



Examiner's report

Strategic Business Leader (SBL)

December 2019

The examining team share their observations from the marking process to highlight strengths and weaknesses in candidates' performance, and to offer constructive advice for future candidates.

General comments

Format of exam

The examination consisted of a 4-hour exam with a single compulsory section, about a company designing and manufacturing a range of innovative products.

The marking scheme included 80 Technical marks for the correct use and application of technical knowledge. For every element of technical content, answers needed to be applied to the case. In addition, the marking scheme included 20 marks for Professional skills and competencies. The particular skill being examined in the requirement should have been evident in how candidates answered the task, although candidates may have drawn on other skills as well when answering. When awarding Professional skills marks, markers looked primarily at the professional skill being tested in the task requirement, but they also looked at the general professionalism that candidates are demonstrating.

Exam performance

Overall the standard of technical answers appeared weaker than previous sittings, many candidates merely repeated information given to them in the exhibits. Stronger candidates integrated and used the case study materials throughout all their answers, selecting relevant technical knowledge to support the applied points they were making. Many candidates demonstrated good professional skills through analysis and discussion, and how they structured and presented their answers.

It was apparent that many candidates had not assimilated guidance produced by ACCA for Strategic Business Leader, particularly the following:

- *The importance of effective communication*
- *Strategic Business Leader – 10 things to learn from the September 2018 sitting*
- *How to approach SBL – Reading & Planning*
- *Past examination papers & specimen exam papers*

Candidates should spend sufficient time reading and assimilating the case study materials. Often answers failed to make sufficient reference to the exhibits or failed to use the full range of material in the exhibits. The exhibits:

- Provided the material which underpinned the applied points that candidates should be making
- Included necessary background information and explanation to provide context for the answers

- Helped candidates decide how to structure their answers
- Highlighted the most important issues that answers should cover

Candidates should read the exhibits with the requirements of every task in mind, as this will help them identify which tasks will be drawing on the material in each exhibit

Candidates should also be alert for links between different exhibits reinforcing or contrasting significant issues.

It is important for candidates to have an effective approach to the exam, candidates must spend sufficient time planning and considering carefully what they will write, to ensure that their answers are:

- Structured logically
- Balanced in terms of the depth of discussion required with the breadth of points to be made
- Covering the most important points
- Not padded out with material that does not address the task requirements, as this scores no marks
- Not making the same point two (or more) times
- Not overlapping

Generally candidates answered all four tasks, although the rushed appearance of some answers to the final task (almost always Task 4) suggested shortage of time at that stage. Candidates are strongly recommended to take mock exams before the actual exam under full exam conditions, to get used to the challenging demands on concentration, thinking, writing and organisation of time that a four hour exam makes. There was evidence in stronger scripts of lessons from mock exam practice being learnt, balancing time between different tasks.

Mostly candidates answered the tasks in order. In this exam Task 4, the final task, brought together a number of themes that underpinned the case study and which candidates should have been considering when answering earlier tasks. It is recommended that candidates answer the requirements in order, as future exams may have task requirements that follow a timeline or progress in other ways.

In most cases those candidates who failed the exam did so because of a lack of comprehension of the task, not explaining why the points made were important, lack of commercial skills, failure to respond to the requirements in a professional/commercial manner and failure to provide everything that the requirements specified. It was evident on many scripts that candidates had simply not read the question carefully enough and therefore failed to answer the question that had been set. Careful reading and, as discussed earlier, careful planning are crucial in the exam.

Technical marks

To gain each Technical mark, candidates needed to make points that:

- Addressed the specific requirements of the task, considering the scope of answer required and what the task verbs used indicate should be provided
- Applied to the organisation and environment featured in the case study
- Were specific to the decision or situation covered in the task

- Showed the reader why the point being made is significant in the circumstances described

Up to two marks were often available for a well-developed point made. This might include:

- Evaluating how significant points are
- Using information provided that related the point
- Explaining the consequences for the company.
- Supporting the points made with relevant examples from the case material

Demonstration of technical knowledge or explanation of theory did not score marks in this exam. Weaker candidates reproduced information from the exhibits without explaining the how or why of the information and its importance to the company,

Technical frameworks can help generate ideas. However, using a technical framework unnecessarily as the basis for structuring an answer led many candidates into forcing their answer to fit the framework. This meant they produced an answer in a form that was not helpful to its recipient, included points of little importance, or discussed areas that were not what the task requirements wanted. Instead of using technical frameworks to structure an answer, candidates are often better off using the different elements of the task requirements as the basis for the order of their answers.

Professional skills marks

Candidates' overall performance as regards professional skills marks was sometimes disappointing in this exam, with a number of common faults:

- Failing to provide all the task required, for example only analysing the portfolio in Q1 and failing to make recommendations on where future investment should be focused
- Not paying attention to the format required. , for example Task 4(b) required one presentation slide, some candidates provided more than one slide, some candidates provided no slide at all
- Poor tone for the intended audience.
- Failing to consider the recipient of the information, for example in Q2 many candidates considered the two countries in isolation. A comparative approach considering the two countries relative to each other would make it easier for the recipient of the information to make a well-informed decision. Candidates need to present answers and explain points that will enhance the understanding and decision making of the recipient.

Candidates should remember that they are carrying out a professional task that has a particular purpose(s) for a defined user or stakeholder. Candidates must read the technical and professional skills requirements together, as this will help them develop answers showing the correct style, tone and level of professionalism.

Further comments on specific professional skills are given below.

Specific comments

Task 1(a)

The first task asked candidates to analyse a products in a significant consumer market and recommend where future investment should be allocated.

