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Strategic Business Leader
– Read the mind of an SBL marker

Think Ahead

Contents

Introduction

This article is intended to give you some real insight into the mind of the marker and to understand what they will be looking for when they mark Strategic Business Leader scripts.

Example script

A candidate who wants to understand what the examiner, and more precisely, what the marker is looking for needs to know what goes through their minds when they are marking a candidate's script.

At the time of writing, there have been no live exam sittings of Strategic Business Leader. For the purpose of this article, some answers were written, under timed conditions to simulate how a student might answer some of the tasks from Strategic Business specimen exam 2. Follow this link to view the specimen exam **click the link here**.

One member of the SBL examining team has marked this example of a script and annotated the script with marks, indicating how many and where precisely marks have been awarded and has also provided explanatory notes justifying why the marks were given or withheld as appropriate.

This exercise is designed to give you, the candidate, an insight into the thinking process of the marker, explaining what they are looking for, what they award marks for and giving reasons why marks may not be awarded.

While the comments made on the following script are fairly specific to this examination and the particular tasks set, the marker of this script also makes general points about exam technique and some specific insights into how a student might demonstrate professionalism in order to gain professional skills marks.

If you have not already done so, you will find it useful to read the examining team's article on professional skills and how they are marked, at **accaglobal.com**

The SBL script is an example script for a typical candidate attempting **Questions 3 (b), 4 (b) and 5 (a)** of specimen exam 2.

Question requirements

The requirements for these are given below:

Question 3

You are the non-executive chairperson of an ad hoc sub-committee constituted by the NCG of the Rail Co board.

As a consequence of the NAA review and the recommendations of the Rail Co Trust Board, the Minister of Transport recommended that the chief executive of Rail Co should be removed from his position. Following the termination of the chief executive's contract, the position has now been advertised both nationally and internationally and a person specification has been uploaded to the Rail Co website. In the last two weeks, two candidates have been shortlisted for final interview and a summary of their CVs is being reviewed by the nominations and corporate governance (NCG) committee of Rail Co (Exhibit 5).

Required: Following a review of the suitability of the shortlisted candidates against the outline person specification, you have been asked by the chair of the NCG to do the following:

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3 (b)

Prepare two presentation slides, with accompanying notes, to explain to the NCG, the contribution which the chief executive should be expected to make in terms of talent management, to support the necessary change programme required at Rail Co. **(6 marks)**

Professional skills marks are available for demonstrating *communication* skills in conveying relevant information in an appropriate tone to the NCG committee. **(2 marks)**

Question 4

You are an internal auditor working for the audit and risk committee of Rail Co.

The new chief executive asked the financial controller of Rail Co to produce a spreadsheet which analyses the ticket sales and rail usage by station within the Beeland rail network and which also analyses the estimated levels of fraud occurring across the Rail Co network.

Required: You have been asked by the chair of the audit and risk committee to review the findings of the financial controller and present a report which requires you to do the following:

4 (b)

Recommend to the audit and risk committee, with justifications, suitable measures or safeguards which could be implemented by Rail Co to reduce the levels of fraud occurring on the network.
(8 marks)

Professional skills marks are available for demonstrating *commercial acumen* skills in making sound recommendations for suitable measures and safeguards to reduce fraud.
(2 marks)

Question 5

You are a project manager working for the director of Projects and Infrastructure of Rail Co.

The director of Projects and Infrastructure is putting forward a proposal to the board of directors of Rail Co for a project to invest in an online ticket sales system. The project should be fully operational within 12 months but would need to be undertaken by an external firm of developers, as Rail Co does not possess the internal expertise. However, Rail Co would manage the project.

Required: You have been asked by the director of Projects and Infrastructure to write a business case to the board, in which you will:

5 (a)

Justify why the investment in online ticket sales could assist Rail Co in producing detailed and timely customer data to assist in customer relationship management.
(8 marks)

Professional skills marks are available for demonstrating *evaluation* skills in assessing the impact of online ticket sales on customer relationship management.
(2 marks)

Notes to accompany the marked answers

Question 3 (b)

Introduction

This question required the candidate to adopt the perspective of the non-executive chairperson of an ad hoc sub-committee reporting to the nominations and corporate governance (NCG) committee. Two presentation slides should be produced; these should contain relevant bullet points and be accompanied by explanatory notes regarding the contribution that the chief executive should be expected to make in terms of **talent management**. The key points from the presentation slides needed to be explained in the context of the **change programme** required at Rail Co. It is important that candidates reflect the strategic role that a chief executive must adopt when driving a change programme.

