

**2021 Sample ABQ – Units 3,4,5 – Boost Me Boards Ltd.**

Boost Me Boards Ltd. was set up in 2012 in California, USA by three friends that had a passion for skateboarding, engineering and quality. When they set out to create a commercially viable motorized skateboard, they decided they would try to manufacture 100% perfect products 100% of the time so that its customers are 100% satisfied. They knew what their strengths were, but they insisted on carrying out extensive market research so that they could build a product to match consumer's needs. They spent time recruiting staff that had a high skill and knowledge base, and that would be confident in their ability to make their own decisions without having to check with them first. They made sure to source raw materials from suppliers that listen to their feedback and would work together with them. They wanted to reduce all potential problems and keep on improving their product going forward.

They knew that they would need to communicate to their target market of 18-35 year old males to make their idea a success. They set about finding a YouTuber to endorse their product and use it in their videos, and found Casey Neistat. Casey loves skateboarding and has millions of followers and uploads videos every day to his YouTube channel. They decided that to boost sales initially and encourage potential customers, they would offer 10% off for the first 500 Boost Me Boards sold. They also invested a large amount of money to appear high up on a Google Search on Google Ads, which would help them gain customers searching for motorized skateboards.

When setting up they came up with the vision of their business as a convenient, environmentally friendly and cool way to travel. Initially the plan was to start in California with the hope that by 2022 10 years later they would be selling to every state in America and shipping to Europe. They decided to aim for selling to 10 different states through stores within 2 years. They hired a manager to focus on everyday things like the staff roster having stock to make the boards. In case the company's sales didn't go as planned, they decided that they would scale down and run it as a hobby anyway, even if they'd then have to go back to working other jobs as well.

(A) Illustrate the benefits of using 'Total Quality Management' for Boost Me Boards Ltd. (25 marks)

(B) Evaluate the different types of promotion techniques that Boost Me Boards Ltd. use to sell their products. (30 marks)

(C) (i) Explain what is meant by the term 'planning'

(ii) Explain the different types of planning Boost Me Boards Ltd. would need to engage in to be successful (25 marks)

(A) Illustrate the benefits of using 'Total Quality Management' for Boost Me Boards Ltd. (25 marks)

**MS: 3 points; (9+8+8) State 3m, Explain 4m, Link 2m, State 2m, Explain 4m, Link 2m x 2)**

*Top Tip! \*The principles of Total Quality Management are (1) Focus on the Customer (2) Employee Empowerment (3) Teamwork (4) Continuous Improvement and all TQM answers should be based around these\**

### **Continuous Improvement = Improved Quality**

Continuous Improvement means the business tries each time to do better than the previous time when manufacturing products.

A business using TQM will strive for 'zero defects' in production.

*Boost Me Boards "wanted to reduce all potential defects and keep on improving their product going forward." This will benefit them as less products will be returned for a refund, reducing costs.*

### **Focus on the Customer = Increased Sales**

The focus is on the customer, so a manufacturing business will conduct market research in to what the customer requires from their product. This will also prevent a firm producing lots of an unwanted goods as they will have checked what the consumer wants before production starts.

*Boost Me Boards Ltd. made sure to carry out "extensive market research so that they could build a product to match consumer's needs." The benefit is that customers will like their product more, increasing sales.*

### **Employee Empowerment = Job Satisfaction**

Employees are empowered, with managers giving them power to make their own decisions, increasing trust from management and allowing them satisfy esteem needs (Maslow). They can draw on their on skills and knowledge to do this.

*Boost Me Boards hired staff that "would be confident in their ability to make their own decisions without having to check with them first." The benefit is that staff can work much more efficiently without having to wait on a managers input/decision.*

**Other: Teamwork – link** *"They made sure to source raw materials from suppliers that listen to their feedback and would work together with them."*

B) Evaluate the different types of promotion techniques that Boosted Boards Ltd. use to sell their products. (30 marks)

**MS: 3 points; (3+3+3+1 State, Explain, Link, Evaluate.) Give either one overall evaluation or a brief one for each point.**

### Advertising

Advertising is the communication of information to a target market using the advertising media such as social media, magazines, posters, radio, TV, Cinema, Internet.

