



NCFE Level 1 Technical Award in Business and Enterprise (603/0835/7)

NCFE Level 2 Technical Award in Business and Enterprise (603/0838/2)

March 2019

Technical Award Business and Enterprise - External Assessment P000715

Mark Scheme (Post-Standardisation)

v1.5

Private and Confidential

This mark scheme has been written by the Assessment Writer and refined, alongside the relevant questions, by a panel of subject experts through the external assessment writing process and at standardisation meetings.

The purpose of this mark scheme is to give you:

- examples and criteria of the types of response expected from a learner
- information on how individual marks are to be awarded
- the allocated assessment objective(s) and total mark for each question.

Marking guidelines

General guidelines

You must apply the following marking guidelines to all marking undertaken throughout the marking period. This is to ensure fairness to all learners, who must receive the same treatment. You must mark the first learner in exactly the same way as you mark the last.

- The mark scheme must be referred to throughout the marking period and applied consistently. Do not change your approach to marking once you have been standardised.
- Reward learners positively giving credit for what they have shown, rather than what they might have omitted.
- Utilise the whole mark range and always award full marks when the response merits them.
- Be prepared to award zero marks if the learner's response has no creditworthy material.
- Do not credit irrelevant material that does not answer the question, no matter how impressive the response might be.
- The marks awarded for each response should be clearly and legibly recorded in the grid on the front of the question paper.
- If you are in any doubt about the application of the mark scheme, you must consult with your Team Leader or the Chief Examiner.

Guidelines for using extended response marking grids

Extended response marking grids have been designed to award a learner's response holistically and should follow a best-fit approach. The grids are broken down into levels, with each level having an associated descriptor indicating the performance at that level. You should determine the level before determining the mark.

When determining a level, you should use a bottom up approach. If the response meets all the descriptors in the lowest level, you should move to the next one, and so on, until the response matches the level descriptor. Remember to look at the overall quality of the response and reward learners positively, rather than focussing on small omissions. If the response covers aspects at different levels, you should use a best-fit approach at this stage, and use the available marks within the level to credit the response appropriately.

When determining a mark, your decision should be based on the quality of the response in relation to the descriptors. You must also consider the relative weightings of the assessment objectives, so as not to over/under credit a response. Standardisation materials, marked by the Chief Examiner, will help you with determining a mark. You will be able to use exemplar learner responses to compare to live responses, to decide if it is the same, better or worse.

You are reminded that the indicative content provided under the marking grid is there as a guide, and therefore you must credit any other suitable responses a learner may produce. It is not a requirement either, that learners must cover all of the indicative content to be awarded full marks.

Assessment objectives

This unit requires learners to:

A01	Recall knowledge and show understanding.
A02	Apply knowledge and understanding.
A03	Analyse and evaluate knowledge and understanding.

The weightings of each assessment objective can be found in the qualification specification.

Qu	Mark scheme	Total marks
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Section A

Total for this section: 12 mark

1	Which ONE of the following is a financial factor for setting up a business? Answer: C. To make profit	1 AO1=1
2	Which ONE of the following is the most common form of business ownership in the UK? Answer: D. Sole Trader	1 AO1=1
3	Which ONE of the following is an internal stakeholder? Answer: C. Manager	1 AO1=1
4	Which ONE of the following is a form of primary market research? Answer: D. Questionnaires	1 AO1=1
5	A business has an owner who makes all the decisions without discussing them. Which ONE of the following best describes this leadership style? Answer: A. Autocratic	1 AO1=1
6	Which ONE of the following is NOT regarded as a method to improve efficiency? Answer: B. Job enrichment	1 AO1=1
7	Which ONE of the following is an internal source of finance? Answer: D. Sale of fixed assets	1 AO1=1
8	A business sells 100 items at £6 each. Each item cost £3.50 to make. Which is the correct amount for the total variable costs? Answer: B. £350	1 AO1=1
9	A business has calculated it will break even when it sells 400 units. It expects to sell 650 units with a contribution per unit of £2 per unit. Which is the correct amount of profit it expects to make? Answer: A. £500	1 AO1=1
10	Which ONE of the following is the best definition for a business with a matrix structure? Answer: A. Employees have more than one boss	1 AO1=1
11	Which ONE of the following best describes a product which has a high market share and high market growth? Answer: D. Star	1 AO1=1
12	Which ONE of the following would be classed as a hygiene factor based on Herzberg's two factor motivational theory? Answer: B. Job security	1 AO1=1

