



Oxford Cambridge and RSA

Tuesday 23 May 2023 – Morning

A Level Business

H431/01 Operating in a local business environment

Resource Booklet

Time allowed: 2 hours



INSTRUCTIONS

- Use this Resource Booklet to answer the questions in **Section B**.
- Do **not** send this Resource Booklet for marking. Keep it in the centre or recycle it.

INFORMATION

- The business described in this Resource Booklet is a **real** business.
- This document has **4** pages.

Big Ben's Bargains (BBB)

Ben Berringer is known as 'Big Ben' to his friends and customers. He owns and runs a hardware shop (BBB) that sells, in his own words, "Just about everything apart from groceries and clothes". In recent years, the UK's retailers have been in decline – accelerated by the Covid pandemic. However, BBB has continued to grow. Ben operates BBB as a sole trader. His wife Heidi, who is a professional accountant, completes all the business' financial paperwork. She does not work in the shop. 5

BBB is filled with everything a traditional hardware shop would sell, such as nails, screws and tools. Bags of compost, bottled gas, pet food, low-priced children's toys, and greeting cards are just some of the other products sold. A key-cutting service is also available. BBB offers a 'send away' service for dry cleaning clothes and the sharpening of tools. Ben is planning to do some market research, using quota sampling, to find out whether there is enough demand for him to allocate more shelf space to selling a wider range of pet food and greeting cards. 10

BBB is located in a row of seven shops on a large housing estate. These shops include a hairdresser, a pharmacy, and a greengrocer. The shops were built in the 1950s and BBB has the look of a retailer from that time. BBB's shop layout is certainly unconventional. For example, there are no signs in the shop directing people to the different products. Originally, the shop was long and narrow but, since Ben had a large part of a storage area converted into selling space, he says, "It's now like two railway carriages end-to-end, packed with stuff". He likes the old-fashioned look of the shop although he admits, "It could do with some redecoration and CCTV installing. The tills could also be updated." 15 20

BBB currently has four part-time employees who restock the shelves and work on the tills. They each work about 20 hours a week, on a flexible basis. This is because Mondays are typically 'slow' in terms of sales and trade increases as the week progresses. However, one employee has handed in his notice and will be leaving next month and another is going to retire in August. Therefore, Ben has decided to recruit a full-time employee. This should make organising the staffing easier. He wants this employee to manage the shop if Ben and Heidi go on holiday – something they have not done for four years. Ben is considering how best to approach the recruitment process. "It takes a special sort of person to work here," he says. 25

As a hardware shop, BBB was considered to be providing an 'essential service' and was allowed by the government to remain open throughout lockdowns during the Covid pandemic. Partly because of this, BBB has a very loyal customer base that extends for about five miles in every direction. An article in a local newspaper in 2021 stated, "Residents have always been proud of their independent shops and are determined that they should continue to be a central part of the community". This has meant that, despite the increase in online spending, there is strong support for local retailers. 30 35

BBB has a website which only contains basic information about the business. Ben wants to update the website, but has been too busy. Also, he is not sure exactly how he wants to improve it.

Ben is proud of BBB's customer service and his product knowledge. Typically, new customers who have been looking everywhere for a particular item say something like, "I don't know why I didn't come here first; you've got exactly what I want!" 40

"There's nothing like us near here," Ben says. "We're open 6 days a week and I nearly always work 10 hours a day: selling, dealing with wholesalers, sorting out staffing rotas and all the other stuff. Most people just aren't prepared to do that. But I love helping the customers. OK, it's chaos, and maybe it shouldn't work, but it does!"

Ben has built up an excellent relationship with a large variety of wholesalers. If a customer wants something that is not in stock, he can usually obtain it within a day or two. However, stock 45

control certainly is an issue. The tills are not linked to an electronic stock control system and Ben decides what stock is needed by, “looking at what’s on the shelves and estimating consumer demand”. He admits that, “this has sometimes led to mistakes”. He also says he is, “not great with numbers, so Heidi handles most of that stuff.”

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Ben has been running the business for six years and is happy with the results he has achieved. He is now 52 years old and would like to retire when he is 60. He hopes to continue building up the customer base and to sell BBB to someone like himself when he retires. Recently he has been thinking of doing more planning for the future, to make the shop more efficient to run. This will include a contingency plan for BBB, something which does not currently exist.

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NB: BBB is a real business. However, to protect sensitive information, the name of the business and its owner’s name has been changed.

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