

**T Level Technical Qualification in  
Management and Administration  
(8715-31)**

**Business Improvement (311)**

**Guide Standard Exemplification  
Materials**

**Distinction – Sample 2022**

**First teaching from September 2022  
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## Introduction

The sample assessment materials within this document refers to the Business Improvement sample occupational specialism assignment. The aim of these materials is to provide centres with examples of knowledge, skills and understanding that attest to distinction. In this document all exemplar evidence attests as examples of performance at the distinction grade boundary. It is important to note that in live assessments a candidate's performance is very likely to exhibit a spikey profile and standard of performance will vary across tasks. The distinction grade boundary will be based on a synoptic mark across all tasks.

### Task

This section details the tasks that the candidate has been asked to carry out and all evidence required to be submitted for marking.

In this GSEM there is candidate evidence from all tasks in this assignment:

Task 1 – Information Review and Data Analysis

Task 2 – Stakeholder Mapping, Engagement and Communication

Task 3 – Feasibility Review

Task 4 – Resistance Management

Task 5 – Business Improvement Proposal

Task 6 – Risk Register

### Candidate evidence

This section includes exemplars of candidate work that illustrates performance at the distinction grade boundary. This will be exemplar evidence that was captured as part of the assessment and then externally marked by City & Guilds.

### Commentary

This section includes detailed comments to demonstrate how the candidate evidence attests to the performance standard of **distinction** by directly correlating to the grade descriptors for this occupational area. Centres can compare the evidence against the performance indicators in the marking grid descriptors within the assessor packs, to provide guidance on the standard of knowledge, skills and understanding that need to be met for distinction.

It is important to note that the commentary section is not part of the evidence or assessment but are evaluative statements on how and why that piece of evidence meets a particular standard.

## Grade descriptors

### **To achieve a distinction, a candidate will typically be able to:**

Demonstrate an exemplary performance that fully meets the requirement of the brief. Demonstrates expertise in technical skills and techniques when obtaining, using, and interpreting data to support change or improvement in processes.

Competently and independently demonstrates high levels of skill when identifying the data and information needed to support business improvement and change. Uses an exemplary level of data acquisition, collation, analysis, and presentation in order to make informed decisions to respond to opportunities for change or improvement to processes, with a high level of effectiveness.

Demonstrate an exemplary use of techniques and tools required to support business improvement and change activities with a high degree of effectiveness, demonstrating extensive breadth and depth of knowledge and understanding of business improvement principles and processes.

Show exemplary skills to identify and escalate potential resistance to proposed changes or improvements to processes. Creates comprehensive guidance to support the management of internal resistance to change.

Carry out tasks to an exemplary standard, producing an excellent quality of work that is accurate and technically correct whilst meeting organisational and industry standards.

Demonstrate exemplary understanding and skills when engaging and communicating with stakeholders in order to develop effective and lasting relationships that support the brief. Competently demonstrates the selection and use of communications and media that maximise the effectiveness and value of stakeholder relationships.

Consistently select appropriate clear and effective verbal and written communication, using methods tailored succinctly to individual needs and tasks.

## **Task 1**

### **Information Review and Data Analysis**

For Task 1 candidates need to produce the following pieces of evidence:

- 1.1 Written summary of review and analysis
- 1.2 Data Analysis Plan

## **Candidate evidence**

### **1.1 Written summary of review and analysis**

#### **Vegasonix Ltd: Information Review and Data Analysis Report**

##### **1. Introduction**

This report is written to advise the joint CEO's of Vegasonix Ltd on the feasibility of servicing an order from one of the 'Big Four' supermarkets for 180,000 smoothie drinks every day.

I have undertaken an analysis of the data presented to see if there is enough to decide on the supermarket order as well as to identify if any extra data is needed to support their decision making. Some assumptions have been made in order to answer potential other questions that may arise.

## 2. Findings – Current situation

I have used a SWOT analysis to review where Vegasonix Ltd is now in terms of its current operations and production levels. Each of the resource materials have been used to undertake this analysis.

Area	Strengths	Weaknesses	Opportunities	Threats	Commentary
<b>Internal review</b>					
Assignment Brief	Flat organisation style-share ideas and swap skills. Sales are growing. Sales are made online through the website. Local sales in markets and cafes The business has won awards. Wholesaler serving several hundred corner shop outlets.	Production unit small- do they have room to expand? One smoothie line – may break down. Current capacity -50,000 units per day. Local sales -time consuming/lots of small deliveries?	One of the Big 4 supermarkets want to order 180,000 units every day.	Can Vegasonix afford new lines?	<i>The business does not have enough production capacity currently to meet the supermarket's order.</i>
<b>Figure 3 - Extraordinary Directors Meeting: Agenda and Minutes</b>	The supermarket wants three flavours of smoothie. Growth is vital to survival of the business.	Will existing customers be left out? Current production line will not cope -doesn't work 100% of the time. Several processes done by hand. Takes 1.5 hours downtime to clean and sterilise line to change flavours. Organic crops – will there be enough for each flavour?	CEOs want to take this order on to transform the business. Full automation. Need to consider future production capacities.	Neil Ross does not think enough staff can be trained in time. Finance director worried if they can afford to expand. Whole production goes to one customer.	<i>Not everyone realises the potential of this order and are showing resistance to change.</i>
<b>Figure 4 – Organisation Chart</b>	Clear departments and responsibilities. Strong management team with specific skills. Matrix structure shares ideas and skills.	Nearly as many managers (6) as full-time staff (8). Is this really a matrix structure?	Look at the current skills of all staff – do you need so many manager/directors or reduce costs?	This could be an expensive business paying out lots of big salaries to directors.	
<b>Figure 6 – Sales Performance and Forecast</b>	Sales are growing every year (current year). Sales in current year (4) are almost £18million. Forecast for Year 5 sales is £21million without the supermarket order.	Unit Sales in current year are 6.6 million which is not full production capacity. (50,000 units per day) There is not enough production capacity to fill the supermarket order – even if no other customers are served. Can the business get enough organic crops to fill all the orders?	To increase sales to 50,000 units per day. To fill the supermarket order of 180,000 units every day.	The supermarket order might be too expensive to put into place and the business might go bankrupt.	<i>Question: The business is not operating very efficiently at the moment. Can they cope with the supermarket order?</i>
<b>Figure 7 – Current Capacity</b>	Factory is open 48 weeks per year. (48 weeks x 5 days = 240 days). They pay a Real Living Wage for 7 hours a day so staff will be loyal.	Current sales only equivalent to 132 days production.	Spare capacity to expand sales in other directions. (e.g., smoothie bars)	Not making enough sales over the year so spare capacity is expensive to carry. Current organic crop yields may not be sufficient to fill	

				current sales and supermarket order.	
<b>External review</b>					
<b>Figure 1: European Juice &amp; Smoothies Market Report (Trends &amp; Forecasts)</b>	UK leads the European smoothie market. Large servings of fresh fruit and vegetable are healthy. Fruit based smoothies have the largest market share. Smoothies containing high dietary fibre are healthier. Green smoothies are getting popular. Demand for organic food is growing.	Market growth depends on increasing fruit and vegetable imports. Smoothies with sweeteners, protein powders and ice cream are not healthy.	Projected to grow to \$4.30billion by 2025. Health-conscious people are changing food lifestyles for better health. More popular for meal replacements. Fruit based smoothies have largest market share. Inorganic smoothies are expected to become the largest segment. Organic smoothies are expected to be the fastest growing market segment because of need for healthy foods. Smoothie bars and convenience stores are major revenue generators for smoothies	The UK is no longer part of the EU. Demand for organic food is growing but is there enough supply? High prices of packaging and raw ingredients are restraining growth in smoothie's market. Supermarkets are not mentioned as a major revenue generator for smoothie's market.	<i>Comment: The business needs to look at its suppliers of raw ingredients. They could consider expanding sales by opening their own smoothie bars.</i>
<b>Figure 2 – The Grocer: UK Trends Juice and Smoothie Market</b>	Social media is crucial in supporting sales trends – the business has a website and have won awards. They could become a social media influencer.	Selling at farmers markets and cafés might attract older people.	Younger people are most frequent consumers of juices and smoothies. 21% of 16-24-year-olds drink smoothies daily. Supermarket own labels are doing better than brand names. Brands could add vegetable juices to their range. Vegetable juices appealing to more people (Gwyneth Paltrow and Kylie Jenner likes them).	Only 1% of over 65s drink smoothies daily and are less adventurous in what they drink. Older people buy less juice than anyone else. Top brand names are struggling against supermarket own labels.	
<b>Figure 9 - Production Line Automation Considerations</b>	Some capacity available as 50,000 units per day are not being produced. Three of the production processes are carried out automatically. The line only needs 5 operatives to fully function.	Five of the production processes are carried out by hand - less efficient than automatic processes. There are only 5 operatives employed, which means if more than one is off sick, the team leader cannot cover their work.	Upgrade current production line to full automation that doubles capacity to 100,000 unit per day. Purchase a new production line with capacity for 200,000 units per day. New line requires only 3-4 operatives.	Upgrading the line and doubling production still does not give enough capacity to fill the supermarket order. New production line will be enough to fill supermarket order but not enough to keep existing customers orders filled.	<i>Question: Is the factory unit big enough to take two lines? Comment: All the options carry different levels of risk, and it will depend on how risk averse the Board of Directors are.</i>



### 3. Written summary

The current available data has led to some insights and areas that need to be considered more deeply before the decision whether to service the potential order from one of the Big 4 supermarkets or not. The following summary considers what the current data provides and identifies what, if any, other data needs to be collected.

- The external data reviewed is relatively sparse and comprises two pieces of research.
- The external data focuses on the European market, rather than the UK market, so it may be less relevant as a source of information for future UK trading.
- There are identifiable trends that show the smoothie market is blooming among young people – but is there enough information to confirm that this demographic shop in supermarkets?
- Much of the available internal data focuses on current capacity, which is not enough to fulfil the supermarket order. The lack of current productivity may be a cause for concern. It may be due to lack of raw ingredients like organic crops, or it may be due to a lack of sales or a machine breakdown. The Board may need to review current production levels to find out the reason before committing to the large supermarket order.
- There is also resistance to change within the organisation. This leads to the question what, if any, additional research will reassure the stakeholders in order for them to come on board.
- Internally, the Board of Directors also need to be aware of whether the current factory unit is big enough to expand into two or possibly more production lines. If this decision requires a move to new premises, this will take more time and money than just buying a new production line.

The current available data is sufficient for an early indication to be made on whether to explore going ahead with the supermarket order. A PESTLE analysis is vital to give a broader view than the two reports enclosed in the briefing pack.

## 1.2 Data analysis plan

The following table summarises the additional research and activities that would be beneficial to undertake in order to support my thinking.