Section B

Total for this section: 60 mark

<p>13(a)</p>	<p>Identify TWO motivating factors that the owners of EZI Ryders may have had when setting up their company.</p> <p>Mark as 2x1.</p> <p>Any two motivators for two marks, e.g.:</p> <ul style="list-style-type: none"> • Financial. • Personal. • Social. <p>Accept any reasonable answer.</p>	<p>2 AO1=2</p>
<p>13(b)</p>	<p>Explain why limited liability may be a benefit to the owners of EZI Ryders.</p> <p>AO1 – Knowledge Award 1 mark for relevant reason. Possible benefits include:</p> <ul style="list-style-type: none"> • Liability is limited to initial investment. <p>Accept any reasonable answer.</p> <p>AO2 – Application/Analysis Award 1 mark for each point developed [An1] in context [Ap1].</p> <ul style="list-style-type: none"> • Liability is limited to initial investment [AO1], so they only lose their shares [AO2] and their personal assets are not at risk [AO2]. • Owners own shares and would only lose these in the event of company liquidation [AO2]. <p>Accept any reasonable answer.</p>	<p>3 AO1=1 AO2=2</p>
<p>13(c)</p>	<p>Identify and explain TWO advantages of EZI Ryders using focus groups as part of its market research strategy.</p> <p>Mark as 2x2.</p> <p>AO1 – Knowledge Award 1 mark for each relevant operational consideration identified up to a maximum of 2 marks (accept any relevant answer). e.g. answers may identify:</p> <ul style="list-style-type: none"> • Can get detailed information about the service offered. • May identify potential opportunities. • Identify any changes in consumer behaviour. <p>AO2 – Application/Analysis Award 1 mark for each benefit explained.</p> <ul style="list-style-type: none"> • Can get detailed information about the service offered [AO1] to enable them to make changes to the service offered [AO2]. • May identify potential opportunities [AO1] to offer new service [AO2]. 	<p>4 AO1=2 AO2=2</p>

