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Cambridge International AS & A Level

BUSINESS **9609/43**

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

1 hour 15 minutes

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You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

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

INFORMATION

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

This document has **4** pages. Any blank pages are indicated.

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Kitchen Favourites (KF)

KF was set up by Liam and Samir as a limited company. It operates a 'cloud kitchen' business. Cloud kitchens are facilities rented to catering businesses that operate a delivery service. KF rents out kitchen space and provides support workers. The catering businesses cook meals in the cloud kitchens which they then deliver to consumers.

Liam and Samir's objectives are to exploit rapid growth in the sector and maximise the profits made by KF.

Timeline of KF

2018	KF's first cloud kitchen rents space to five catering businesses (see **Appendix 1**).
2019–2020	Global pandemic drives up growth of the food delivery market. A second cloud kitchen is opened and all spaces are rented out. KF starts its own delivery service for the catering businesses in both cloud kitchens. KF employs delivery riders on zero-hours contracts. Approximately 45 riders on electric bikes are used each week.
2021	KF opens a third cloud kitchen. Delivery riders increase to 75. KF develops an app to track delivery riders and improve efficiency (see **Appendix 2**). Delivery riders are unhappy about the tracking data provided by the app (see **Appendix 3**).
2022	Orders for takeaway food from households decline. The government introduces legislation banning zero-hours contracts by the end of 2023.
2023	One cloud kitchen is closed as the delivery market continues to shrink. KF responds to the changes in legislation on zero-hours contracts (see **Appendix 4**).

Developing a new business strategy

Liam and Samir are concerned about the decline in the food delivery market and want to secure the future of KF. Liam thinks that Ansoff's matrix is the best approach to develop a business growth strategy. However, Samir wants to consider other approaches to develop business strategy.

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Appendix 1: Extract from KF's business plan 2018 – Human Resources

- Two directors – Liam and Samir
- One office manager – full time contract $21 000 per year
- 15 kitchen support workers – flexitime contracts $10.50 per hour

Appendix 2: Extract from delivery app functionality report 2021

The app communicates between the kitchen, the delivery rider, and the consumer to provide real-time tracking. The map function provides the quickest routes across the target area for delivery riders to use. Management can track speed, time and efficiency of the delivery riders both on delivery and on return to KF kitchen through the data provided by the algorithms.

Appendix 3: Feedback from delivery riders 2021

- The new delivery app has introduced time targets that are unreasonable.
- We are getting abused by customers who claim food is late, but the app is not calculating times correctly.
- Our performance and bonuses are not being judged fairly.

Appendix: 4 KF's response to the government ban on zero-hours contracts 2023

New legislation banning zero-hours contracts meant that KF had to make a decision between the following two options:

- 25 of the current 75 delivery riders would become full-time employees of KF

  or

- all 75 would become self-employed and part of the gig economy.

Liam and Samir decided that all 75 delivery riders should become self-employed and operate within the gig economy.

Answer **both** questions.

1 Evaluate KF's approach to human resource management (HRM) between 2018–2023. [20]

2 Advise KF whether using Ansoff's matrix is sufficient to develop a successful growth strategy. [20]

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