Type of activity	Why do I need to do this	What do I hope to achieve
Full PESTLE analysis	To identify and quantify the wider external factors in relation to delivering the supermarket order	<p>Identification of the impact of politics and economics is important to be considered in detail as it includes changes in prices, tax etc., as governments provide healthy living guidance.</p> <p>PESTLE also will confirm the social and cultural impacts of external factors, which is important as this may reflect the long-term viability of selling the smoothies through a supermarket.</p>
Risk assessment	To review each potential consideration	Undertaking a risk assessment of each consideration will review the risks of going ahead or not going ahead and should help to quantify the right approach to take for the business.
Additional supportive research from other companies	Look at trends from similar companies and success of similar models	<p>Evidence of comparative situations which have been successful may support the resistance that exists within some of the directors of the company.</p> <p>Equally, if there is evidence as to why other companies with similar products have not opted to service such markets and large orders, this may prompt the organisation to take a different approach.</p>
Direct customer market research	To engage with key customer groups to assess the viability of offering products through a supermarket	<p>Using surveys or questionnaires, or interviews, with the potential market demographics will help inspire confidence that the products will successfully be sold via supermarkets.</p> <p>If talking to customers shows that this would not be an avenue where they would want to buy the products, it provides evidence to the organisation that they may be better off sticking with their traditional retail avenues.</p>

## Commentary

The candidate has made full use of all the data available to them in order to examine and explore the opportunities for the business to grow. A SWOT analysis has been used to logically and succinctly consider all available information. Through considering each piece of information in turn within the construct of a SWOT, the candidate has demonstrated an ability to synthesise information that balances the opportunities presented alongside the threats. For example, the candidate weighs up the potential financial benefits of undergoing the new contract, with the risks that this opens in terms of major financial outlays that could bankrupt the organisation.

The candidate has summarised their findings of the analysis into a clear overall summary, that challenges their findings through identifying further supportive analysis required.

The data analysis plan is succinct and outlines key further research that would support the candidate's initial analysis. The candidate draws together identification of the additional research required, with valid justifications for undertaking these activities. Justifications are informative and well-reasoned to provide additional supportive rationale.

## **Task 2**

### **Stakeholder Mapping, Engagement and Communication**

For Task 2 candidates need to produce the following pieces of evidence:

- 2.1 Stakeholder map
- 2.2 Written summary of potential impacts on stakeholders
- 2.3 Stakeholder communication plan

## Candidate evidence

### 2.1 Stakeholder Map

I have created a stakeholder map to identify internal and external stakeholders, their importance to the project and sphere of influence.

Stakeholders	Type	Expectations/ Issues	Level of Interest	Level of Influence
Joint CEOs (Internal)	Owners	Business growth	High	High
Board of Directors (Internal)	Director of Finance	Affordable, feasible	High	High
	Director of HR	Training	High	High
	Production Director	Production lines, more staff	High	High
	Director of Sales & Marketing	Job security- one order bigger than all previous sales	High	High
Employees (Internal)	Team Leaders	More work?	High	Low
	Production operatives	Job security -automation	High	Low
	Admin Assistant	More work, more staff?	High	Low
	Bookkeeper	More work	High	Low
Customers (External)	New supermarket	Quality, value, timing	High	High
	Farmers markets	CEOs need to attend to make sales.	Low	Low
	e-commerce website	Social media, rumours	High	Low
	Organic cafes	Will they still be able to order	High	Low
	Specialist Delis	Will they still be able to order	High	Low
	Wholesalers	Will they be left out?	High	High
Suppliers (External)	Fruit producers	Orders, time to grow more organically.	High	High
	Packaging company	Bigger orders	High	High
Communities (External)	Local businesses	Competition, opportunity	Low	Low
Government (External)	Local Council	Local jobs, extra traffic	High	High
	Central Government	Taxes, Laws, employment	Low	High

## **2.2 Written summary of potential impacts on stakeholders**

This summary focuses on potential impacts for both stakeholder groups, internal and external, on the business improvement project of servicing one of the 'Big Four' supermarket orders for Vegasonix smoothie products. Potential impacts on both internal and external stakeholders can be both positive and negative, both of which are explored below.

### **Internal Stakeholders (Vegasonix CEOs, Board of Directors, and Employees)**

If Vegasonix are to service the supermarket order, the CEOs, and Board of Directors, who have a high level of interest in this business improvement project, will be focused on the opportunity this contract brings for potential business growth in the short and long-term. As CEOs and Directors of the business, their level of influence on whether Vegasonix takes on this contract is high as they will make the final decision. The potential huge benefits from servicing the supermarket contract for the long-term success and security of the company and its profits will have a big impact on their decision. If the supermarket order is taken on and fulfilled successfully, the CEOs and Directors will have led the business through a successful improvement project, providing long-term security for staff as part of the business expansion through increasing sales and profits exponentially.

However, for both the CEOs and Board of Directors, there are potential negative impacts of taking on the supermarket order which may happen if Vegasonix are not fully prepared and equipped to deliver the supermarket order. If Vegasonix are unable to service the numbers required by the supermarket, there may be a breakdown of the relationship and formal business contract, meaning that potential sales and profit increases do not happen for Vegasonix. This may mean that the business improvement project is not a success for the CEOs and Board of Directors, with potential impacts on company reputation and staff morale. For example, Vegasonix may not be offered any further contracts if they are unable to deliver what they have agreed, and Vegasonix staff may be negatively impacted by the business failure due to increased workplace stress, thereby adding burden onto the CEOs and Directors who are responsible for staff wellbeing. It may also mean that Vegasonix have invested significantly to accommodate the contract but with no return on investment which would make operational running financially challenging.

It is also worth noting that some of the Directors have already highlighted concerns around the idea of servicing the supermarket contract, which showcases resistance to this business improvement project. This may mean that if the Vegasonix contract was to go ahead, there may be negative impacts such as workplace stress and internal disagreements within the Board of Directors.

For Vegasonix staff, there is potential that they will be impacted positively by servicing the supermarket contract. This is due to the expanded production capacity of Vegasonix to service the larger order. This should impact positively on staff, who will be able to understand the long-term vision of the business and be reassured that it is looking to grow larger. This in turn should also have the positive impact of securing job roles for Vegasonix staff, with the potential for an expanding workforce as the business grows larger and perhaps continues to service further supermarket orders. This may create the potential for promotions and salary increases for existing staff members as the company grows and profits increase as well as further large orders mean a further demand for automation, potentially opening up new roles aligned with this, including new positions of responsibility in the factory lines. However, Vegasonix staff have a low level of influence in whether Vegasonix and its CEOs and Board of Directors agree to service the large supermarket order. Unlike the CEOs and Directors, a low level of influence means that the decision is out of their hands. As staff members, they do

have a high level of interest in Vegasonix servicing the order as stated above, to increase job security and open up further potential roles within the business in the long-term. This may mean that a low level of influence but high interest results in workplace stress.

Overall, the shared impact on all internal stakeholder groups for Vegasonix taking on the supermarket order is in the long-term viability of the organisation as well as long-term job security as the business grows and develops its offering.

### **External Stakeholders (Suppliers Customers, Communities, Competitors)**

If Vegasonix are to service the supermarket order, this will have a direct impact on their suppliers of the organic fruit as well as other suppliers such as the packaging company which distribute the smoothies once made. For the organic fruit suppliers, being required to supply larger orders of fruit to Vegasonix will have positive impacts on the future success and growth of their business in both the short and long-term. As they currently have an arrangement with Vegasonix as a small business, it has positive potential if they are then used to service larger orders for Vegasonix as a growing business which is also expanding into national supermarkets. This means potential positive impacts on both sales, profits, and brand reputation for the fruit supplier. However, they may require longer timeframes to grow and supply the fruit products for a larger order which may impact on their current business processes and production. For the packaging business that supplies Vegasonix smoothie products to current wholesalers, they will be positively impacted by the bigger orders which will mean that they will increase profits from being able to service this increase for Vegasonix, in turn allowing for business growth of their business. However, they may also need to make business changes in order to do so, for example get larger lorries to carry the larger orders for Vegasonix.

For the current customers of Vegasonix, they may be negatively impacted by the decision for Vegasonix to service the supermarket order if the business is also unable to continue servicing the current sales outlets e.g., farmer's markets, organic cafes. This may mean that business reputation for Vegasonix decreases, as well as a reduction in customer demographics. However, customers in the supermarket that Vegasonix will now be sold in will be impacted positively, thereby increasing Vegasonix sales and profitability. Customers will be happy with a new brand of quality smoothie in a new flavour which is of organic quality, and which can be purchased with their other food.

For a small business like Vegasonix, the local community is closely connected to business decisions such as taking on the supermarket order. For example, if Vegasonix are to grow as a business from taking on this opportunity, then there may be more local jobs that open up. However, other local businesses within the area may be negatively impacted from increased competition from a growing business such as Vegasonix who may soon be selling their products in a national supermarket, resulting in potential downfall of other local businesses.

Considering direct competitors of Vegasonix, they may be negatively impacted as a business if Vegasonix take on the supermarket order as they may no longer be able to compete with fast growing sales and profits that may arise from servicing the supermarket contract. For example, Vegasonix brand reputation may increase as well as brand awareness, which other local businesses will not have. However, local businesses may be positively impacted by increased customers and sales if Vegasonix take on the supermarket order and not be able to continue servicing their current local customers.

## 2.3 Stakeholder Communication Plan

### Introduction

Key stakeholders are the individuals, businesses, organisations, or groups who are most significant to the business' success. These are the stakeholders the business needs to include in its communications plan.

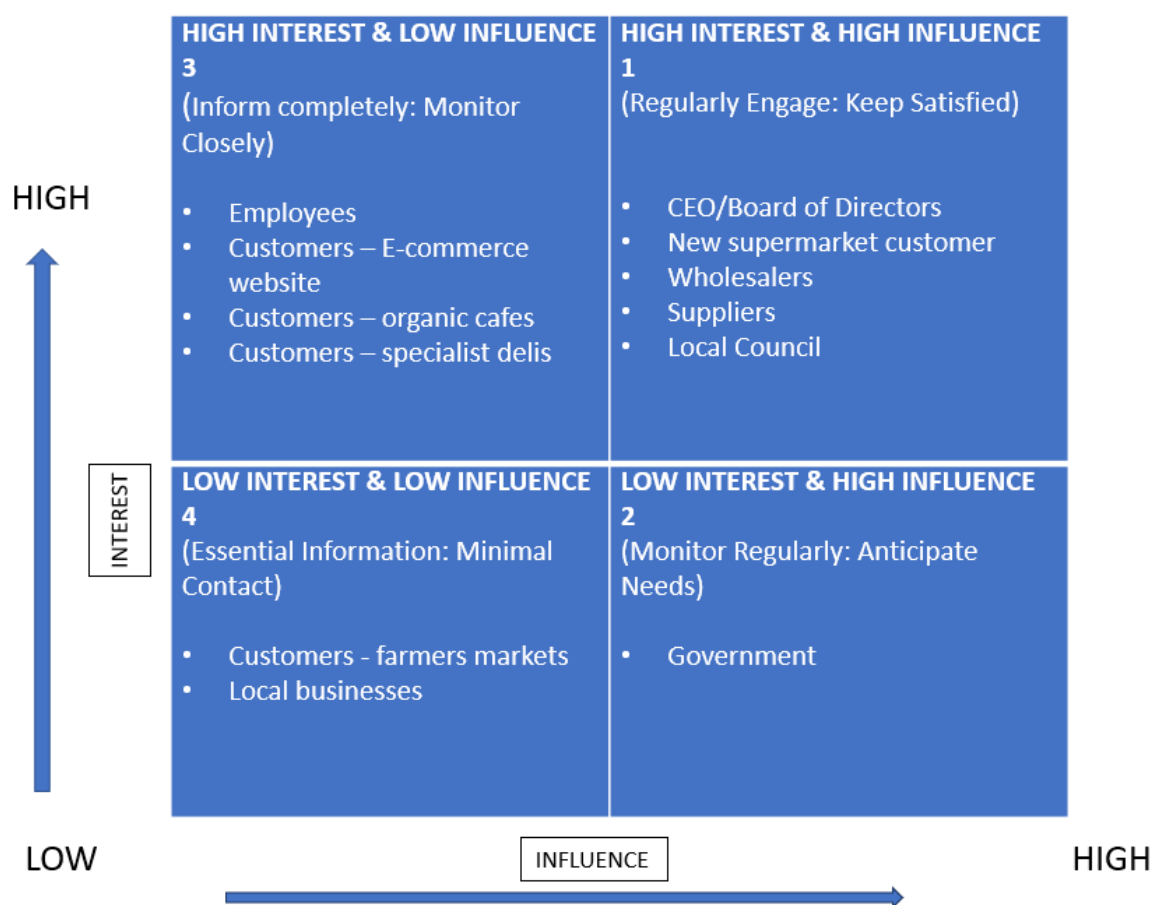
The stakeholder communications plan is an outline that identifies:

- Who is to be communicated with?
- What topics(s) of communications?
- How they will be communicated with?