	<ul style="list-style-type: none"> Identify any changes in consumer behaviour [AO1] so the service offered reflects their changing needs [AO2]. Can find out if the cars/ service/ drivers are making customers happy [AO2]. Can find out new areas of service customers might like [AO2]. <p>Examiner Guidance: AO2 marks can be achieved for either application OR analysis but cannot award the same application or analysis more than once.</p>	
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13(d)	<p>Evaluate EZI Ryders idea to offer luxury car hire.</p> <p>AO1 – Knowledge Award up to 2 marks for each relevant issue identified, e.g. answers may identify:</p> <p>For diversification:</p> <ul style="list-style-type: none"> Spreading of risk by entering new market. Profit margins are likely to be higher. Growing market. Basic infrastructure for vehicle hire/bookings in place. <p>Against diversification:</p> <ul style="list-style-type: none"> Large initial capital cost. No experience in the market. <p>AO2 – Application/Analysis Award 1 mark for relevant reference to the context and 1 mark for relevant development point(s).</p> <p>Indicative content could include:</p> <ul style="list-style-type: none"> Luxury cars will need to be bought [AO1], which may require finance [AO2Ap] which may increase costs [AO2An]. Existing systems can be used [AO1], which should give economies of scale [AO2An] whilst existing drivers could be utilised [AO2Ap]. New market spreads risk [AO1] so if revenue falls in taxi market due to competition [AO2Ap], they will still have revenue streams [AO2An]. Purchase of luxury cars [AO2Ap]. High depreciation [AO2Ap]. Likelihood of assets not being used for long portions of time [AO2An]. Use of existing systems to gain economies of scale [AO2An]. <p>AO3 – Evaluation Justified decision as to whether they should diversify. Either answer is acceptable.</p> <ul style="list-style-type: none"> I think EZI Ryders should start to hire luxury vehicles because the new market spreads risk [AO1] so if revenue falls in taxi market due to 	<p>6 AO1=2 AO2=2 AO3=2</p>
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	competition [AO2Ap], they will still have revenue streams [AO2An] and are less reliant on one area [AO3Ev].	
14(a)	<p>Identify TWO running costs a company such as EZI Ryders might have.</p> <p>Mark at 2x1.</p> <p>Possible answers include:</p> <ul style="list-style-type: none"> • Fuel. • Insurance. • Rent. • Wages. • Car repairs. • Heating & Lighting/Utilities. • Depreciation. <p>Accept any reasonable answer.</p>	<p>2 AO1=2</p>
14(b)	<p>Calculate the break-even point for the airport job.</p> <p>Award 1 mark for correct formula: $FC/SP-VC$.</p> <p>Award 2 marks if correct formula and numbers used: $2600/(12-5.50)$.</p> <p>Award 3 marks for correct answer (400), with or without any working.</p> <p>Award 3 marks for £4 800, with or without any working.</p> <p>Examiner Guidance: Learner can achieve all 3 marks for just stating correct answer (but not if workings do not lead to correct answer).</p> <p>Award 2 marks only for £400.</p>	<p>3 AO1=1 AO2=2</p>