The Candidate's Answer

View it here

> ## It is important that candidates reflect the strategic role that a chief executive must adopt.

Note 1
The first slide clearly reflects the brief that was set out by the NCG Committee. It highlights the importance of developing talent in a complex changing environment and specifically refers to the CEO.

Note 2
The 'supporting notes' refer to 'talent' but do not discuss 'talent management' in sufficient depth. Additional marks could have been awarded if the candidate had identified more elements of a strategic talent management approach. For example, in addition to the mention of the need to attract talent there could also have been a discussion of talent development, engagement, retention and deployment.

Note 3
Slide No.2 and the 'supporting notes' clearly identify the role of the CEO in driving change. The focus on the CEO developing talent as a role model is interesting and relevant. This highlights the importance of a leader who is visible and proactive in leading change.

Note 4 – Professional Skills

The professional skills marks are assessed in line with the grid from the marking scheme, setting out clear criteria against which the *communication* skills should be assessed.

	Not at all	Not so well	Quite well	Very well
3 (b) Communication skills in conveying relevant information in an appropriate tone to the Nominations Committee.	*The candidate has demonstrated poor communication skills. They have failed to present the required information in a clear, objective and unambiguous way. The answer is not communicated in an appropriate format (presentation slides) or tone (for the non-executive directors of the Nominations Committee).*	*The candidate has demonstrated some basic communication skills in presenting two presentation slides. Some relevant information is contained in the answer but most of the information is not relevant or unclear and not at an appropriate tone for a non-executive.*	*The candidate has demonstrated good communication skills in the presentation of the two slides to the Nominations Committee. The candidate has presented most of the relevant issues and has done so concisely and in most cases, clearly.*	*The candidate has demonstrated excellent communication skills. The presentation slides and notes were correctly and effectively structured, covered all of the relevant points needed by the Nominations Committee to explain the contribution of talent management expected of the new CEO.*
	0	0.5	1	2

The marker was looking for a clear structure, relevance to the brief and a tone that was appropriate.

The answer clearly addresses the brief from the NCG Committee and demonstrated excellent communication skills. The marker was looking for a clear structure, relevance to the brief and a tone that was appropriate for an audience consisting of senior executives and decision makers. The bullet points on the slides had been appropriately selected, with clear explanatory notes. The communication skills demonstrated in this answer match up to the description in the 'very well' column.

General Comment

From a general examination technique perspective, this answer demonstrated that the candidate had understood the requirements of the question and had clearly focused on addressing the needs of the target audience.

Overall this answer scored 7 out of a possible 8 marks. The technical content was awarded 5 marks and the professional skills 2 marks.

TOTAL:

7/8

Question 4 (b)

Introduction

This question asks you to assume the role of an internal auditor working for the audit and risk committee of Rail Co and you have been asked to make recommendations to the committee on how Rail Co might reduce levels of fraud occurring on the network. Note the requirement to justify your recommendations. The marker was looking for sound arguments supported with appropriate evidence extracted from the various exhibits presented in the scenario.

The Candidate's Answer

[**View it here**]

Note 1

The answer makes a logical suggestion regarding the installation of ticket barriers, and this is awarded a mark. The recommendation is then justified with reference to data that is presented in the Exhibit 5 spreadsheet, giving practical consideration to the costs and possible benefits, so a second mark has been awarded.

Note 2

A point has been given for highlighting the need to focus, in the short-term, on stations that **do not have ticket barriers**. A logical plan to address ticket fraud at these station is put forward. (The development of long-term and short-term plans also helps to demonstrate the professional skill of 'commercial acumen').

Note 3

The answer draws attention to the need for more information to assist in diagnosing the causes of fraud at **stations with ticket barriers**. The candidate adopts a broader perspective of the issues under consideration and puts forward relevant suggestions for where more data is needed.

Note 4

A mark has been given for identifying that online booking might reduce fraud due to ease of usage and cost effectiveness. An additional mark has been allocated because the candidate has proposed a strategy that combines online ticketing and automatic ticket barriers.

Note 5
The professional skills marks are assessed in line with the grid from the marking scheme, setting out clear criteria against which the *commercial acumen* skills should be assessed.

	Not at all	Not so well	Quite well	Very well
4 (b) Commercial acumen skills in making sound recommendations for suitable measures and safeguards.	*The candidate has demonstrated no commercial acumen skills in that they have failed to demonstrate any awareness or judgement of the required safeguards and measures.*	*The candidate has demonstrated only limited commercial acumen in presenting only a very limited range of recommendations on appropriate safeguards and measures, some of which showed weak commercial judgement and understanding.*	*The candidate demonstrated some commercial acumen in that they recognised some of the measures and safeguards required, demonstrating some judgement and understanding.*	*The candidate demonstrated excellent commercial judgement, making recommendations for safeguards and measures which demonstrated strong commercial awareness and understanding.*
	0	0.5	1	2

The proposals are logical and demonstrate strong commercial awareness and understanding.