In order to ensure that all the planned communications do happen, this Stakeholder Communication Plan identifies who will take overall responsibility for each stakeholder group.

The budgets that have been allocated are estimates only. Where there is a £0 in the budget column it means this has been allocated in another section.

From the Stakeholder Map, each group has been allocated a sphere of influence to show the interest and influence of each stakeholder group and prioritises each one from 1-4:





<b>Business Goals:</b>					
Goal 1: To consult on how to improve the business to be able to meet the needs of the new supermarket order for the following: 100,000 Eton Messy smoothies; 40,000 Raspberry Ripple smoothies and 40,000 Carrot Cake smoothies per day.					
Goal 2: To continue servicing existing customers and maintain current sales and profit levels whilst undergoing change.					
<b>Communication Objectives</b>					
Objective 1: By the end of this project, all stakeholders will be kept fully aware and up to date on the progress of the improvements to the business.					
Objective 2: Create understanding about the new changes and direction the business is taking in servicing massive orders.					
Objective 3; To raise awareness of the improvements and potential increased capacity of Vegasonix Ltd to attract more potential large customers.					
<b>Overriding Key Messages (Issued to all Stakeholders):</b>					
<ul style="list-style-type: none"> <li>• We are an award-winning business with two gold stars from the Great Taste Awards and were featured in the Health Food Guide.</li> <li>• We are a growing business using ethically sourced organic ingredients.</li> <li>• We aim to grow by quadrupling our turnover by servicing bigger supermarket chains.</li> <li>• We are reviewing our current capacity and efficiency levels of production.</li> </ul>					
<b>Stakeholders</b>	<b>Priority (1=High, 4=Low)</b>	<b>Specific Key Messages</b>	<b>Communication Tactics</b>	<b>Who</b>	<b>Budget</b>
Joint CEOs (Internal)	1	Vegasonix Ltd will be a major player in the UK smoothies' market in the next 1-3 years.	Public Relations (PR) activities Board/staff meetings Minutes of meetings Events/presentations	CEOs	£5000
Board of Directors (internal) [BoD]	1	The future is growth, and the Board needs to be on board.  Affordability or can we afford not to do this?  Job security is more assured with more orders. We must invest in technology to grow.	Board meetings/minutes Performance reviews Summary Reports Events/presentations	CEOs  BoD	£0
Customers -New supermarket (external)	1	Our new production line will be up and running in a matter of weeks.  Our suppliers are working with us to bring the best organic raw materials.	Regular meetings Site visits Emails, telephone calls Newsletter Summary reports Events/presentations	CEOs  Director of Sales & Marketing	£3000

		Bulk buying allows us to negotiate discounts for best value and profits.			
Customers - wholesalers (external)	1	We will maintain current production levels and service our existing customers.	Sales Director contact Telephone calls/emails Regular visits/Newsletter	Director of Sales & Marketing	£0
Suppliers	1	We need to source only the best and work with the best.  We will work around the globe to bring the best organic and fair-trade fruit and vegetables.  There is plenty of work to go round to deliver to all our customers -large and small.	Sales Director contact Production Director contact Meetings Telephone calls/emails Regular visits Newsletter Events/presentations	Director of Sales & Marketing  Director of Operations  Admin	£0
Local Council (external)	1	We will always recruit locally whenever possible.  Extra traffic will be kept to a minimum, with only one more supermarket lorry per day.	Meetings Email/telephone calls Newsletter Events/presentations	CEOs BoD	£5000
Central Government (external)	2	Following government guidelines on taxes, the law and employment regulations	Formal emails/letters Accounts/taxes	Director of Finance	£0
Employees (internal)	3	We will always need people to work with us, you are safe with Vegasonix.  Bigger orders mean more work, more job security	Meetings/minutes Presentations Emails	HR Director	£0
Customers - organic cafes (external)	3	We will maintain current production levels and service our existing customers.	Sales director contact Emails/telephone calls Social media	Director of Sales & Marketing	£0
Customers – specialist delis	3	We will maintain current production levels and service our existing customers.	Sales director contact Emails/telephone calls Social media	Director of Sales & Marketing	£0
Customers – farmers markets (external)	4	We may need more staff to keep this going but we will maintain current production levels and service our existing customers.	Online platforms Social media	CEOs -decision needed to continue	£0
Local businesses (external)	4	We are seeking more local suppliers to help us service the supermarket order	Online platforms Social media	Director of Operations	£0

## Commentary

The candidate demonstrates that they can produce a comprehensive stakeholder map that considers an extensive range of stakeholders. There is recognition that different stakeholder groups may contain different types of stakeholders (for example, the different types of customers). The map considers the different level of interest and influence of each different stakeholder type.

The candidate has developed an informative summary of different stakeholders, and how they will be impacted by the servicing of the new supermarket contract. The candidate has demonstrated the ability to consider the range of impacts, both positive and negative, that would impact each different stakeholder group.

The candidate uses their stakeholder map to develop an informed and effective stakeholder communication plan. The plan builds on the map and summary through categorising the priority of communication with different stakeholder groups based on their impact and influence. The candidate has developed, and structured, planned communication which is aligned to specific organisational objectives. There is consideration given to key themes to be communicated to different stakeholder groups.

## **Task 3**

### **Feasibility Review**

For Task 3 candidates need to produce the following pieces of evidence:

3.1 Demonstration of calculations, costings and statistical analyses using appropriate tools.

3.2 Statement summarising statistical analyses to CEOs Dan and Andrea Abel.

## Candidate evidence

### 3.1 Calculations and costings

#### Vegasonix Ltd: Feasibility Review

##### 1. Introduction

This is an analysis of the current and potential production levels of Vegasonix Ltd. The result of this statistical analysis will be used to decide whether the supermarket order is feasible for the business to go ahead.

##### 2. Current Production Capacity

From Figure 7 – Capacity, we can see the factory is open from 8am-4pm Monday to Friday (five working days).

It is open 48 weeks of the year. (48 weeks x 5 days per week = 240 working days).

Figure 9 shows us that the production line has capacity for 50,000 units per day. (240 days x 50,000 units = 12 million units per year).

Vegasonix Ltd has capacity to produce 12 million smoothies per year.

##### 3. Current Daily Average Production

Year 4 is the current year's sales levels. It shows Vegasonix Ltd has sold 6,607,424 units in total for Year 4.

Sold may not be the same as production level but for this factsheet we will assume it is made to order.

6,607,424 units sold against a production capacity of 12 million mean the factory is producing just 55% of its capacity.

$6,607,424 \text{ units} / 50,000 = 132 \text{ days productivity (108 days non-productive)}$

$6,607,434 / 240 = 27,530 \text{ units produced on average each day}$

##### 4. Current Staff Capacity

Figure 7 shows there are five operatives and a Team Leader working 7 hours per day (after breaks are taken into account).

Assuming the operatives are working the production line and the Team Leader is the line manager (not on production line)  $5 \times 7 = 35$  productive hours per day.

$35 \text{ hours per day} \times 240 \text{ days} = 8,400 \text{ productive hours per year.}$

Five operatives are needed to operate the current production line without updates to automate it.

After automation, only four operatives are needed to operate the production line.

Staff are paid the Real Living Wage rate of £8.91 per hour.

They work 7 hours per day for five days so the working week for each one is 35 hours.  
35 hours x £8.91 = £311.85 per week  
£311.85 x 52 weeks = £16,216.20 per year.

Fully automated production will save Vegasonix Ltd £16,216.20 per year in staff costs.

## 5. Costs of Upgrading the Current Production Line

Figure 9 shows us the costs of upgrading and automating the current production line. This will double the capacity to 100,000 units per day.

The automated processes that are already in this production line are shown as 'already in situ'. We assume there are no additional costs here.

The current processes that are carried out by hand that will be replaced by the automation update are as follows:

- Fruit sorting
- Fruit blender filling
- Bottle filling
- Bottle capping
- Case packing

The costs of updating each of these processes to become automatic are as follows:

- Fruit sorting - £2,400
- Fruit blender filling - £33,000
- Bottling and capping machine - £13,000
- Case packing system £18,500

Therefore, the total investment needed to upgrade the current production line is £66,900.

Return on investment for this option using just the new supermarket order (since that is the reason for considering this option) is calculated as follows:

ROI = (Financial Value-Project Cost) /Project Cost x 100%  
ROI = (108,000,000 potential sales - £66,900) = £107,933,100  
£107,933,100 / £66,900 = 1613.349  
1613.349 x 100 = 161334% Return on investing £66,900 to upgrade the existing production line.

ROI shows there is a huge financial benefit to upgrading the existing production line.

## 6. Comparing the Costs of Installing a New Production Line

Figure 9 shows the costs of installing a new fully automated production line as being £64,500. This is £2,400 cheaper than upgrading existing line.

This gives a daily capacity of 200,000 units every day – four times more than current capacity.

It takes only three operatives to operate – saving £16,216.20 x 2 operatives = £32,432.40 per year in staff wages.

A comparative return on investment for this option using just the new supermarket order is calculated as follows:

ROI = (Financial Value-Project Cost) /Project Cost x 100%

ROI = (108,000,000 potential sales - £64,500) = £107,935,500

£107,935,500 / £64,500 = 1673.418

1673.418 x 100 = 167341% Return on investing £64,500 to upgrade the existing production line.

Comparing the ROI does not give a good basis to make the decision on whether to upgrade the existing production line or buy new. There is not enough difference in price, so it needs to be considered in how much capacity each option gives.

## **7. Potential Sales Revenues and Variable Costs of supermarket order**

Figure 6 shows the sales performance, forecasts, and variable costs of producing the supermarket order of 180,000 units of smoothie drinks every day.

Total number of units required for Year 5 is 180,000 units x 240 days = 43,200,000 units per year.

The Year 5 forecast shows the supermarket will be charged £2.50 per unit.

180,000 units x £2.50 per unit = £450,000 sales revenues every day.

£450,000 x 240 days = £108,000,000 in Year 5

Variable production costs are shown in Figure 6 to be £1.60 per unit. Total daily costs to produce the supermarket order are 180,000 units x £1.60 per unit = £288,000 per day.

£288,000 x 240 days = £69,120,000 average production costs in Year 5

£108,000,000 - £69,120,000 = Gross profit of £38,880,000

## **8. Total capacity requirements**

In Year 5, the supermarket wants 180,000 units per day.

In Year 4 (current year), Vegasonix averaged sales of 27,530 units per day

To be able to continue to service current customers and fill the new supermarket order of 180,000 units per day. The business needs a production capacity of at least 207,530 units per day.

### **3.2 Factual Statement – Summary of Statistical Analysis**

After analysing the data provided, the current production capacity of the existing production line is 50,000 units per day, and this equates to 12 million units per year.

The current sales levels show production is 55% of total capacity at 6,607,424 units sold in Year 4. The average daily production levels are currently 25,530 units produced per day, with the number of full productive days in Year 4 being 132, leaving 108 days as non-productive.