14(c)	<p>Explain TWO reasons why using break-even analysis may not be useful for a company like EZI Ryders.</p> <p>Mark as 2x2.</p> <p>AO1 – Knowledge Award 1 mark for each relevant reason, up to a maximum of 2 marks. Answers may include:</p> <ul style="list-style-type: none"> • The taxi company does not have one product. • Variable costs do not always stay linear. • Fixed costs can change. • No consideration of external factors. • Total revenue do not always remain linear. • Selling price may change, due to economies of scale. <p>AO2 – Application/Analysis Award 1 mark for each reason explained:</p> <ul style="list-style-type: none"> • The taxi company does not have a set product [AO1] so most jobs will have different prices and costs [AO2Ap]. • Variable costs do not always stay linear [AO1] e.g. additional traffic can reduce MPG [AO2Ap]. • Fixed costs can change [AO1] the landlord could put up the rent [AO2Ap]. • No consideration of external factors [AO1] e.g. government putting up fuel duty in the budget [AO2Ap]. • Increase in rent/fuel costs. [AO2Ap]. • Each job is different. [AO2Ap]. • Government policy can change figures. [AO2Ap]. <p>Examiner Guidance: AO2 marks can be achieved for either application OR analysis but cannot award the same Ap or An more than once.</p>	<p>4 AO1=2 AO2=2</p>
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14(d)	<p>Evaluate whether the company should update its computer system to help it keep detailed accounting records.</p> <p>AO1 – Knowledge Award up to 2 marks for each relevant issue identified, e.g. answers may identify:</p> <p>For:</p> <ul style="list-style-type: none"> • Legal requirement. • Record trade receivables/debtors. • May help in having cash sales being processed through the accounts. <p>Against:</p> <ul style="list-style-type: none"> • Staff training costs. • Cost of implementing system. • Input of data could be done incorrectly. <p>AO2 – Application/analysis Award 1 mark for relevant reference to the context and 1 mark for relevant development point(s).</p> <ul style="list-style-type: none"> • Cash sales [AO2Ap]. • Growth of card payments [AO2Ap]. • Recording trade receivables [AO2Ap]. <p>For:</p> <ul style="list-style-type: none"> • Legal requirement for some tax submissions to be electronically made [AO1] so the company could face fines if it does not comply [AO2Ap]. • Record trade receivables/debtors [AO1] as some sales are on a month's credit [AO2Ap]. • May help in having cash sales being processed through the accounts [AO1] rather than going missing [AO2Ap]. <p>Against:</p> <ul style="list-style-type: none"> • Staff training costs [AO1] as staff may be off the job whilst training [AO2Ap]. • Cost of implementing system [AO1] may result in loans being needed [AO2Ap]. • Input of data could be done incorrectly [AO1] leading to incorrect sales/debtors figures [AO2Ap]. <p>AO3 - Evaluation Justified decision as to whether EZI riders should buy a new system.</p> <p>Either answer is acceptable. e.g. In buying the system EZI Ryders should easily comply with HMRC rules [AO1] so it is less likely to face fines [AO2Ap] and could make sure all sales are processed [AO2An]. However it could cause additional finance cost [AO1] in the short term [EV1]. However, it could lead to cost</p>	<p>6 AO1=2 AO2=2 AO3=2</p>
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	savings in the longer term which may outweigh the short term problems a new system could create [EV2].	
15(a)	<p>Identify TWO types of employment contracts commonly used in business.</p> <p>Mark as 2x1.</p> <p>Possible answers include:</p> <ul style="list-style-type: none"> • Permanent. • Temporary/fixed term. • Part time. • Full time. • Zero hours. • Hourly rate. • Piece rate. 	<p>2 AO1=2</p>
15(b)	<p>Explain why using job rotation to try to motivate its drivers might NOT benefit EZI Ryders.</p> <p>AO1 – Knowledge Award 1 mark for showing knowledge and understanding of the problems of job rotation. Answers may include:</p> <ul style="list-style-type: none"> • Loss of skills as people move on to another job. • Reduced motivation. <p>AO2 – Application/analysis Award 1 mark for a developed point [An1] in context [Ap1]:</p> <ul style="list-style-type: none"> • Job rotation may reduce skill levels [AO1] as members of staff move from a driving job that they are experienced in [AO2Ap] therefore the business may have to pay for more training in using the booking system [AO2An]. • Job rotation may reduce motivation [AO1] because drivers might become operators which is a job they are not interested in [AO2Ap] therefore these drivers might move to another taxi company [AO2An]. • Driving other vehicles [AO2Ap]. • Working on switchboard [AO2Ap]. 	<p>3 AO1=1 AO2=2</p>