The answer sets out relevant and practical recommendations for dealing with fraud at both an operational and strategic level. The proposals are logical and demonstrate strong commercial awareness and understanding. This meets the criteria in the 'very well' column, and so scores full marks for professional skills.

General Comment

From a general examination perspective, the candidate recognised the complexity of the issues facing the case study organisation and presented a number of logical recommendations. In order to achieve full marks, the answer could have been further enhanced with more systematic use of the data contained in the exhibits.

Overall this answer scored 9 out of a possible 10 marks. The technical content was awarded 7 marks and the professional skills 2 marks.

TOTAL:

9/10

Question 5 (a)

Introduction

You are a project manager working for the director of Projects and Infrastructure of Rail Co. You are required to write a business case that justifies the investment in an online ticket sales system. This should specifically **evaluate** how the data from an online ticket sale system will impact on **customer relationship management** in Rail Co.

The Candidate's answer

View it here

Note 1

The introduction is very general and does not specifically address the requirements set out by the director of Projects and Infrastructure. More marks could have been obtained if the specific problems relating to customer dissatisfaction had been identified using data from the customer survey presented in Exhibit 3.

Note 2

Some general benefits of online transactions have been identified; these would have had more impact if they had been more specifically linked to how Rail Co could improve the management of customer relations. A number of relevant points regarding understanding customer behaviour and predicting customer demand have been given credit.

Note 3

A good point regarding customer loyalty has been made. This could have been reinforced with reference to the overall decline in the loyalty of Rail Co's customers over the past three years.

Note 4

The discussion of online ticketing would have had more relevance and could have earned a mark if it had been linked more specifically to CRM.

Note 5

The comments on risk assessment and need for clear objectives has been given a mark as this will assist in developing a plan to take the project forward.

Note 6

The professional skills marks are assessed in line with the grid from the marking scheme, setting out clear criteria against which the *evaluation* skills should be assessed.

	Not at all	Not so well	Quite well	Very well
5 (a) Evaluation skills in assessing the impact of online ticket sales on CRM.	The candidate has demonstrated no evaluation skills. The candidate has demonstrated no professional judgement in considering the relevance of an online ticket sales system to Rail Co. The answer is largely theoretical and the candidate has demonstrated little evidence of an ability to take into consideration the impact of the decision on the stakeholders of Rail Co.	The candidate has demonstrated some evaluation skills in assessing the impact of an online ticket sales system for Rail Co. The candidate has used little professional judgement to evaluate the impact of the system on producing more timely customer information and in CRM. There is evidence of some limited evaluation of the impact of the decision on the stakeholders of Rail Co.	The candidate has demonstrated some sound evaluation skills in assessing the impact of an online ticket sales system for Rail Co. The candidate has made a reasonable attempt to evaluate the impact of the system on more timely customer data and improved CRM. The candidate has demonstrated a reasonable ability to assess the impact on the stakeholders of Rail Co.	The candidate has demonstrated excellent evaluation skills. They have clearly demonstrated excellent professional judgement in assessing the impact of the system on timely customer data and CRM. The candidate has also demonstrated a clear ability to assess the impact of the new system on the stakeholders of Rail Co.
	0	0.5	1	2

In terms of **evaluation skills** there has been some evaluation of impact, but the discussion tends to be rather generic. There has been a reasonable attempt to evaluate the impact of the system, and the skills tend to match the criteria in the 'Quite well' column. To score higher on professional skills there needed to be more emphasis on how the data from an online ticketing system might specifically assist Rail Co in the management of customer relationships. Data from the customer survey would have reinforced the evaluation.

> Candidates should use the data presented in the scenario and the exhibits to support and justify their analysis.

General comment

The overall structure of this business case could have been clearer and more focused. When presenting 'formal business' documents attention should be given to the flow and development of the arguments. Headings and sub headings will assist in providing a clear indication of the development of the arguments. From a general examination technique point of view candidates should use the data presented in the scenario and the exhibits to support and justify their analysis.

Overall this answer scored 6 out of a possible 10 marks. The technical content was awarded 5 marks and the professional skills 1 mark.

TOTAL:

6/10

Marked answers

Question 3 (b)

Presentation slides

Slide 1:
Developing talent by CEO relationship building in a complex, changing environment.