After reviewing the current set-up at Vegasonix for production of their smoothie drinks, it is important to note that it takes five operatives to operate the current production line with this reducing to four operatives after upgrading and automating the existing production line. This means that Vegasonix will be saving one annual salary of £16,216.20 per year as well as doubling the current capacity to 100,000 units per day.

Looking at the option to install a new fully automated line, this would only require three operatives meaning a saving of £32,432.20 per year in staff costs. The installation of a fully automated new production line will be £2,400 cheaper than upgrading the existing line and another benefit is that the new fully automated line will have a capacity to produce 200,000 units per day, meaning that their current capacity is increased by four times.

Based on current orders and the size of the new supermarket order, Vegasonix Ltd needs a daily production capacity of 207,530 units per day as a minimum. This does not include additional capacity to service any extra orders from existing customers via the usual outlet routes, as well as potential new orders from new customers.



## Commentary

The candidate has demonstrated the ability to undertake detailed calculations, costings, and comprehensive statistical analyses. This has supported the candidate to review cost comparisons between the different options available and provide information on each option to inform decision making. There is a developed consideration of the most effective analytical and statistical techniques used to calculate costings for each option.

The candidate is able to produce a detailed factual statement that provides an excellent level of detail in relation to the results of the statistical analysis. The statement effectively provides a breakdown of the different information that needs to be considered in order to reflect the feasibility of the supermarket order.

## **Task 4**

### **Resistance Management**

For Task 4 candidates need to produce the following pieces of evidence:

4.1 Written report

## Candidate evidence

### 4.1 Written report

#### Vegasonix Ltd: Resistance Management Report

##### Introduction

This report is produced for the CEOs of Vegasonix Ltd to escalate an issue identified during the internal primary research interviews done with the directors of the company's functional areas.

The HR Director Neil Ross has disclosed a high level of resistance to the potential changes to the company. He does not want the business to change to service the new supermarket order.

I have used the following approach to consider and attempt to address this issue.

- **Reviewed the evidence available in relation to the resistance.** The comments from Neil Ross have been taken from the minutes of the Extraordinary Directors' Meeting and the meeting notes from the research interview as set out in the Task 4 briefing to identify his level of resistance.
- **Considered the potential impact of Neil's resistance.** This is in order to identify and quantify the potential risks that are presented in relation to the success of delivering the project.
- **Identification of possible reasons for Neil's resistance.** This is in order to help identify strategies to help overcome them.
- **Presented a series of proposed solutions.** This helps to overcome the resistance using a series of win-win negotiation techniques.

##### Findings

The following are a **collection of comments and objections from Neil Ross** that I have identified that reflect his resistance to delivering the new supermarket contract.

##### Extraordinary Directors Meeting – minutes:

- Staff cannot be trained in time.
- Supermarket contract could bankrupt the company.

##### Task briefing – seeking views of company directors (Neil Ross):

- Becomes distressed.
- Discloses he really does not want the supermarket to go ahead.
- Believes it creates too many changes.
- It (change) is going too quickly – especially for HR department.
- Tries to influence the outcome of the research into the potential options.
- Asks for the final report to be tailored to agree with his points of view.

##### Reasons for Resisting Change

In order to understand Neil's resistance, I have used the evidence from my findings to consider the reasons why he may be resistant to this change.

Self-interest	<p>Resistant through self-interest happens when the person thinks they will lose something they value as a result of change. Their focus is on their best interests and not that of the organisation.</p> <p>Neil Ross seems to be stressing about having more work to do in staff training and that the changes will impact especially on his department. This could be seen as self-interest. It may be there is more work for his department, but the Production department will be affected more than HR.</p>
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Misunderstanding / lack of trust	<p>Sometimes, not understanding the potential of change can lead to resistance.</p> <p>Does Neil Ross not see the potential for this big supermarket order and the impact it could have on sales and profits? It could give him more job security.</p> <p>Or is it because he does not trust the CEOs or the other directors. Nothing he has said indicates this to be the case.</p>
Different evaluations	<p>People can process the same message differently when it is communicated to them. For example, the production worker will have a different viewpoint on a new fully automated production line than the Finance Director. The production worker might only hear the potential threat to their job. The Finance Director hears the organisation is going to spend thousands of pounds and wants to know how much business it will bring in.</p> <p>The CEOs are considering the longer-term impact of the supermarket on the business. Neil Ross is considering the shorter-term impact on him having to recruit and train new staff.</p> <p>Why does he feel so stressed out about this? This is an area to discuss with him and find out what other issues he might have.</p>
Low tolerance to change	<p>Some people just do not like change. They are fearful in case they cannot cope with what is being asked of them. In case they cannot update their skills fast enough and are left behind or look foolish.</p> <p>Rapid change and massive changes are even harder for people to accept and can generate the most resistance.</p> <p>This supermarket order is a massive change for Vegasonix Ltd because its bigger than all other sales put together. But it can't really be said to be rapid because the CEOs are still considering whether to go for it and if they can afford to upgrade or buy a new fully automated line.</p>

In conclusion, on the surface, it appears that Neil Ross's resistance to change is one of self-interest. He doesn't want any extra work for his department.

## Consideration of the potential impacts of Neil's resistance

As a director within the organisation, there are a range of potential impacts of Neil's resistance. These impacts need to be considered in order to support their resolution, as this could present a key blocker to the success of delivering the supermarket order.

The key potential impacts I have identified from Neil's resistance are:

- **Neil's level of influence.** Neil has a major influence over the operations of the organisation – if he is not fully on board with the decision to implement the supermarket order, his dissention may cause conflict or angst amongst other board members.
- **Impact on staff.** Staff within the organisation seek direction from their leadership team – particularly when undergoing change. If Neil does not provide focused leadership that supports the change, this will likely make staff feel confused; worried and concerned.
- **The extent of Neil's resistance.** Neil has shown a severe level of resistance to the proposal that is vastly out of alignment with the rest of the board and appears to present a real barrier to the development of the organisation. Whilst healthy challenge is important – an organisation does need to be led by a team of leaders who ultimately share the same vision in order for success to be achieved.
- **Creating additional and unnecessary work.** If Neil is not on-board with the change, then valuable time may be used responding to his ongoing concerns. Time and resources are of such value to an organisation, which could detract on activities needed to deliver the project, which may ultimately affect the level of its success.

## **Proposed Solutions**

Win-win negotiations help both sides reach an agreement that works for everyone. It helps to find a long-term agreement to the identified issue.

In this case, we are looking for a win-win agreement between Neil Ross's resistance to change in Vegasonix Ltd and the strategic plan of the CEOs to consider taking on a huge order from one of the Big 4 supermarket chains. I have outlined three potential proposals that could be used to support resolution to this issue.

### **Proposal 1: Support understanding of Neil's issue and support the change process**

The most constructive solution would be to fully understand Neil's resistance to change in relation to the project. As identified above, it appears most likely that his resistance is one caused by self-interest. Through understanding the reasons for his resistance, as I have started to explore here, there is a better stance in order to be able to support him to embrace change. Despite the fact that Neil is a director, he is not immune to being challenged by change – and therefore taking a constructive lead in helping him to support change would be beneficial.

I would suggest an approach which looks to support Neil with understanding how his concerns have been considered, and how there is confidence that progress can be made with implementing the proposal. With a fuller understanding of how he as well as his team can be supported through this change, this can then be developed into regaining his support and commitment and looking to move forward positively with the current team. It would be important to talk through the impacts of his resistance, so that he understands why it is so important that he embraces the change and gives his support in order to drive the organisation forward.

### **Proposal 2: A Contingent Agreement**

When both parties have different beliefs about future outcomes, one may believe the project will be a massive success. The other believes it will be a disaster and is too high risk.

A contingent agreement promises ways for trying to reduce risks. This means both parties can agree to disagree but move forward with the project.

It creates extra work and time delays when anything doesn't work out the way it was planned. There needs to be checks for compliance and penalties for non-compliance. This is most common in big building projects where penalties are paid if the project is delayed.

A contingent agreement starts with both parties writing out what they expect the future project to look like. Then negotiations take place on what the repercussions and rewards will be.

This way Neil Ross could say what he would like to happen as a result of the project (rather than reject it completely). The CEOs can say what they want from serving the supermarket order. Then a win-win agreement could be put in place and the project would move on with both parties knowing what to expect.

### **Proposal 3: Offer a Payoff to Leave**

Why should the CEOs do this? It is their business started in their own kitchen. They should be able to say what happens to the business without having to give way to one person's demands like this.

While it is not exactly a win-win situation, it could still suit both parties.

The CEOs could offer a sum of money for Neil Ross to leave the company if he is so resistant to change. He may take the view that it is a win for him. He gets a lump sum to walk away. The CEOs get to move on with their plans for growing their business.

He may not want to go easily though. They may need to make him redundant when they change the organisation structure of the business, but they will not be able to have an HR Director with the same job description or title.



## **Conclusion**

To conclude, and as outlined here, it is imperative that a meeting is organised with Neil Ross as a matter of urgency to identify and get to the bottom of what his real reasons for resisting change are. He is the biggest threat to the success of this project because he could influence staff and other stakeholders to reject the plans too.

His protests that it will cause him more work having to recruit and train more staff do not hold up. Automating the process will need less staff, not more. Does he understand this?

Prior to the meeting being held with Neil Ross, I would advise the CEOs to agree on a desired outcome so that the meeting goes in the right direction. This ultimately will either result in keeping Neil on board or supporting his departure from the organisation. I have presented a number of proposals here and would recommend using Proposal 1 as the basis to consider. This would be the best outcome for the organisation, as others could see Neil's change of stance positively and this would help to progress the change forward. It also means that Neil's knowledge and experience of the organisation is not lost, and he can become part of the change, rather than a resistor to change. I however would caveat using this proposal with understanding that the other options may need to be used should the discussion not go favourably. If Neil cannot be convinced of the positive nature of the change, then it may be necessary to take a different course of action to ensure its overall successful embedment.

## Commentary

The candidate has developed an informed response in relation to the task of investigating and presenting options to support the resistance demonstrated by the HR director. A logical approach has been adopted that aligns investigation of the issue with an analysis of the reasons behind it, consideration of the impacts, and proposed solutions that reflect the need for resolution.

The candidate's response provides reasons for Neil's resistance that shows alignment to and an understanding of change management theory. The candidate uses their understanding of potential causes in order to underpin their approach to resolve the identified issues. The steps provided give confidence that they will provide the initial starting point to resolve the issues, but with recognition that further analysis and discussion would be needed to support full resolution.

The candidate presents a range of proposals that reflect a considered approach to resolving the issue. These proposals progress from the most constructive for the overall business to those which are less constructive, but still could provide resolution. For example, the candidate considers approaches that would retain Neil in the organisation as the first consideration, and the most constructive in response to the issue. However, the candidate demonstrates through their concluding statement that a range of proposals may need to ultimately be considered, which could include resorting to a more extreme stance such as termination.



## Task 5

### Business Improvement Proposal

For Task 5 candidates need to produce the following pieces of evidence:

5.1 Business Improvement Proposal

5.2 Project Delivery Plan

5.3 Presentation deck with comparison of two different change management models

5.4 Recording of presentation\*

(\* this evidence is presented here in the form of a **Practical Observation record** that reflects the assessor's evidence of what was seen within the presentation for this task).

## **Candidate evidence**

### **5.1 Business Improvement Proposal**

#### **Vegasonix Ltd: Business Improvement Proposal**

##### **1. Introduction**

The following report is a comprehensive analysis of the options available to Vegasonix Ltd when considering how it may be able to take on a huge daily order from one of the Big 4 supermarkets. The CEOs need a range of information and options to help them make their decision. It may require major changes to the whole organisation.