Generally, this task was reasonably well done in terms of technical marks. Stronger candidates understood and used the BCG Matrix as a portfolio analysis model and considered the the product as a collection of assets. Their recommendations considered the choices within the portfolio and the need for the company have a portfolio which contains both high-growth products in need of cash inputs and low-growth products which generate excess cash. Weaker candidates included detailed discussion on the theoretical perspective of the positions in the matrix without linking them to the company and the creation of long-term value.

Other significant weaknesses included:

- Using a model/framework that was not relevant to the question asked, which meant candidates discussed areas that were not what the task requirements wanted. Example using Porter's Five Forces model and discussing power of suppliers which is not relevant to decisions on the portfolio
- Justifying recommendations in general terms without reference to company's' circumstances.
- Repeating information in the exhibit and being focused too much on describing the functionality of the products
- Candidates simply saying invest in the products without expanding why
- Using the BCG matrix incorrectly due to a lack of understanding of relative market share
- Understanding that a question mark/problem child in the portfolio means that questions need to be asked about the product as it could become a potential liability

Many candidates were awarded high professional marks for this part. Candidates who considered the products as a collection of assets, produced clear, succinct and logical analysis, making sensible justified recommendations for each product obtained high marks.

A professional weakness in this task was the poor format of answers. It asked for a briefing paper which is meant to include paragraphs that are short and to the point. Candidates who produced long, header-less paragraphs with multiple points in them were not using the briefing paper format effectively to help understand where investment should be allocated, and therefore scored low professional marks.

Task 1(b)

The task asked candidates, to question the product's value chain presented to them in exhibits 2 and 3, and prepare a report to company owner which discusses and questions whether there is a need to restructure and/or re-focus the current value chain activities in order to create value in market.

Answers to this task were variable. Stronger candidates structured their answer around the value chain headings and, using the information provided in the case on customer expectations for the electric car, stated why a restructure would or would not be needed and explained why. Some candidates identified with good examples where the value chain should be changed for the electric car. On balance the primary activities were considered better than the secondary activities. Some candidates did not read the question carefully and consequently considered the changes needed to the current vacuum cleaner market.

Other significant weaknesses included:

- Criticising the activities with an expectation that everything needed to be changed, questioning does not always mean that criticism is needed, there were many strengths already in the value chain that could be exploited for the electric car market
- Explaining each component of the value chain from a theoretical perspective, this is not required in the SBL exam and demonstrates poor time management
- Making suggestions for changes with no evidence from the case to support the change
- Making wholly inappropriate suggestions for change with no acknowledgement of the impact to JJtech

Candidates who questioned whether the value chain activities needed to change for the electric car market and could evidence what needed to be different obtained high scepticism skills professional marks in this part of the requirement.

Task 2

The task asked candidate to assess the relative attractiveness of two countries as potential locations for the production plant for the new product.

The task was generally answered very well. Many candidates scored well on this question because they answered the question set and structured their answer by using the Porter's Diamond or by using the PESTEL framework that was given in the exhibit. Some candidates reproduced exhibit information without explaining its significance in the context of the decision.

To score high evaluation skills professional marks candidates needed to present with sufficient comparative information to inform the decision on the most attractive location. Stronger candidates (those scoring "very well") were those that presented a clear comparative between the two countries and, although an overall recommendation was not required, a summary of the attractiveness under each section of the Diamond or PESTLE framework, would clearly help to inform the decision. Candidates who considered each country separately not making clear comparisons between the two countries were unable to score "very well".

Task 3

The task asked on how organisational factors to-date could be used to support successful project outcomes.

Many candidates identified a number of the significant organisational factors but were less good at making clear how they could be exploited by the project team to deliver the project outcomes.

Other significant weaknesses included:

- Candidates who did not recognise the need to set the tone at the top.
- Candidates making general statements about what is involved in successful project management for example focusing on time, money, scope and roles, pre-learnt knowledge is not awarded marks in this exam
- Making no connection with the organisational factor and project outcomes. Candidates could identify face to face communication or engaging more closely with each other as case factors that have helped achieve success to date but then failed to link their observations to how this might manifest on the project (which might be in the form of project meetings, used as a source of discussion and information for assessing alternative courses of action to enable successful project outcomes)

Task 4(a)

The task required to assess external drivers of change.

This task was generally answered quite well with many candidates identifying the impact of government and customers attitudes. Some candidates focused their answer on the risks/hurdles that might prevent adoption and high technical marks were awarded to both approaches. Some candidates did not focus on external drivers and discussed company policies and internal initiatives which was not the question requirement.

Other significant weaknesses included:

- Focusing the answer on what would drive production rather than drive the sales
- Writing too much for the requirement, discussing more than two drivers of change, providing more than one recommendation and potentially impacting time management which sometimes became evident later in the exam

Future exam candidates are strongly advised to produce answers that are of a length proportionate to the marks allocated to the question and apportion their writing time between the questions accordingly.

Task 4(b)

The task asked candidates to explain the benefits of disruptive technology

This task was generally answered poorly. The question requirement stated benefits to the company. Many candidates looked at benefits to customers, governments and to a sustainable environment and failed to present any benefits specific to the company.

Other significant weaknesses included:

- Those candidates who did discuss advantages such as competitive positioning and use in future products did not develop their points so limited the number of technical marks that could be awarded.

Candidates who failed to address the requirements of the question and who did not consider the intended audience could not score professional marks. Many candidates failed to use a convincing and motivating tone. In considering the intended audience candidates needed to present the potential opportunities and how the company could contribute and benefit from the success. The tone and focus of answers were often wrong and therefore it was difficult to award high professional marks