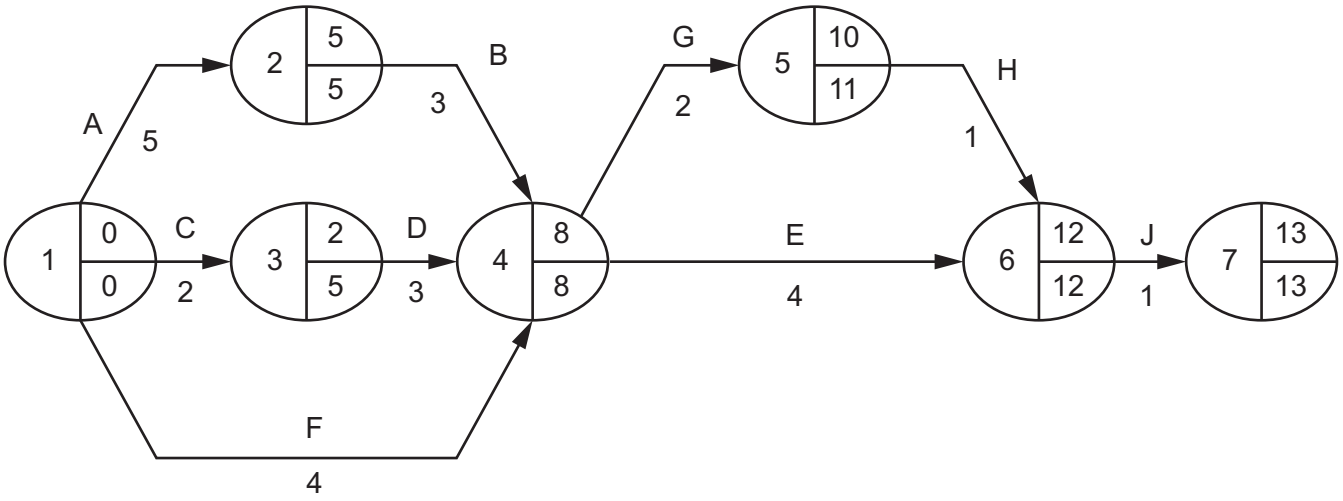
2019	Nala is employed as Operations Manager.
2020	Nala recommends that CA should open a new branch in city Z. She believes the new branch could open in 10 weeks. Nala uses a network diagram to plan the opening (see **Appendix 1**). Nala is given responsibility for the management of the city Z branch.
2021	Nala implements lean production in the city Z branch (see **Appendix 2**).
2022	Nala introduces a new customer services artificial intelligence (AI) system (see **Appendix 3**).
2023	The owners of CA are concerned about the performance of the city Z branch. They ask Nala to produce a comparison between the operations of the city Z branch and the city A branch (see **Appendix 4**).
2024	The owners of CA close the city Z branch and make Nala redundant.

Developing a corporate plan

CA offer Nala the opportunity to buy the city Z branch at a very low price. However, to gain finance from a bank, she has been asked to create a corporate plan for the future of the city Z branch.

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Appendix 1: Network diagram used by Nala for city Z branch in 2020



Activity	Task	Duration (weeks)
A	Secondary market research of cleaning market in city Z	5
B	Primary market research of city Z target customers	3
C	Advertise for employees in city Z	2
D	Recruit and select employees in city Z	3
E	Advertising of CA in city Z	4
F	Find a suitable location in city Z	4
G	Setup office in city Z location	2
H	Open office in city Z	1
J	Bookings taken for cleaning jobs in city Z	1

Appendix 2: Lean production methods implemented by Nala at city Z branch in 2021

- Kaizen is introduced throughout the city Z branch.
- All cleaners are assigned to a quality circle, with each quality circle to include eight cleaners and one manager.
- A target to ethically recycle 90% of customers' waste.
- Inventory of cleaning materials ordered on a just in time (JIT) basis.

Appendix 3: Local news article in city Z about CA's AI system in 2022

Cleaning firm CA has made the majority of its customer service operatives redundant. The company has replaced these workers with a new 'chatbot' system that uses an online database to respond to customer needs. The system can book appointments, answer customer queries and even take complaints, most of which have been about the chatbot itself. A spokesperson from a local business which is a customer of CA is quoted as saying 'when you replace people with computers you might save money, but it's the customers who suffer.'

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Appendix 4: Comparison between the operations of the city Z branch and the city A branch of CA

	City Z branch		City A branch	
	2021	2023	2021	2023
Annual revenue ($m)	0.45	0.46	1.0	1.1
Profit for the year ($m)	0.05	(0.1)	0.2	0.5
Number of cleaners employed	18	18	24	26
Direct costs ($m)	0.3	0.32	0.5	0.5
Rate of inventory turnover	6	12	6	6

Answer **both** questions.

1 Evaluate the extent to which CA's operations strategy between 2019 and 2024 led to the failure of the city Z branch. [20]

2 Advise Nala on the most important elements to be included in a corporate plan for the future of the city Z branch. [20]

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