##### **2. Methodology**

Several areas of research have been carried out (Tasks 1-4) to identify the current situation, options, obstacles, and potential solutions.

The CEOs provided several items of internal and external research (Figure 1-9). These were carefully reviewed and analysed in order to glean as much information as possible to identify the possibilities and options available or reasons why taking on such a big order may or may not be a good idea.

##### **3. Findings**

I have attempted to set out the findings in a logical order as follows:

- 3.1 Current situation – where the organisation is now.
- 3.2 Potential Options – what the organisation may be able to do.
- 3.3 Future Implementation – what the organisation may have to do next.

The SWOT analyses in Task 1 will be drawn on to help answer the questions in each section.

#### **3.1 Current Situation**

##### **3.1.1 Organisation Structure**

Vegasonix Ltd is owned by two CEOs Andrea and Dan Abel, who look after the strategic direction of the business. There is a Board of four other directors. They each look after a functional area of the business. These are Production, Sales and Marketing, Human Resources and Finance.

The current structure is a flat matrix style, where everyone is encouraged to share ideas and be able to do other job roles when necessary. The other eight members of staff are one Team Leader, five Production Operatives, an Admin Assistant, and a Bookkeeper.

An overview of the business's current internal Strengths and Weaknesses are summarised here from Task 1:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Flat, matrix organisation – shared ideas.</li> <li>• Swap job roles and skills.</li> <li>• Leadership-clear departments and responsibilities.</li> <li>• Company pays Real Living Wage not National Minimum Wage so staff will be loyal.</li> <li>• Sales are growing every year.</li> <li>• Current sales (year 4) almost £18m</li> <li>• Forecast for Year 5 is £21m without supermarket order.</li> <li>• Online sales via website are good.</li> <li>• Local customers are in markets, cafes and delis-not dependent on few large customers – spreads risk.</li> <li>• Wholesaler distributes to hundreds of corner shop outlets.</li> <li>• Five flavours in product range- supermarket wants three.</li> <li>• Mix of automation and human means production is not 100% labour intensive.</li> </ul>	<ul style="list-style-type: none"> <li>• Query- is this really a matrix structure?</li> <li>• Small production unit – room to expand?</li> <li>• One smoothie line – what if it breaks down?</li> <li>• Current capacity 50,000 units per day/12million per year.</li> <li>• Sales 56% of current production capacity at 6.6 million units sold in current year 4.</li> <li>• Current sales equivalent to 132 days production (from annual 240 days).</li> <li>• Local sales – time consuming (lots of small sales) are these worth it?</li> <li>• Current production line does not have capacity for supermarket order – even if no other customers are served.</li> <li>• Change of flavour takes 1.5 hours down time to sterilise the production line.</li> <li>• All organic crops - will there be enough for each flavour all year round?</li> </ul>

### 3.1.2 Summary

Although the CEOs say their business is matrix style, which may be true because it is still a small organisation. However, the fact that there are six directors means there are a lot of bosses for just eight members of staff making it look more hierarchal. The information does not say if the other directors have any ownership share in the business. I am assuming not.

Sales are growing every year and expected to reach £21million in the following year without the supermarket order. This still does not take the existing line to full capacity of 12million units per year. The existing line does not have capacity to service supermarket order even if no other customers are service.

Online sales and local sales are good and growing. But they may reach local saturation point quite soon and the business needs to expand out of the rural area it is in right now.

The wholesaler is distributing to hundreds of corner shop chains which is a game changer for the business in Year 3. Can they keep supplying this customer and the supermarket order? Can they afford to lose this customer?

The supermarket wants to order three of the five flavours offered by Vegasonix Ltd. Will there be enough organic fruit supplied to ensure all customers can still order the three flavours ordered by the supermarket?

## 3.2 Potential Options

### 3.2.1 Organisation Structure

There may need to be more clarification between the roles. The current organisation structure shows that all the staff cross department to share ideas and skills. A large order like the 180,000 smoothies every day as required by the supermarket, will have to be looked after. This may just be the start and if the supermarket is happy, they may increase the order to 200,000 per day, and want more flavours.

Rather than a flat matrix organisation structure, it may be better to change to a pyramid style hierarchal structure as shown below:



This will allow everyone to see how the communications work through the organisation from the top down and bottom up. It also means every director takes full responsibility for every function they are in charge of. For example, the Figure 4 Organisation Chart shows both the HR Manager and Production Manager are involved in Current Operations.

In a pyramid style hierarchal structure, this will only be the Production Directors responsibility. It also means the Team Leader and five operatives will only have one boss which may stop conflicting messages if both directors ask them to do different things.

## Functional Areas

Each functional department can expect to see some changes. The extent of the changes will depend on which option is chosen.

**Production Department:** This will see the greatest change as this will probably be expanded to accommodate the new supermarket order. Whichever option is chosen, there will be a clear need for a physical change and potentially more staff.

**Sales & Marketing Department:** There will be more pressure on the sales team to increase their orders to take up the current spare capacity if the supermarket goes ahead and a new production line is installed. Vegasonix needs to increase its sales anyway and not just rely on the supermarket order as that would make it vulnerable if they lost that order.

**HR:** May have some extra staff to train and look after but this would be minimal. Especially compared to the changes happening in the Production Department.

**Administration:** This will increase because the supermarket orders must be produced every day. The sales team will be looking for more customers too. The administration will be extremely important to keep everything accurate and in order.

*Bookkeeper:* As there will be more financial transactions, the workload of the bookkeeper is likely increase. As they're part time, it may be possible to increase their hours or make it a full-time job. HR may be needed to help with this, especially if the person doesn't want to increase their hours.

*Finance Department:* The Finance Director should be happier if the business is making a lot more money. This will mean more responsibility and taking care of profit margins. They will also have to decide what they can do with extra profits in the business.

### **3.2.2 Capacity Analysis and Planning**

#### **Option 1 Current Processes and Capacity**

Figure 7 - Current Capacity shows the factory currently opens 8am-4pm Monday to Friday. It is open for 48 weeks of the year or 240 working days.

Figure 9 – Production Line Considerations shows current production capacity is 50,000 units per day which is 12 million units per year.

It takes one team leader and five operatives to run the line using combined automatic and by hand processes.

Figure 6 – Sales Performance and Forecast shows current sales in Year 4 are almost £18 million. Unit sales are 6.6 million. This is 56% of production capacity.

Forecast sales for Year 5 are £21 million. Unit sales forecast is for 7,714,422 units. Workings  $(7,714,422/12,000,000) \times 100 = 64\%$  means it will still be operating at 36% below full capacity.

If the business spends nothing at all on upgrades but increase the number of shifts the factory operates to twilight shift (4pm-12am) and night shift 12am until 8am) it could increase capacity to 150,000 units every day.

This is still not enough capacity to fill the supermarket order. They definitely could not continue to supply existing customers unless they turned the supermarket order down.

#### **Option 2 Proposed Upgrade to Existing Line**

In Figure 7 - Current Capacity shows the factory currently opens 8am-4pm Monday to Friday. It is open for 48 weeks of the year or 240 working days.

If the supermarket wants 180,000 units delivered every day the CEOs might have to decide to keep the factory open 52 weeks of the year. It may also have to be open Saturday and Sunday.

Figure 9 – Production Line Considerations shows the increased production capacity as a result of automation would be double to 100,000 units per day.

Delivery takes 6 weeks and 4 days to install and test the upgraded line. This mean there will be no production for four days. It may need two weekends to do this and not lose production.

It takes one team leader and four operatives to run the line with fully automated processes. This will save Vegasonix Ltd a full operative salary of £16,216.20 per year.

If the business increases the number of shifts the factory operates to twilight shift (4pm-12am) and night shift (12am until 8am) it would increase capacity to 300,000 units every day.

This would be enough to service the new supermarket order and existing customers. It would also leave spare capacity to seek other orders.

This option would need another Team Leader and four more operatives for every extra shift (twilight and night shifts).

Year 5 forecast show the following expected unit sales:

<b>Customer Type</b>	<b>Unit Sales</b>
Farmers markets	29,984
E-commerce shop	250,008
Organic cafes	39,456
Specialist Delis	16,128
Wholesaler	7,378,896
Big Supermarket	43,200,000 units (Based on 240 days production)
<b>Total Unit Sales</b>	<b>50,914,472</b>

$50,914,472 / 240 = 212,144$  units per day need to be produced

As it stands, Vegasonix Ltd could not fill this order on just two shifts but instead would have to start a night shift for just 12,144 units. That might be a very costly option.

If the CEOs stopped going to the Farmers markets at weekends it would give them more free time and only loses £110,400 in sales in year five. Otherwise, the night shift would need a team leader and four operatives to be paid every day for just a few units.

This options costs £66,900 to upgrade the existing line.

### **Option 3 Purchase a New, Fully Automated Production Line**

In Figure 7 - Current Capacity shows the factory currently opens 8am-4pm Monday to Friday. It is open for 48 weeks of the year or 240 working days.

If the supermarket wants 180,000 units delivered *every day* the CEOs might have to decide to keep the factory open 52 weeks of the year. It may also have to be open Saturday and Sunday.

Figure 9 – Production Line Considerations shows production capacity of a fully automated brand-new line would be 200,000 units per day.

Delivery takes 8 weeks. It takes 9 days to install and test the brand-new line. This mean there will be no production for 9 days. If this is replacing the existing line this will result in lost sales and profits and customers might not come back.

Figure 6 shows current sales in Year 4 are almost £18 million. Unit sales are 6.6 million. (6.6 million/ 240 days shows 27,500 units sold per day. £18million/240 days shows the value of sales £75,00 per day.) Nine days of lost sales is £675,000. (More than half a million pounds)

It takes one team leader and three operatives to run the line with fully automated processes. This will save Vegasonix Ltd two full operative salaries totalling £32,432.40 per year.

If the CEOs stopped going to the Farmers markets at weekends it would mean all the current orders plus the new supermarket order could be filled in just one shift per day

For future considerations, if the business increases the number of shifts the factory operates to include a twilight shift (4pm-12am) and a night shift (12am until 8am), it could increase capacity to 400,000 units or 600,000 units every day.

This gives Vegasonix Ltd the capacity to seek new orders from other customers such as the other big 4 supermarkets.

This option costs £64,500 to buy a completely new, fully automated production line. This is £2400 cheaper than the upgrade option.

Capacity considerations for making this decision are more useful than using ROI because there is not enough difference in price to help with the decision-making process.

#### **Option 4 Combined Production Lines**

There is potential to use a combination of existing and new production lines. This will cause less disruption to the business:

#### **Current Capacity - Existing Line**

Figure 7 shows forecast unit sales in Year 5 at 7,714,422 units. But it will still be operating at 36% below full capacity. This means 4.3 million more units can still be produced.

If the business spends nothing at all on upgrades but increase the number of shifts the factory operates to twilight shift (4pm-12am) and night shift 12am until 8am) it could increase capacity to 150,000 units every day.

#### **Potential Capacity – Brand New Production Line**

Figure 9 – Production Line Considerations shows production capacity of a fully automated brand-new line would be 200,000 units per day.

With this new line, if the business increases the number of shifts the factory operates to twilight shift (4pm-12am) and night shift 12am until 8am) it could increase capacity to 400,000 units or 600,000 units every day.

This option costs £64,500 to buy a completely new, fully automated production line. This is £2400 cheaper than the upgrade option.

#### **Pro and Cons of Combined Production Lines**

## Pros

The business could keep the existing line running. This continues to serve existing customers and has capacity to take on more orders. The business will not be shut down during this time and will not lose up to £675,000.