15(c)	<p>Explain TWO reasons why having a flat structure can benefit EZI Ryders.</p> <p>Mark as 2x2.</p> <p>AO1 – Knowledge Award 1 mark for each relevant factor up to max of 2. Answers may include:</p> <ul style="list-style-type: none"> • Faster communication. • Less management levels. <p>Accept any reasonable answer.</p> <p>AO2 – Application/Analysis Award 1 mark for each reason explained.</p> <ul style="list-style-type: none"> • Faster communication [AO1] as there are less levels to go through away [AO2An] from managers to drivers [AO2Ap]. • Less management levels [AO1] should reduce costs [AO2An]. • Less managers to operate taxi firm [AO2Ap]. • Drivers get faster communication from the top [AO2Ap]. <p>Examiner Guidance: Can award mark for identifying external factor in stem but impact must be explained.</p> <p>AO2 marks can be achieved for either application OR analysis but cannot award the same Ap or An more than once.</p>	<p>4 AO1=2 AO2=2</p>
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15(d)	<p>Evaluate whether EZI Ryders should change the way they pay their drivers from piece rate to an hourly rate.</p> <p>AO1 – Knowledge Award up to 2 marks for each relevant issue identified, e.g. answers may identify:</p> <p>For hourly rate:</p> <ul style="list-style-type: none"> Reduced costs as long as drivers are kept busy. Drivers have fixed earnings. <p>Against hourly rate:</p> <ul style="list-style-type: none"> Minimum wage may demotivate. Speed of service may fall. <p>AO2 – Application/Analysis Award 1 mark for relevant reference to the context and 1 mark for relevant development point(s).</p> <p>For hourly rate:</p> <ul style="list-style-type: none"> Reduced costs as long as drivers are kept busy [AO1] as the drivers are on a set wage [AO2Ap]. Drivers have fixed earnings [AO1] so business can plan outflows [AO2Ap]. <p>Against hourly rate:</p> <ul style="list-style-type: none"> Minimum wage may demotivate [AO1] so drivers may be less productive [AO2Ap]. Speed of service may fall [AO1] as drivers do not care about time taken for each trip [AO2Ap]. <p>AO1 – Knowledge Award up to 2 marks for each relevant issue identified, e.g. answers may identify:</p> <p>For piece rate:</p> <ul style="list-style-type: none"> Reduced costs as drivers are paid according to the work completed. Drivers have the opportunity to earn additional income which may motivate the drivers. <p>Against piece rate:</p> <ul style="list-style-type: none"> Drivers will have variable earnings. As a set fee will be paid per journey, drivers will avoid completing longer journeys. <p>AO2 – Application/Analysis Award 1 mark for relevant reference to the context and 1 mark for relevant development point(s).</p> <p>For hourly rate:</p>	<p>6 AO1=2 AO2=2 AO3=2</p>
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	<ul style="list-style-type: none"> Reduced costs as drivers are paid according to the work completed [AO1], this aids the profitability of the business. [AO2Ap]. Drivers have the opportunity to earn additional income which may motivate the drivers [AO1] so business will benefit from good customer service and repeat custom [AO2Ap]. <p>Against hourly rate:</p> <ul style="list-style-type: none"> Drivers will have variable income [AO1] therefore it will be difficult for the business to manage their cash flow [AO2Ap]. As a set fee will be paid per journey, drivers will avoid completing longer journeys [AO1] so the business may find it difficult to offer a range of journeys to its customers [AO2Ap]. <p>AO3 – Evaluation</p> <p>Justified decision as to whether EZI Ryders should change from piece rate to minimum wage.</p> <p>Either answer is acceptable.</p> <p>Whilst EZI Ryders may save money in the short term [AO1] the motivation of the drivers falling may impact on customers (EV1) who may use other companies if they are unhappy which leads to a loss of revenue and reputation (EV2).</p>	
16(a)	<p>Identify TWO pricing strategies EZI Ryders could use.</p> <p>Mark as 2x1.</p> <p>AO1 – Knowledge Penetrative pricing. Price skimming. Cost plus pricing. Promotional pricing. Competition based pricing.</p> <p>Accept any reasonable answer.</p>	<p>2 AO1=2</p>

16(b)	<p>Explain how using technology has reduced running costs at EZI Ryder.</p> <p>AO1 – Knowledge Award 1 mark for showing knowledge and understanding, points could include:</p> <ul style="list-style-type: none"> Automation has eliminated some of the need for human input. Answering phone calls will be reduced. <p>AO2 – Application/analysis Award 1 mark for each point developed [An1] in context [Ap1]:</p> <ul style="list-style-type: none"> Automation has eliminated some of the need for human input into the system [AO1], and organising bookings [AO2Ap] which will reduce staff costs [AO2Ap]. Answering phone calls will be reduced [AO1] as well as speeding up the system [AO2Ap] and providing updated details on taxi arrival times [AO2Ap]. <p>Examiner Guidance: Do NOT award if learner discusses aspects of the job itself. The response is required to consider why running costs will be reduced.</p> <p>Context/application can be any of the three mentioned in the advert e.g.:</p> <ul style="list-style-type: none"> Automated bookings. Reduce staff costs. 	<p>3 AO1=1 AO2=2</p>
16(c)	<p>Explain TWO reasons why EZI Ryders might have introduced a loyalty programme.</p> <p>AO1 – Knowledge Award 1 mark for each external method. Answers may include:</p> <ul style="list-style-type: none"> Stop competing on price with competitors. Retain existing customers. Build personal relationships. <p>AO2 – Application/analysis Award 1 mark for each reason explained, e.g.:</p> <ul style="list-style-type: none"> Stop competing on price with competitors [AO1] by encouraging customer to use the business by giving them incentives [AO2Ap]. Retain existing customers [AO1] as they feel they are rewarded for using the business [AO2Ap]. Build personal relationships [AO1] by finding out what the customers like by tracking their purchases [AO2Ap]. Free/discounted taxi trips when they make x trips [AO2Ap]. <p>Examiner Guidance: AO2 marks can be achieved for either application OR analysis but cannot award the same Ap or An more than once.</p>	<p>4 AO1=2 AO2=2</p>

