Examiner's report
Strategic Business Leader (SBL)
June 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 publisher, Fiveoaks Publishing Co (Fiveoaks), specialising in non-fiction books.

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 answers appeared stronger than previous sittings, although this was mainly due to stronger performance when gaining technical marks.
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. They demonstrated professional skills through analysis and discussion, and how they structured and presented their answers. Weaker candidates did not integrate or apply the case material adequately.

It was apparent that some 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*

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. In this exam, for example, the conversation with the departing member of staff which was in Exhibit 5 touched on themes which were relevant throughout the exam.

Candidates should also be alert for links between different exhibits reinforcing or contrasting significant issues. For example, the make-up of Fiveoaks' board was predominately long-serving and male, all over 40 years of age, and this contrasted with employees leaving the company to gain better opportunities elsewhere, such as a female ex-employee aged 35 becoming a director of one of Fiveoaks' competitors.

Candidates must also 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 five tasks, although the rushed appearance of some answers to the final task (almost always Task 5) 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, in particular balancing time between different tasks.

Mostly candidates answered the tasks in order. In this exam Task 5, 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.

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 to Fiveoaks
- Explaining the consequences for Fiveoaks
- 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 WHY the information was important to Fiveoaks in the context of the task requirement. Weaker candidates also produced recommendations that were often no more than statements that Fiveoaks should do what it was not currently doing. They did not explain HOW the recommendation would address the problem or weakness discussed and bring benefits to Fiveoaks.

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 often disappointing in this exam, with a number of common faults:
- Failing to provide all the task required, for example not discussing at all whether to continue to use the same supplier in Task 4(a) .
- Not paying attention to the format required, for example Task 5 required specific use of a format set out by the chairman. Candidates generally produced essay or memo-style answers for all task parts, or failed to follow the specific instructions given about the format to be used in this Task.
- Failing to produce a balanced answer, for example not giving equal weight to commercial and ethical considerations in Task 2(a), and failing to consider potential problems of the acquisition in Task 3.
- Poor tone and comments made.

Undoubtedly, the most alarming feature of this sitting was the inappropriate tone of some answers, particularly to Task 1 which the chairman of Fiveoaks asked for the candidates' views on the composition and operation of Fiveoaks' board by discussing its weaknesses. Tactless and sometimes rude comments were made. This was exacerbated by the fact that the directors whose limitations were being criticised were the recipients of the document candidates were providing. The fact that candidates appeared to think that they were answering in an appropriate professional tone was disturbing. Candidates needed to use polite language, stating weaknesses in impersonal terms backed up by justifications.

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 requirements together, as this will help them develop answers showing the correct style, tone and level of professionalism.

Candidates should also remember that professional skills may be relevant not just in the tasks where they are rewarded, but other tasks as well. For example, Task 3 required the candidate to assess the attractiveness of an acquisition, commercial acumen was the professional skill being assessed, but exercising scepticism about the benefits of the proposed acquisition would also have helped candidates generate marks.

Further comments on specific professional skills are given below.

Specific comments

Task 1
The first task asked candidates to produce a briefing paper for the board meeting which discusses the weaknesses in the composition and operation of Fiveoaks' board and recommends improvements. It required the demonstration of communication skills.

Generally this task was reasonably well done in terms of technical marks. Answers generally had more coverage of the composition of the board than its operation. Stronger candidates linked aspects of the board's composition and operation to governance best practice and problems relevant to Fiveoaks identified in the exhibits, in an integrated discussion. Their recommendations were justified on the basis of wider considerations, for example appointing directors with experience of customer management or the international markets where Fiveoaks operated. Weaker candidates just stated features of the board without justifying why they were problematic and merely suggested remedying weaknesses without discussing how Fiveoaks' governance would benefit.

Other significant weaknesses included:
- Purely discussing immediate remedies and not mentioning longer-term steps.
- Justifying recommendations in general terms without reference to Fiveoaks' circumstances.
- Confusion about governance requirements, for example criticising the audit committee for only having non-executive directors on (this is generally recommended in best practice), or stating that governance good practice requires all directors to leave the board after a certain number of years (suggested maximum terms only apply to non-executive directors)
- Spending time discussing aspects of governance that had not been highlighted as an issue in the exhibits
- Discussing general business weaknesses that did not relate to the board
- Discussing strengths of the board (the requirements did not ask for them)

As mentioned above, a very significant professional weakness, poor tone together with tactless comments, limited professional marks on too many occasions to the lower two gradings. Lots of comments would have been inappropriate anyway and many candidates appeared to forget that the briefing paper was to be prepared for a board of directors' meeting. Comments about the old age, attitudes, inability to understand IT and other faults of the directors would have been likely in real life to lead to the immediate termination of the consultant's contract. Candidates needed to state courteously what was lacking on the board, justify the need for changes with reference to governance best practice or the investor's criticisms and show how what they recommended would benefit Fiveoaks.