The new line can be installed without closing the existing line. Then it won't matter how long delivery takes (except the sooner the better to start with the supermarket order).

## Cons

Is the factory unit big enough to take another new line? Or will the business have to look for new premises? This could take even longer to find a suitable factory.

The HR Director will have to arrange training for the staff on the combined production lines. This will increase his resistance to change.

Can Vegasonix Ltd find enough suppliers to produce so many smoothies every day?

## 3.3 Supporting Stakeholders

When developing Vegasonix Ltd to go into new directions, such as the large order from a new customer such as one of the Big 4 supermarkets, the CEOs need to ensure all stakeholders are on board and looked after.

Supporting stakeholders will mainly be about communicating effectively, letting everyone know what is going on and reassuring everyone it will be for the best. It may also include potential impacts of what might happen whether the project – the supermarket order for 180,000 smoothies every day, goes ahead or not.

A full Stakeholder Communications Plan is set out in Task 2. The stakeholders identified and will be supported for this project as follows:

**Level 1: High Interest/High Influence:** these are the people and organisations with the highest vested interest in the outcomes of a successful project such as the CEOs/Directors/ new supermarket/wholesalers/ suppliers/local councils.

Communications Support: regularly engage and keep satisfied in terms of progress made through meetings, launch events, emails, phone calls to ensure everyone is on board with the right message and happy with progress.

**Level 2: Low Interest/High Influence:** these are organisations that are at a distance but could impact greatly if they decided to get involve. For example, the government (increase taxes, offer grants, increase national minimum wage putting up costs).

Communications Support: monitor regularly and anticipate needs such as the tax department asking questions (HMRC).

**Level 3: High Interest/Low Influence:** these are people and organisations that may be greatly affected by the new project but don't have much say in the decision-making process. For example, employees and existing customers.



Communications Support: keep completely informed but monitor closely through regular updates, bulletins and maybe newsletters to avoid false rumours.

**Level 4: Low Interest/Low Influence:** these are people and organisations who may only have a passing interest in what is going on in the business. For example, local businesses, local towns, and villages, and probably farmers markets who don't really care who turns up as long as they pay for a pitch.

Communications Support: give out essential information only and have minimal contact through press, social media, newsletters to keep everyone informed.

#### 4. How Key Performance Indicators Can Support Implementation

Key Performance Indicators (KPIs) are used to set out the steps that will measure progress of the implementation plan. They will be clearly defined and based on the CEOs strategic and operational objectives for supplying the supermarket order which will make them useful in supporting successful implementation. They need to be quantifiable, and outcome based so the CEOs can ask the following questions and monitor progress:

- Has the KPI been fully achieved? Answered Yes/No
- If not, why not? Accountability of person responsible
- Has any progress been made? Answered Yes/No.
- If not, why not? Further accountability of person responsible.
- If Yes - How much progress has been made? Answered in % terms
- What else needs to be done/what do we need to ensure it happens?

The CEOs may set out their KPIs using the following method:

- What exactly needs to be measured? (For example, time between ordering new line, installing it and generating sales)
- Set the targets to measure performance (For example, time taken to implement, value of sales, sales levels, speed of production, capacity levels).
- Compare current production and sales levels with the new targets (For example production will easily increase but can sales levels increase to use up the spare capacity?)
- A regular review schedule to check progress is being made as expected and as needed for Vegasonix Ltd to survive and grow.

Finally, the CEOs need to have a contingency plan to deal with any incident when the KPIs are not met. Can they afford more time to implement, or not to use full capacity to fill sales given the big investment in new machinery and equipment?

#### 5. Conclusion

In conclusion, this supermarket is a huge opportunity for the business, and it could catapult them to greater success. The business itself is not quite ready for such a big order but the CEOs need to consider all the options as they may never get this chance again.

The CEO are confident they have enough money and capital to make major changes to the business. There are several options they could take. The most highly recommended option is set out in the next section below.

There are number of issues they must deal with, such as resistance to change, suppliers and managing stakeholder expectations. None of these issues are unbeatable.

## 6. Recommendations

The option most highly recommended to the CEOs is to consider the Combined Lines option. This means to keep the existing line running to service existing customer and to install a brand-new line to service the supermarket order.

Justifications for this recommendation are as follows:

- Even with three shifts the existing line cannot deliver the supermarket order.
- The existing line can continue to fill existing orders and not lose sales or customers.
- The brand-new line can be installed without stopping the existing line.
- It takes 8 weeks to deliver the new line giving HR time to recruit and train new operatives.
- The new line can produce 200,000 units every day - enough to fill the supermarket order and have capacity for more.
- If the supermarket increases its order, or more big supermarkets what to order smoothies, the company can add more shifts to increase capacity.
- The brand-new line costs less that upgrading the existing line.
- The brand-new line needs only three operatives to run it.

## 5.2 Project Delivery Plan

**Goals:** To change the way Vegasonix Ltd operates to take the opportunity to supply a huge order from one of the Big 4 supermarkets

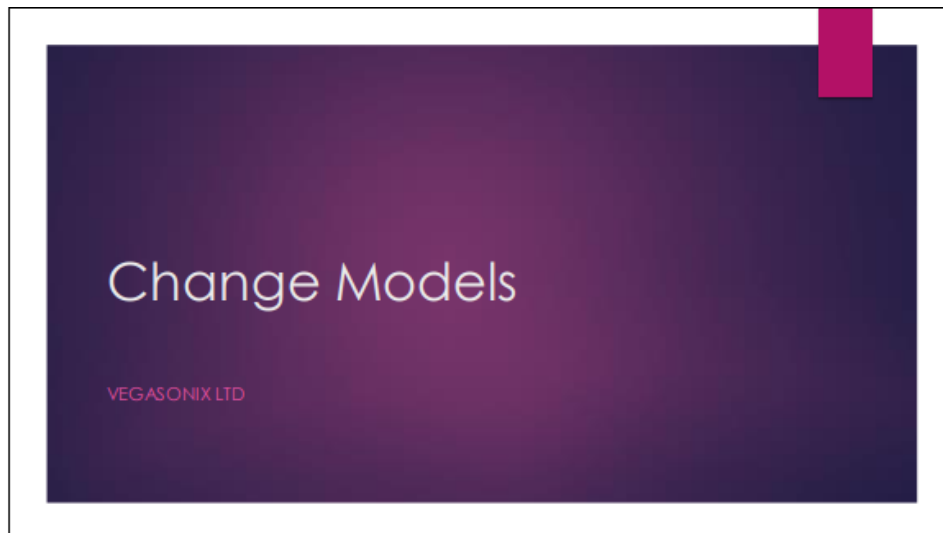
**Assumptions:** The current factory is big enough to take a second production line.

**Option Selected:** Combined Production of existing line and installation of brand new fully automated line.

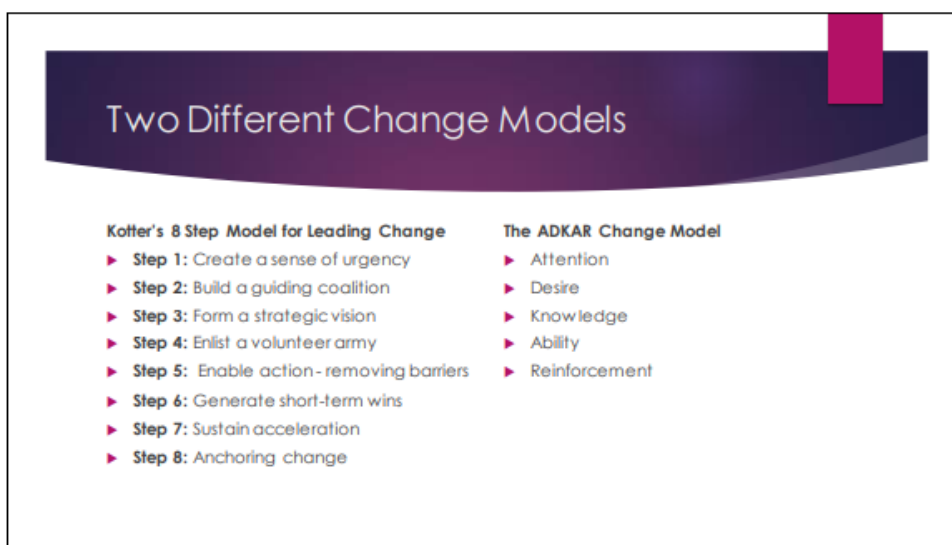
#	Project Milestones	Actions	Responsibilities / Champions	Week																
				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
1	Pre-installation Planning	Check current factory layout	CEOs/Production Director	Yellow																
		Plan second line placement	CEOs/Production Director	Yellow																
		Planning permission?	CEOs	Yellow																
		Deliveries still easily taken	Production Director	Yellow																
		Enough storage for finished goods	Production Director	Yellow																
		Enough space to pack and load orders	Production Director	Yellow																
2	Installation Planning	Order new production line	CEOs		Green	Green	Green	Green	Green	Green	Green	Green								
		Factory space for new line	CEOs/Board of Directors			Green	Green	Green												
		Move layout around	CEOs/Board of Directors			Green	Green	Green												
		Check existing line still works	Production Director/TLs			Green	Green	Green												
3	Installation of new line	Install new production line (9 days)	Production Director										Yellow	Yellow						
		Test new line	Production Director										Yellow	Yellow						
4	Sales Contract	Confirm order with supermarket	Sales & Marketing Director	Blue																
		Confirm -existing customer sales	Sales & Marketing Director	Blue																
5	Stakeholder interests	Communication with internal stakeholders	CEOs/Board of Directors	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	
		Communication with new supermarket	CEOs/ Sales & Marketing Director	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange
		Communication with existing/ new suppliers	CEOs/Production Director	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange
		Communication with existing customers	Sales & Marketing Dir.	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange

		Communication with local council	CEOs																
		Communication with government bodies	Director of Finance																
		Communication with local people, business	Sales & Marketing Dir.																
6	Supplies	Order additional raw materials	Production Director																
		Order additional packaging materials	Production Director																
7	Staffing	Recruit/Promote one new Team Leader	Human Resources																
		Train new Team Leader	Human Resources																
		Recruit new operatives	Human Resources																
		Train new operatives	Human Resources																
8	LAUNCH	Start full production -supply supermarket	Production Director/Sales & Marketing Dir.																
		Invite L1-L3 stakeholders to launch event	CEOs/Board of Directors																
9	Contingency Plan	Over deliver to existing customers	Production Director/Sales & Marketing Dir.																
		Start filling supermarket order on existing line	Production Director																
		Start new line in parallel to existing line	Production Director																
		Switch full supermarket order to new line	Production Director																

## 5.3 Change Management Models Presentation



- I will draw a comparison between two different change management models in order to establish which model may be used to implement my proposed solution for business improvement within Vegasonix.
- Once I have analysed my comparison, I will make recommendations for the most appropriate change management model for this project.
- I have chosen to compare the Kotter and Adkar models.



- I will draw a comparison between two different change management models in order to establish which model may be used to implement my proposed solution for business improvement within Vegasonix.
- Once I have analysed my comparison, I will make recommendations for the most appropriate change management model for this project.
- I have chosen to compare the Kotter and ADKAR models.

## Kotter and ADKAR Change Models

### Kotter – Step 1 Create a sense of urgency

- ▶ Damage to reputation – Vegasonix too small to deliver
- ▶ Overtaken by rival smoothie competitors in the industry
- ▶ Not able to successfully grow beyond 50,000 units per day
- ▶ Smoothie industry predicted to grow – missed opportunity for future business growth

### ADKAR – Attention

- ▶ Stakeholders need to understand the need for change, for example the growth of the business in the expanding smoothie market
- ▶ Attention on its own implies it is a one-way process, so the other steps of the change model must be used as well to ensure success of this project for Vegasonix

### What if Vegasonix Ltd did not change and was never able to service a huge order from one of the Big Four supermarkets?