<p>16(d)</p>	<p>Evaluate whether EZI Ryders should begin to promote their business via Internet search engines.</p> <p>AO1 – Knowledge Award up to 2 marks for an understanding/identification of benefits or disadvantage of either option. For the change:</p> <ul style="list-style-type: none"> • Attract new customers. • Targeted at customers looking for their services. • Pay for each link to their site so cost per click may be low. <p>Against the change:</p> <ul style="list-style-type: none"> • May lose existing customers. • Cost may be more expensive. • Existing methods appear to be working. <p>AO2 – Application/analysis Award 1 mark for relevant reference to the context and 1 mark for relevant development point(s).</p> <p>For the change:</p> <ul style="list-style-type: none"> • Attract new customers [AO1] who use search engines rather than visit cinemas [AO2Ap]. • Targeted at customers looking for their services [AO1] so should be cost effective [AO2Ap]. • Pay for each link to their site [AO1] so cost per click may be low [AO2Ap]. <p>Against the change:</p> <ul style="list-style-type: none"> • May lose existing customers [AO1] if we don't advertise in the traditional places [AO2Ap]. • Cost may be more expensive [AO1] as dealing with very large organisations [AO2Ap]. • Existing methods appear to be working [AO1] so could lose more customers than they gain [AO2Ap]. <p>AO3 – Evaluation Justified decision as to whether EZI Ryder should change methods of advertising.</p> <p>Either answer is acceptable. e.g. if they want the business to grow bigger and make full use of their technology they will change [EV1]. They should gain new customers [AO1] who are likely to download the app [AO2Ap], which could attract new customers whilst also keeping costs low [AO2An]. It might also give them customer information [AO2Ap] which they can monitor and review [AO2An], They can offer incentives to sign up and monitor the take up so the effectiveness can be measured [EV2].</p>	<p>6 AO1=2 AO2=2 AO3=2</p>
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17	<p>Evaluate the impact that external influences have on the competitive environment and how anticipating these can be of benefit to EZI Ryders.</p> <p>AO1 – Knowledge Knowledge marks for each solution OR example of solution:</p> <ul style="list-style-type: none"> • Government could change congestion charge. • New competitors enter market. • Government could increase taxation on hybrid vehicles. • EZI Ryder could look at laws/competitors in other countries. • New technology could mean driverless cars. <p>AO2 – Application/analysis</p> <ul style="list-style-type: none"> • Government could change congestion charge [AO1] which could create additional sales [AO2An] if motorists are forced off the roads on a cost basis [AO2Ap]. • New competitors enter market [AO1] which could create a price war [AO2Ap] which reduces profits [AO2An]. • Government could increase taxation on hybrid vehicles [AO1] which could reduce profits [AO2An]. • EZI Ryder could look at laws/competitors/trends in other countries [AO1] and try to anticipate changes e.g. switch to pure electric vehicles [AO2Ap]. • New technology could mean driverless cars [AO1] which could change the industry model [AO2Ap] and reduce costs [AO2Ap]. <p>AO3 – Evaluation (EV) Evaluation may depend on:</p> <ul style="list-style-type: none"> • Anticipating likely changes to the law depending on the government. • Being aware of technological changes. • Understanding that government policies can change and can be influenced by very large organisations. • Understanding that technology moves very fast – driverless cars. <p>EV1 Will make a contextualised justified judgement as to which is the best solution. Having an awareness of the external environment can help to anticipate some changes that the government might make such as the congestion charge. This could help them get ahead of the competition although they will not be able to anticipate all changes that occur.</p> <p>EV2 Will make a contextualised justified judgement, addressing the relative importance of the relevant factors as to which is the best solution. Having an awareness of the external environment such as changes in the laws can help to anticipate some changes that they may make. This may help them get ahead of the competition although they will not be able to anticipate all changes. They also have to be ready for companies like</p>	<p>9 AO1=2 AO2=4 AO3=3</p>
