



Rewarding Learning

ADVANCED SUBSIDIARY (AS)
General Certificate of Education
January 2013

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GCE Applied Business

Assessment Unit AS 3

assessing

External Influences on
the Business Enterprise

[A3B31]



WEDNESDAY 9 JANUARY, AFTERNOON

TIME

1 hour 30 minutes.

INSTRUCTIONS TO CANDIDATES

Write your Centre Number and Candidate Number on the Answer Booklet provided.
Answer **all six** questions.

INFORMATION FOR CANDIDATES

The total mark for this paper is 80.

Quality of written communication will be assessed in Questions **5** and **6**.

Figures in brackets printed down the right-hand side of pages indicate the marks awarded to each question or part question.

This paper is accompanied by a Case Study. You must **not** use your own annotated copy of this Case Study.

ADVICE TO CANDIDATES

You are advised to take account of the marks for each question in allocating the available examination time.



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Answer **all six** questions

- 1 Identify and explain **two** conditions of supply, and how they might affect the services provided by Allstate Northern Ireland.
- 2 Analyse **three** implications of Allstate Northern Ireland's policy of improving quality as a way of making the business more competitive. [9]
- 3 Explain **four** reasons how government intervention affects businesses such as Allstate Northern Ireland. [12]
- 4 Analyse how the growth of Allstate Northern Ireland affects **five** stakeholder groups. [15]
- 5 Allstate Northern Ireland's call centre located in Strabane operates in a competitive market. Discuss **four** aspects of a competitive market. [16]
- 6 Evaluate **five** ways in which international trade is important to businesses such as Allstate Northern Ireland. [20]

THIS IS THE END OF THE QUESTION PAPER

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Case Study

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Allstate Northern Ireland

Allstate Northern Ireland, the new name for Northbrook Technology, was established in 1998. It provides high quality software development services and business process outsourcing solutions in support of its U.S. parent's global operations. Some of its products such as infrastructure services range from database administration to analysis and intrusion detection.

Allstate Northern Ireland plays a strategic role in developing, transforming and maintaining the various technology platforms used within Allstate, to support it in its day-to-day business, looking after the different systems that you might expect one of the world's largest insurance giants to run.

Allstate Northern Ireland started to recruit staff in January 1999 and established its first office in Belfast's Corporation Street. The company quickly outgrew that location and moved to its current building at Lanyon Place (Belfast) in February 2002. For strategic reasons, including a large labour pool and growing demand for services, Allstate Northern Ireland opened a second facility in Derry/Londonderry in August 2001. The company won more challenging business from its parent Allstate, and was asked to establish a call centre in Strabane in 2004, marking a departure from its core business. Currently, the company employs more than 1,500 people in these facilities. Call centres operate in a very competitive environment.

Allstate business targets led to an expansion from almost nothing to 250 employees in three years. "Because of these almost impossibly challenging growth targets, we had to come up with an innovative programme for recruitment and retention if we were to demonstrate to our parent company that we could succeed," said Rose Kelly, Director of Human Resources. The effort to persuade people to join a company is made difficult when it is a newcomer with unknown credentials as an employer, competing for skills with more established local rivals. The company immediately encountered difficulty recruiting and retaining staff, particularly women. Ms Kelly said "Many were not enthusiastic about being paid a modest salary to work on outdated technologies. Mainframes are no longer on the university syllabus and so experience and interest was difficult to find."

The expansion created much needed employment in Strabane. The Council's Economic Development Officer, Ms Geraldine Stafford, said she was "excited with the new development". She continued "A lot of agencies have worked closely to see this operation in Strabane. It is a measure of the success of the work of Invest NI, the Department of Employment and Learning and Strabane District Council in persuading the management of Northbrook Technology, and their US parent Allstate, that Strabane had the best people to do the job, the best incentives, and the best training available." She also said that she looked forward to working with Northbrook Technology and seeing their operation grow in Strabane.

Despite any talk of an economic downturn, Allstate has reinforced its commitment to Northern Ireland. Bro McFerran, Managing Director of Allstate Northern Ireland added: "This is a new era for Allstate's operations in Northern Ireland. We have worked closely with Invest NI as our business has grown, investing significant resources in recruiting and developing skills across the region. For Northbrook to visibly move forward under the Allstate brand is a major endorsement of the skills and talents of our people. As Allstate Northern Ireland, we will remain focused on developing the most advanced, market-leading software and technical support services, positioning ourselves to fully exploit the opportunities presented by growth in the international financial services market."

Allstate is a highly specialised business providing a range of financial services to its customers. It is this specialism which allows it to dominate this market locally and globally. Allstate Northern Ireland is focused on delivering the highest quality customer service to its customers and has a proven track record of delivering on-time, high quality information technology and business process outsourcing solutions at a globally competitive price. The development environment is IBM mainframe/midrange/PC with all the associated technologies.

Allstate Northern Ireland is committed to software process improvement and in October 2007 achieved CMMI (Capability Maturity Model Integration) Level 3. The commitment is highlighted by the formation of a Business Process Group to help develop better practices and to oversee quality assurance and verification. In 2010 Allstate received a platinum award for excellence in environmental management, performance and assurance.

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