#### Kotter

##### Step 1: Create a sense of urgency

- A valuable opportunity for the business to grow
- Current sales not at full capacity

#### Adkar

Attention is the first stage - Communicating the need for change is vital for staff buy-in for this type of project, and raising awareness is one of the first steps.

## Comparing Kotter and ADKAR Models

### Kotter

- **Step 1:** Create a sense of urgency

PROS: Creating urgency draws attention to the need for change for Vegasonix as a small business looking to grow larger. Can be used to inspire staff that the business growing is a positive thing. Sets expectations for change and what may happen during the process.

CONS: Makes people uncomfortable about what might happen when Vegasonix has to significantly increase its production to meet the supermarket order, which may in turn affect current work performance and Vegasonix's current customers.

### ADKAR

- ATTENTION

PROS: Also bringing the need for change to the attention of the people impacted, so Vegasonix staff are kept informed of changes which will impact them and their workload. Communication is vital but is it two ways?

CONS: On its own – drawing attention may not be enough in order to convince staff at Vegasonix that servicing the Big Four supermarket order is a positive step. What is its purpose?

# Kotter and ADKAR Change Models

## Kotter – Step 2 Build a Guiding Coalition

- ▶ Strong Leadership Team
- ▶ Identify and overcome obstacles and weaknesses
- ▶ Communicate with stakeholders – stay on message so they are informed of developments and stages of the process
- ▶ Keep everyone else motivated at all times during the change process, which will mean increased production on smoothie lines and therefore increased workload
- ▶ Take responsibilities for implementation plan actions as Vegasonix prepare to service the Big Four supermarket order
- ▶ Support the changes needed for the business to grow successfully

## ADKAR – Desire

- ▶ Appoint change leaders
- ▶ Identify advocates for change (not necessarily managers) who are able to clearly communicate to all other staff members
- ▶ Focus on benefits to employees not the business, e.g., increased job security by business growing further in the expanding smoothie market
- ▶ Based on making connections and building rapport, providing Vegasonix's staff with the support they need through the change

## Change Leaders, Advocates, Champions and Implementers

(The people who will communicate and coordinate the change activities on your behalf).

# Comparing Kotter and ADKAR Models

## Kotter

- **Step 2:** Build a Guiding Coalition

**PROS:** Identifies change leaders and allocates responsibilities for implementation. Communicates with all stakeholders clearly. Identifies support for the changes needed for Vegasonix to successfully service the Big Four supermarket order and grow.

**CONS:** Requires a strong leadership team and methods to lead Vegasonix through this change which may be challenging under pressures of servicing the new large supermarket order.

## ADKAR

- **DESIRE**

**PROS:** Identifies change leaders and advocates. Focus is on benefits for Vegasonix's staff. Aims to build on connections and rapport to support implementation of the increased production needed to service the Big Four supermarket order.

**CONS:** Some people understand the need for change but will still experience resistance to it. There is not a stage of the model to address this potential issue which may mean that staff within Vegasonix feel unsupported, risking the success of the improvement project and threatening their ability to service the large supermarket order.



## Comparing Kotter and Adkar Models

### Kotter

#### ► Step 3: Form a strategic vision and initiatives

PROs: Identifies clear vision for the future of Vegasonix. Gives all stakeholders an image of potential success if the Big Four supermarket order is a success.

CONS: Needs a strategic leadership with a strong vision of the desired outcome for the change longer term – not just present or short-term, for example, what the next steps may be after servicing this Big Four supermarket order – continue production at this level, or even a further increase in the future?

### ADKAR

- CONS: Nothing relating to strategic vision or taking initiative in this model which may mean that the messages Vegasonix deliver to staff are not as persuasive on why this change should happen to secure the long-term future of the company and its staff.

### Vegasonix Ltd – the next big success story?

#### Kotter – Step 3 Form a Strategic Vision and Initiatives

- What will we do different in the future?
- Choices – stay local or expand and grow?
- Limit ourselves to 50,000 units a day or 50 million units a day in every country?
- Actions needed to win big orders such as the Big Four supermarket order
- The current sales outlets will not generate enough sales to future proof the business and for Vegasonix to take advantage of a growing smoothie industry

Adkar – Does not include this step in this change management model.

# Comparing Kotter and ADKAR Models

## Kotter

### ► Step 4: Enlist a Volunteer Army

PROS: Enables planning for how to bring others on board with changes voluntarily by ensuring they understand why this is a positive move for Vegasonix.

CONS: Tends to be a scattered approach and not necessarily the people you need to get on board with the change are attracted – importantly, Vegasonix staff.

## ADKAR

### ► DESIRE

PROS: Some overlap with advocates and volunteers.

CONS: Less planned approach on how Vegasonix will make this happen.

## **We need an army of supporters.**

### **How will we do this?**

#### Kotter – Step 4 Enlist a Volunteer Army

- - Keep servicing existing customers –however small - and get feedback from them on Vegasonix's current performance
- Social media campaigns to get attention and to reach a wider audience
- Run competitions – e.g., fans post potential vegan smoothie recipes on social media
- Communicate the vision – the hopes and plans for the future of Vegasonix and its vegan smoothie options

# Kotter and ADKAR Change Models

## **Kotter – Step 5 Enable Action by Removing Barriers**

- ▶ New production line needed (to service 200,000 units per day)
- ▶ Are there enough staff in the teams? For example, currently only one Administration Assistant between HR and Marketing – will this be enough with the increase in orders?
- ▶ Addressing causes of resistance to change within Vegasonix promptly

## **ADKAR – Knowledge and Ability**

- Identifies what is needed to make change a success for Vegasonix
- Aims to give confidence to make change
- ▶ Skills development to ensure available capacity for change in Vegasonix staff

## **Fit for Purpose – Systems & Processes**

### **Reducing Resistance to Change**

#### **Kotter – Step 5 Enable Action by Removing Barriers**

- Can current systems cope with the new ways of working?
- Removing obstacles and providing reassurances to staff with increased workloads during the servicing of the new supermarket order

#### **ADKAR – Knowledge and Ability**

##### **KNOWLEDGE**

- Training and education given for new roles and responsibilities of servicing a much larger order
- Systems and processes fit for new ways of working e.g., smoothie production line
- Tools to ensure fit for purpose ways of working as Big Four supermarket order is serviced

##### **ABILITY**

- Coaching to build confidence and abilities
- Seeks feedback to ensure progress of the improvement project
- Can do test runs before implementing change for the first supermarket order

# Comparing Kotter and ADKAR Models

## Kotter

- **Step 5:** Enable actions by removing barriers

PROS: Considers changes to systems, processes and staffing needed to service a much larger order on the smoothie production lines. Identifies resistance to change of the supermarket order and why this might be.

CONS: Quite broad viewpoints. Less detailed than ADKAR model which may mean reduced staff buy-in to servicing the large supermarket order.

## ADKAR

- KNOWLEDGE/ABILITY

PROS: Detailed requirements on systems, processes and staffing. Emphasis on training and education to help prepare for change and overcome resistance e.g., training on using new upgraded and automated production lines to service the supermarket order.

CONS: How much of this will be needed for Vegasonix project?

# Kotter and ADKAR Change Models

## Kotter – Step 6 Generate Short Term Wins

- ▶ Early wins to get everyone on board in time to service the new supermarket order
- ▶ Share vision and excitement of possibilities for Vegasonix to grow as an established vegan smoothie business
- ▶ Involve everyone in implementation plan to ensure they feel involved

## ADKAR - Reinforcement

- ▶ Share each step of the change, new organisation structure, new systems on production line
- ▶ Celebrate every success throughout the journey of preparing the first large supermarket order

## Kotter – Step 6 Generate Short Term Wins – Vision: Close enough to win

- Show new factory layout – ask opinions and gain feedback
- Options for progression within an expanding larger business e.g., to train on new production line, get promoted to Team Leader
- Short-term goals and actions to kickstart delivery of supermarket orders

## ADKAR – Reinforcement – Celebrate success during and after change

- Reinforce new habits – remove old software, implement new processes on the upgraded and automated smoothie production lines
- Need to embed changes to normalise them as typical working practice for Vegasonix

# Comparing Kotter and ADKAR Models

## Kotter

- **Step 6:** Generate short-term wins

PROS: Identifies small successes from early stages. Early wins to generate excitement and get Vegasonix staff on-board. Shares as much information and involves as many as possible in order to make the supermarket order a success.

CONS: Some staff may think these are false wins and not believe them, instead focusing on the future work and pressure that is needed to service this large supermarket order for the first time.

## ADKAR

- REINFORCEMENT

PROS: Similar attitude as Kotter model to celebrating successes during and after implementation of change of Vegasonix increasing production capacity to meet the demands of the supermarket order. Used to embed and reinforce change and new habits in working in the Vegasonix factory.

CONS: Some people may be cynical about celebrating every success and be more wary of the next steps and work to come in delivering this large supermarket order.

# Comparing Kotter and ADKAR Models

## Kotter

### ► Step 7: Sustain Acceleration

PROS: Continues the change improvement process after implementation and after the first supermarket order is complete. Keeps momentum going for the future orders and increased production capacity which becomes the norm. Offers rewards for successful suggestions for improvement.

CONS: It is more change for staff to come to terms with. Not just the new production line but continuous change processes that will come from servicing the new supermarket order.

## ADKAR

### ► REINFORCEMENT

PROS: Focus is on the change project being implemented right now to get the first supermarket order ready. No potential for confusion when project is finished, and the first order is complete.

CONS: Does not consider the way the business progresses after implementation, which may be short-sighted and only focused on short-term thinking. This may not work for Vegasonix if it is agreed that they will continue to service the supermarket order as business as usual in the future.

## Kotter – Step 7 Sustain Acceleration – Focus on Continuous Improvement

- Systems, processes, new recipes and ideas to ensure long-term success
- Reward successful suggestions, share the profits
- Restructure organisation for success –strong management, chain of command in the Vegasonix factory
- Keeping the momentum going from agreeing the contract, preparing the first order to distribute to the supermarket and then continuing at high production levels as business as usual
- Encourage everyone to suggest improvements along the way, e.g., make changes to improve after first order if needed

**ADKAR** – No step on sustaining acceleration, this is covered by the previous Reinforcement stage. Therefore, a con may be that ADKAR model is more focused on the short-term.

- Embed Changes
- What can be done to reinforce the changes?
- Are any new processes necessary?



# Comparing Kotter and ADKAR Models

## Kotter

### ► Step 8: Anchor Change

**PROS:** Set the change out in terms of corporate culture – how we do things, business norm. Focuses on leaders to set and maintain support for new changes for Vegasonix staff.

**CONS:** It may be frustrating for staff who do not see their place in the new culture and would have preferred Vegasonix to remain smaller.

## ADKAR

There is no comparable section in ADKAR to address the corporate culture aspects of change.

It may be argued that some of these are touched on in the REINFORCEMENT section of the model (Embed changes/Reinforce new habits).