The other significant professional weakness in this task was the poor format of answers
A briefing paper 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 communicate, and therefore scored low professional marks.

Task 2(a)
Task two was a memo that discusses the commercial and ethical issues involved in publishing a book in its original submitted form (the book had errors and unreliable evidence). It required scepticism skills to be demonstrated.

Answers to this task were variable. Candidates who organised their answers under the separate headings of commercial and ethical issues often produced balanced answers, but many scripts focused on one type of issue and had little or no coverage of the other type.

An important differentiator on commercial issues was that weaker candidates did not say much beyond publication threatening Fiveoaks' reputation. Stronger candidates spelt out the wider implications for the demand for other products of Fiveoaks if it was associated with an unreliable title, a risk exacerbated by Fiveoaks' involvement in educational publishing. As regards ethical issues, a number of weak answers just reproduced the reviewer's comments without linking them to any ethical framework. Stronger answers identified that the reviewer's report had identified examples of lack of integrity, objectivity and professional competence by the author and based their discussion round these issues, along with Fiveoaks' responsibilities to produce material that was reliable for educational purposes. Many candidates however structured their answers using the Tucker framework. This was technically incorrect, as the Tucker framework is used to determine an ethical decision, which was not what the task required. A more serious problem was twisting the situation to fit the Tucker framework, with the result that answers discussed legal issues of little significance and sustainability issues of no relevance.

Other significant weaknesses included:
- Repeating the same points, in particular the simple statement that there was a threat to reputation
- Saying the author's actions were unethical without explaining why
- Questioning the reviewer's independence and expertise when there was nothing in the exhibits to cast doubt on the fairness of the reviewer's comments

Professional marks were strongly correlated to technical marks in this part. Candidates who thought about the wider business context that Fiveoaks was operating and underlying values of reliable provision of information produced developed points that could be awarded high technical marks and also demonstrated scepticism. One important aspect of scepticism is probing deeply into underlying reasons for issues, here the brand values of Fiveoaks and the need for customers to trust the information its products provide.

Task 2(b)
This part was continuation of the memo to identify main problems in the commissioning and review process for publishing books and to recommend actions which Fiveoaks should be taking.

Answers to Task 2(b) were often disappointing, with some being no more than repetition of material in the answer to Task 2(a). Many candidates discussed which further steps should be taken with the author's book , and failed to reflect on the lessons that could be learnt from what happened with Dr Xavier's book as a basis for improving future practice. Better answers again often followed the structure of the requirements with separate sections on commissioning and review.

Task 3
This task was a section of a consultancy report to the board which assesses the attractiveness of an acquisition target (a competitor in area of academic and professional publishing, Pendean Publishing) from Fiveoaks' viewpoint using financial and non-financial relevant information. It required demonstration of commercial acumen.

This task was generally answered quite well, with many candidates being able to obtain at least a pass on technical marks. Most answers covered both financial and non-financial issues. The main weakness was that the task many candidates appeared to be answering was 'Demonstrate why the acquisition of Pendean will be attractive' rather than 'Assess the attractiveness of Pendean'. A balanced assessment of attractiveness would include that some of the attractive features Pendean had might not be realised by Fiveoaks (eg Pendean's expert staff might not wish to join Fiveoaks because its culture was significantly different). Generally answers covered a good range of non-financial features. Weaker candidates just listed features in the SWOT analysis for Pendean and did not explain how they would benefit Fiveoaks. Stronger candidates went on to question, given that Pendean was much smaller that Fiveoaks and its acquisition would only directly impact upon one part of Fiveoaks' business, how likely it was that Fiveoaks would adopt Pendean's working practices.

Most candidates gained some marks from using the financial information to carry out calculations that compared the two companies' performance and situation. Other significant weaknesses included:
- Limited discussion of some of the benefits of acquiring Pendean
- Using the SAF model and as a result discussing the financial feasibility of the acquisition. This was not rewarded. The task was about the decision of whether to invest in Pendean, and not the decision on how to finance the investment
- Failing to draw a conclusion or providing a conclusion that did not say anything definite

Many candidates' professional marks were limited to 0 or 1. This was because they failed to demonstrate commercial acumen as they did not question whether Fiveoaks would benefit from the positive features Pendean had. Professional marks were also limited by failing to link the results of calculations to other information and the answer not reading like the section of a report.