Advertising awakens the public's interest and persuades them to purchase goods. Advertising can be persuasive, competitive, generic and informative.

*"They also invested a large amount of money to appear high up on a Google Search on Google Ads"*

### Public Relations

All activities, often carried out by a Public Relations Officer (PRO), e.g. press conferences/ sponsorship / endorsements related to creating a good public image for the product or service amongst its stakeholders and target market. It includes using social media to communicate to the public.

It aims to achieve favourable publicity and build a good corporate image for the business in the public eye in the long run.

*"They set about finding a YouTuber to endorse their product and use it in their videos"*

### Sales Promotion

Sales promotion involves the use of short term gimmicks to encourage purchase. It is great to attract new customers or to get people to try out a new product when it is launched.

Forms of sales promotion include 2 for 1, coupons, vouchers, loyalty cards, free samples, banded offers, competitions etc.

*"they would offer 10% off for the first 500 Boost Me Boards sold."*

**Evaluation: In my opinion**, using a YouTuber like Casey Neistat who can endorse their product daily to millions of potential customers is a great way to build a great image in the public's eye. Lots of customers are probably IT savvy so investing in google ads is a great idea as well as enticing people to buy to avail of the discount.

(C) (i) Explain what is meant by the term 'planning'  
(ii) Explain the different types of planning Boost Me Boards Ltd. would need to engage in to be successful (25 marks)  
**MS: (i) No DQ required (4+3) (ii) 3 types of planning at 6 marks each (2+2+2)**

(i) Planning is the **setting down of specific goals and objectives** and the putting in place of **strategies that allow you to achieve** the stated goals and objectives of the business.

(ii) **Mission Statement**

Visionary overarching statement of the business and what it's philosophy is/what makes it tick

*"When setting up they came up with the vision of their business as a convenient, environmentally friendly and cool way to travel."*

**Strategic Plan**

Long Term plans, drawn up by Senior Management, taken from the Mission Statement to create plans

E.g. Long-term Expansion in to new markets (products or geographically)

*"Initially the plan was to start in California with the hope that by 2022 10 years later they would be selling to every state in America and shipping to Europe"*

**Tactical Plan**

Shorter term plans (can be 1-2 years). Drawn up by middle management, breaking down the Senior Management's Strategic plans in to the 'now'

E.g. Entering one new market in the next 18 months

*"They decided to aim for selling to 10 different states through stores within 2 years."*

**Operational Plan**

Day to day planning to help the business run smoothly

Planning rosters, holidays, day to day and weekly plans

*"They hired a manager to focus on everyday things like the staff roster having stock to make the boards"*

**Contingency Plan**

Back up plan, for emergencies or unforeseen events

Helps prevent disruptions e.g. a contingency should a key supplier close down / not be able to supply you.

*"In case the company's sales didn't go as planned, they decided that they would scale down and run it as a hobby anyway, even if they'd then have to go back to working other jobs as well."*

(A) Illustrate the benefits of using 'Total Quality Management' for Boost Me Boards Ltd. (25 marks)

State: \_\_\_\_\_

Explain: \_\_\_\_\_

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Direct Quote w/benefit: \_\_\_\_\_

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State: \_\_\_\_\_

Explain: \_\_\_\_\_

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Direct Quote w/benefit: \_\_\_\_\_

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State: \_\_\_\_\_

Explain: \_\_\_\_\_

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Direct Quote w/benefit: \_\_\_\_\_

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(B) Evaluate the different types of promotion techniques that Boost Me Boards Ltd. use to sell their products. (30 marks)

State: \_\_\_\_\_

Explain: \_\_\_\_\_

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Direct Quote: \_\_\_\_\_

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State: \_\_\_\_\_

Explain: \_\_\_\_\_

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Direct Quote: \_\_\_\_\_

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State: \_\_\_\_\_

Explain: \_\_\_\_\_

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Direct Quote: \_\_\_\_\_

Evaluation: In my opinion \_\_\_\_\_

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(C) (i) Explain what is meant by the term 'planning'  
(ii) Explain the different types of planning Boost Me Boards Ltd. would need to engage in to be successful (25 marks)

(i)  
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(ii) State: \_\_\_\_\_

Explain:  
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Explain:  
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