## **Kotter – Step 8 Anchoring Change – Corporate Culture**

- Collect success stories, share on social media and internally how Vegasonix have progressed and are growing
- Reward successes to Vegasonix staff
- Embed changes into organisational culture
- Reinforce the way things are done
- Ensure the leadership and any new leaders/managers support the change and the servicing of the Big Four supermarket order

**ADKAR –** There are no steps in Adkar which focus on anchoring change.

# Kotter's Model for Leading Change

## Why Kotter's Model? - Justification

- ▶ Same process used across whole company to ensure consistency
- ▶ Individuals cannot claim unfair treatment during this big change for Vegasonix
- ▶ Everyone is going through the same process – becomes the norm, shared support
- ▶ It offers a detailed step-by-step process to follow as Vegasonix begins to prepare to service the new supermarket order
- ▶ It involves employees and other stakeholders which is key to the success of the change and business improvement process for Vegasonix
- ▶ Focuses on the acceptability and not only the process for change

## **Vegasonix Ltd has a big opportunity for business growth.**

Decisions made now could secure the long-term future of the company, ensuring the business grows to its potential creating a stable larger business ensuring greater profits and greater job security for all the staff involved.



## **5.4 Practical Observation Record**

### **Task**

Present your findings on the different change management models to the CEOs. Your tutor will take on the role of one of the CEOs, and you will present your findings to them. You will have 15 minutes to deliver your presentation. This will be video recorded so that it can be submitted for marking.

### **The following notes were made through observation of the presentation.**

The candidate presented a PowerPoint presentation that showed their findings on two change management models that could be used to support Vegasonix in servicing the new supermarket order.

The candidate had a set of presentation slides that had detail on each change management model and detailed pros and cons of each which were clearly articulated in order to determine which one is the best to use for this business improvement project. The candidate confidently used their accompanying notes to supplement the presentation delivery.

The candidate used clear and effective language in order to present findings on each model and positively influence me as one of Vegasonix's CEOs as to which model should be used in the context of this business improvement project supported by justified reasoning.

The candidate summarised the presentation with a detailed overview of the recommended change model, which was fully supported by justifications that backed up points that had been raised through the presentation.

Overall, the presentation was strongly and confidently delivered, and it was evident that the candidate had considered the most optimal way to deliver the content of their presentation in order to positively influence the decision on which model was the best to use.

## Commentary

The candidate has demonstrated they can produce a detailed business improvement proposal. The candidate has used a range of evidence to analyse and develop justified recommendations for how best to undertake the business improvement project. The evidence used considers a range of different elements within the organisation.

The project delivery plan effectively presents how the recommended option could be delivered within the business. The candidate demonstrates they are able to consider in detail how each step of the project plan will be actioned and monitored in order to make the business improvement project a success.

The presentation slides provide a detailed comparison of two change management models, Kotter and Adkar. Information presented on both models is used to effectively build a justified recommendation as to why Kotter's model should be used in line with the context of Vegasonix servicing the new supermarket contract (e.g., offers a supportive step-by-step process involving all in the change). The presentation provides a developed understanding of change management and its role in success for business improvement projects.

The candidate demonstrates that they are able to confidently deliver an effective presentation. The candidate considers their communication style and delivery of key messages in order to positively influence the audience to accept the use of Kotter's model for this business improvement project.

## **Task 6**

### **Risk Register**

For Task 6 candidates need to produce the following pieces of evidence:

6.1 Risk assessment documents

6.2 Risk register that identifies and quantifies potential risks, and provides mitigations to each risk

## Candidate evidence

### 6.1 Risk Assessment Document

<b><i>Risk Identified</i></b>	<b><i>Why is this a risk?</i></b>	<b><i>What is the scale/level of risk?</i></b>	<b><i>Impacts of risk (who/what is impacted?)</i></b>
What if Vegasonix does not take the supermarket order for 180,000 smoothies per day	Potential to grow the business is lost, loss of profits and revenue and securing long—term future of the business.	Medium	Vegasonix and its level of profits and revenues
What if the current factory isn't big enough to cope?	Unable to service the supermarket order successfully and effectively.	High	Vegasonix and its premises
What if the business can't afford to upgrade or buy brand new line?	Potential loss of profits and business and damage to business reputation if agreeing to service the supermarket contract and then being unable to service the supermarket order successfully and effectively.	Medium	Vegasonix profits and business reputation
How will the resistance to change from members of the Board be dealt with?	A potential huge blocker to the success of the organisational growth and of the supermarket order being successfully serviced.	High	Vegasonix organisational growth
Can enough sustainable, organic suppliers be obtained to fill such a big order?	A lack of suppliers or a lack of appropriate suppliers will risk the future of successfully servicing the new supermarket order and therefore the growth of the business. Suppliers must be sustainable and organic growers otherwise there is also a risk to organisational reputation.	Medium	Vegasonix organisational reputation
What if there are crop failures due to weather and climate change?	Loss of produce for the smoothies will have a direct impact on the number of smoothies that can be produced, directly impacting on the success of the supermarket order as well as existing customers.	High	Vegasonix and its suppliers

What if the line breaks down and the orders can't be filled?	Risk to reputation of business and the relationship between Vegasonix and the supermarket. Also, a risk to existing customer bases with potential for huge loss of profits the longer the delay goes on.	Medium	Vegasonix reputation, its customers
How can we serve customers if/when the line is upgraded?	Potential loss of business as the production lines are down whilst being upgraded in order to service the supermarket order. This is a great risk to the existing customer bases which are the foundations of Vegasonix sales and still need to be serviced even with the new huge supermarket order.	Low	Vegasonix customers
How can we serve customer if/when the new line is being installed?	Potential loss of business as the production lines are down whilst being installed in order to service the supermarket order. This is a great risk to the existing customer bases which are the foundations of Vegasonix sales and still need to be serviced even with the new huge supermarket order.	Low	Vegasonix existing customer bases, as well as organisational reputation
Staffing - what if HR can't recruit and train enough operatives in a rural area?	Risk to success of servicing the supermarket order as well as continuing to service the existing customer base.	Low	Vegasonix reputation and existing customers
What if the supermarket cancels the order?	Money has been spent on upgrading the production lines and other alterations in the business which is then meant to produce increased profits from increased sales. If this doesn't happen then this would mean potential reduced revenues for that year which may impact on overall growth.	Low	Loss of Vegasonix profits
What if the supermarket increases the order?	The supermarket order is already a huge increase on existing production levels and the number of products produced, any further increase may risk the success, staff morale and existing amendments to production lines and equipment – i.e., more money may have to be spent on further alterations.	High	Vegasonix and its staff
What if current systems & processes can't cope?	Unable to service the supermarket order once agreed risks organisational reputation and loss of revenues and profits.	High	Vegasonix and its staff
What if one administrator can't cope with the extra work?	This will risk the success of Vegasonix being able to service the supermarket order as well as loss to organisational reputation if vital company admin work is not completed fully or on time for customers and for internal purposes. This will also risk the motivation of the staff members at Vegasonix as increased workload may prove too much for them.	Low	Vegasonix and its staff

## 6.2 Risk Register

Risk Category	Identified Risk	Possibility 1(Unlikely)- 9 (Likely)	Proximity 1 (Distant) - 9 (Imminent)	Impact 1(Negligible)- 9(Devastating)	Risk Rating R/A/G	Mitigation	Comments	Status
Strategic	What if Vegasonix does not take the supermarket order for 180,000 smoothies per day	2	2	7	28	Would need to continue to seek lots of smaller orders to reach this level of business.	Can Vegasonix afford to turn this order away?	TBC
Strategic	What if the current factory isn't big enough to cope?	3	3	9	81	Depending on the decision to either upgrade or install new, may need to look for new premises. Research this for future plans.	Recommendation made on assumption the factory is big enough to add a new line	TBC
Strategic	What if the business can't afford to upgrade or buy brand new line?	1	2	9	18	CEOs confident they have enough capital to finance this project.	Potential to make £108million in sales from supermarket order alone. Potential spend £64K-£67K plus staff costs	TBC
Strategic	How will the resistance to change from members of the Board be dealt with?	9	9	2	162	Change management plan to address this. Board members given opportunity to support it or leave.	HR director Neil Ross very resistant to change. Finance director concerned about costs. Not addressing this risk or allowing the resistance to remain embedded could lead to greater risk, or different risks – so is a priority to resolve.	Ongoing
Managerial/ Suppliers	Can enough sustainable, organic suppliers be obtained to fill such a big order?	7	5	7	245	The business already has lots of supplier links - approach these to increase orders. Start search for new suppliers now.	The Supplier Appraisal Checklist may need to be changed if none of the new suppliers can achieve it. Review supplier commitment and ability to	Ongoing

							supply into decision making process for the recommendation. If challenges continue to linger here – then reviewing the viability of the project should be key.	
Managerial/ Suppliers	What if there are crop failures due to weather and climate change?	4	3	7	84	Be prepared to change to different flavours. Look for suppliers in different countries so if it fails in one place it may be ok in another.	Consider a system for holding frozen fruit when there is a surplus. Will need suppliers all year round, so order from different places.	Ongoing
Managerial/ Operations	What if the line breaks down and the orders can't be filled?	4	1	6	24	Regular maintenance of the line. Have a contract with a company who can come and fix it quickly. Hold some stock to fill orders until it can be fixed.	Director of Operations to ensure regular maintenance checks done.	Ongoing
Managerial/ Operations	How can we serve customers if/when the line is upgraded?	4	2	8	64	Do the upgrade over two weekends and not lose any production time.	Upgrade takes 4 days for 4 processes. Do two processes each weekend.	TBC
Managerial/ Operations	How can we serve customer if/when the new line is being installed?	4	2	9	72	Do we have any business contacts who could help us out with production runs? Or do the installation during the four weeks the factor is not open.	Installation takes 9 days. Whole production line to be installed. May adopt combined lines option.	TBC
Managerial/ Operations	Staffing - what if HR can't recruit and train enough operatives in a rural area?	2	2	5	20	Ask existing staff to let family and friends now of vacancies. Advertise on social media.	Unemployment is usually higher in rural communities.	Ongoing
Commercial	What if the supermarket cancels the order?	2	1	9	18	Increase sales from other customers. Approach other supermarkets so not reliant on one big customer	Sales need to increase anyway to use up spare capacity	Ongoing

Commercial	What if the supermarket increases the order?	5	1	3	15	Increase orders to suppliers. Use existing capacity first. Start another shift if necessary.	My need to negotiate a time span with supermarket to enable extra supplies and staff to be taken on. Depends on size of order.	Ongoing
Managerial/ systems	What if current systems & processes can't cope?	4	3	6	72	Check systems for supermarket order process. Make adjustments a necessary.	Volume of orders won't be much greater, but volume of production will be.	Ongoing
Managerial/ systems	What if one administrator can't cope with the extra work?	2	4	5	40	The supermarket order is standard. 180K units per day.	Not a lot of extra work unless lots of new customers brought in.	Ongoing
						<b>Reviewed date</b>	17/02/20XX	
						<b>Reviewed by:</b>		
						<b>Next Review date:</b>	27/07/20XX	

Key	RAG
0-100	Low Risk
100-200	Medium Risk
200 +	High Risk



## Commentary

The candidate has undertaken a comprehensive risk assessment that effectively demonstrates consideration of the end-to-end process of implementing their recommendation for delivering the supermarket order. As part of the risk assessment, the candidate has considered the range of risks that could occur throughout the delivery of the project set-up, as well as longer-term as the recommendation is operationalised within the organisation. There is demonstration that each risk has been carefully considered in terms of the reasons for the risk, its potential impact, and the level of risk.

The candidate has used their initial risk assessment to build out and develop a risk register. The risk register provides an excellent level of detail on the range of risks identified and the threat they pose to the organisation. The use of a qualified rating system shows the understanding of how different risks have been categorised, with the commentary reflecting identification of key risks to be prioritised as part of the project. Mitigations presented demonstrate an understanding of how risks could be dealt with to support the delivery of the recommendation.

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