Task 4(a)
The task required the preparation of a section of the consultancy report to the board which assesses weakness and recommends how the project management of the digital platform development could have been improved including whether to continue using same external supplier for any future developments. Professional marks were to be awarded for evaluation skills.
Many candidates scored at least a pass for technical marks through systematically going through most stages of project development and linking recommendations clearly to weaknesses. Once

again some answers merely produced exhibit material without explaining its significance and provided recommendations that merely said that Fiveoaks should have done what it didn't do.

The most serious weakness in this answer was the failure to address the part of the requirement relating to the reappointment of the supplier. Many candidates did not discuss this at all and those that mentioned it often provided a simple recommendation. Too few gave any consideration to how the current supplier had performed so far, and hardly any candidates contrasted retaining the supplier with the benefits and problems of switching to a new supplier.

Other significant weaknesses included:

- Discussing the weaknesses of the digital platform rather than its development process
- Not covering the lack of action during intermediate stages when the project was suffering delays.
- Not mentioning post-completion audit work and review – this could have provided more information about the weaknesses in the process
- Discussing the lack of a Project Initiation Document and stating what it should contain – the exhibits stated that one had been produced

Many candidates' professional marks were limited to 0 or 1 because of the failure to discuss a potential reappointment of the supplier, which was included in the task requirements. Candidates who explained the consequences of the weaknesses identified and therefore could provide justified recommendations effectively addressing the weaknesses scored well.

Task 4(b)
The task required candidates to recommend to the board how Fiveoaks's current digital platform can be further developed to attract and retain customers. Commercial acumen was to be demonstrated.

Generally this task was answered poorly. Some candidates wrote very little. Others veered away from what was shown in the exhibit to discuss issues such as e-commerce and search engine optimisation. Answers also suggested doing what the company was doing already, rather than focusing on future developments, as the task required. The areas highlighted on the exhibit included resources for tutors and students, and it was disappointing that very few candidates drew on their own learning experiences to make suggestions.

Stronger answers were clearly linked to increasing engagement and interaction with customers and obtaining more data about customers and their requirements. Some candidates did identify that the webpage shown in the exhibit was poorly designed and needed to be redeveloped.

Other significant weaknesses included:
- Stating simply that Fiveoaks should make more use of big data, without saying what the data should be about and how it should be used
- Using the 6Is model and trying to twist the scenario so that the answer could cover all aspects of the model
- Making recommendations which were vague, for example recommending increasing presence on social medial without specifying how
- Making recommendations which were ethically questionable, such as asking bloggers to write favourable reviews, even if this might happen in real-life

Professional gradings were very strongly correlated with technical marks for this part. Many answers had an insufficient number of suggestions for high professional marks to be awarded. Candidates who produced general answers or who deviated into areas such as e-commerce also scored poorly. Candidates who scored well produced an answer that focused on development of relations with customers and showed how their practical recommendations would do so.

Task 5
The last task required candidates to use a format set out by the chairman to analyse problems in retaining talented staff and to recommend actions which Fiveoaks can take to retain and develop its employees. It required demonstration of professional analysis skills.

Some answers were very good with candidates focusing on staff development and retention issues. Many candidates made at least a reasonable attempt to use the exhibit materials to support their analysis.

However, many answers showed signs of lack of planning and thought, which could have been due to time pressure as this task was generally done last, or general poor exam technique. Lack of planning and thought frequently resulted in repetition, factors being put in the wrong category and poor linkage between the problems and recommendations in each category. Recommendations were also often too vague. Although points had to be made briefly, candidates did have the opportunity to make specific comments and suggestions, for example stating how communication could be improved rather than merely saying improve communication.

Other significant weaknesses included:
- Excessive focus on the development project and failure to discuss other issues related to talent management raised in the exhibits
- Discussing general governance and operational issues
- Answers being poorest on leadership, which was surprising as leadership is an important topic in the SBL syllabus, perhaps indicating the need for future candidates to spend more time on this area

The most significant reason for low professional marks was candidates not using the format provided, which was the format the chairman required, which was clearly stated. Candidates must remember that this exam is designed to mirror the workplace. If they were given a task by the chairman at work, but ignored the instructions they were given, their future prospects might well be adversely affected.