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	<p>Google who are interested in driverless cars and could be a large competitor entering the market.</p> <p>EV3</p> <p>Will make a contextualized, justified, in depth judgement, addressing the relative importance of the relevant factors, as to which is the best solution. Having an awareness of the external environment such as changes in the laws can help to anticipate some changes that they may make. This may help them get ahead of the competition although they will not be able to anticipate all changes. They also have to be ready for companies like Google who are interested in driverless cars and could be a large competitor entering the market. Overall it is important to monitor external changes to anticipate some changes and be able to change quickly to take advantage of opportunities.</p> <p>Examiner Guidance: 2 marks can be awarded for two different ways of cutting costs or increasing sales.</p>	
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18	<p>Evaluate whether EZI Ryders should continue to use experienced drivers or make greater use of technology to guide its drivers.</p> <p>Award 2x1 knowledge marks.</p> <p>AO1 – Knowledge</p> <p>Experience</p> <ul style="list-style-type: none"> • Should be able to provide a quality service. • May know quicker routes than the technology via experience. • Customers might have established relationships with drivers who have been there a long time. • Will be able to work if the technology breaks down. <p>Technology</p> <ul style="list-style-type: none"> • Might be able to pay drivers less as experience becomes less important. • Move towards driverless technology might be the new market trend. • Technology of sat nav quite mature and reliable. <p>AO2 – Application/analysis</p> <p>Experience</p> <ul style="list-style-type: none"> • Should be able to provide a quality service [AO1] through job experience [AO2Ap]. • May know quicker routes than the technology via experience [AO1] so may be able to make bigger profits [AO2An] or make customers happier [AO2Ap]. • Customers might have established relationships with drivers who have been there a long time [AO1] and could be upset if regular drivers leave [AO2Ap]. • Will be able to work if the technology breaks down [AO1] as they may have experience of working without it [AO2Ap]. <p>Technology</p>	<p>9</p> <p>AO1=2</p> <p>AO2=4</p> <p>AO3=3</p>
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	<ul style="list-style-type: none"> • Might be able to pay drivers less as experience becomes less important [AO1] which will boost profitability/repay cost of technology [AO2 An/Ap]. • Move towards driverless technology might be the new market trend [AO1] so reducing driver costs a step towards this [AO2Ap]. • Technology of sat nav quite mature and reliable [AO1] so should not cause operational issues by regularly breaking down [AO2Ap]. <p>EV1 The employees who rely use the technology may be better equipped to use the whole system. The company may be able to recoup its investment by paying staff less. However, legally they might not be able to do this without considerable restructuring.</p> <p>EV2 This could be part of the industry moving towards driverless drivers by utilising the technology by reducing its cost base. It might also help integrate the app and the technology together so that all revenue is automatically paid to the company rather than the driver. However, legally they might not be able to do this without considerable restructuring.</p> <p>EV3 This could be part of the industry moving towards driverless drivers by utilising the technology by reducing one of its biggest cost (staff wages). It might also help integrate the app and the technology together so that all revenue is automatically paid to the company rather than the driver. However, legally they might not be able to do this without considerable restructuring. It might be better to see how far driverless technology is and then totally revamp the business.</p>	
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