- Valuing the contribution of others
- Bringing out the best in others
- Attracting the best talent.

1

← *Note 1*

Supporting notes:
The CEO can make a very effective contribution to a complex change programme by knowing what change management skill sets are needed, being able to identify such skill sets and develop those skills by building strong, effective relationships. By being an acknowledge change management leader in the rail industry, such a CEO can also attract the best talent in the rail industry in Beeland and beyond.

1

← *Note 2*

Slide 2:
Developing talent by CEO role model as change manager.

- Designing, leading and implementing wide-ranging change
- Delivering under pressure and against key performance indicators
- Leading from the front.

1

Supporting notes:
The CEO should lead the required cultural and organisational change by embodying what is required. Accountability is achieved by such a CEO demonstrating achievement against transparent and meaningful KPIs. By being a pro-active and dynamic leader, the respect of others as a role model and talent model can be gained.

2

← *Note 3*

PS2

Note 4
← *Professional Skills*

Relevant notes

Question 4 (b)

The first and most important safeguard to reduce fraud on the network is to install ticket barriers. The total estimated cost to Rail Co as given in the attached analysis (Exhibit 5) is nearly $550M. While this may be based on a questionable methodology, the extent of this fraud is clearly in the many millions.

Before the new ticket barriers are put into operation, greater staff numbers need to be employed to check legitimate train travel on those town stations where they are still missing. Such employees need to be properly trained and monitored to ensure their performance is as expected.

Employees at stations with barriers should be further trained as required, and a further investigation should be made of the likely cause of current fraud. It might, for instance, be that barriers are able to be bypassed or that there is a correlation between barriers not working and higher rates of fraud. If this is the case there might be an incentive for passengers to find ways to damage the barriers. In that event more staff presence as well as hidden cameras should be considered as a control measure.

Proper controls have to be put in place to ensure that ticket barriers work as intended and that there are fall back procedures in the event of a malfunction.

There should be an easier ability for passengers to buy tickets both at the station and once on the train. This is likely to reduce the incentive to travel without a ticket.

Discussions should be had with the relevant transport police at the highest level in order to reduce fraud by installing new train fraud policies and procedures as well as prevention strategies. Given the estimated size of the fraud it is likely to be seen as a priority issue by this agency.

Finally, an investment in online booking facilities should be strongly considered. Such facilities have proved to be successful for a number of other national rail operators. Online booking is likely to reduce fraud if it works easily and is cheaper to use. Combining online tickets with automatic ticket barriers seems the most effective fraud control currently available.
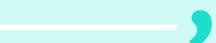
Marks

| 1 |
| 1 |
| 1 |
| 1 |
| 1 |
| 2 |
| PS2 |

Notes

← *Note 1*

← *Note 2*

← *Note 3*

← *Note 4*

Note 5
← *Professional Skills*

Relevant notes

Marks

Question 5 (a)

Business case for investment in online ticket sales

An online ticket sales system has been used by a number of public sector countries as an effective way of increasing revenue, reducing costs and improving customer satisfaction.

One proven advantage of online ticket sales is that it can use the benefit of technology to produce detailed and timely customer data to assist in customer relationship management.

Every online transaction by a customer is recorded in a database that holds and updates information about that customer. This allows for targeted marketing to that customer as well as an understanding of customer buying behaviour that can anticipate demand. Understanding and predicting customer demand improves organisational efficiencies. The database, as well as 'cookies' on the customer computer, tablet or mobile also saves the time of the customer as it can store previous journeys and billing details.

By making it much easier for customers to make transactions, customer loyalty is increased. It is also possible for cross-selling to take place as a result such as selling hotel accommodation and theatre tickets.

A further advantage of online ticket sales, is that it can reduce the cost of fares in general terms because the marginal cost of each transaction, once the system is set up, is very small. Online ticket sales also allows for pinpointed price differentiation where prices can be dropped very quickly for quiet periods and increased quickly for unexpected busy periods. This is a very cost-effective way of managing a customer relationship.

Because customer loyalty is such a common feature of online ticket sales, the early adoption of such a service by a customer can be a loss leader. This is an effective way of increasing the use of the service rapidly while ensuring a long-term return on investment.

A proper risk assessment as well as clear objectives and specifications should be taken for a project to invest in an online tickets sales system. A properly planned competitive tender arrangement can be used to acquire the services of the most suitable external developers.

Notes

← Note 1

1

← Note 2

1

1

← Note 3

1

← Note 4

1 ← Note 5

Note 6
Professional Skills

PS1

Relevant notes