



## Examiner's interim feedback

### May 2020 Strategic Case Study Examination

The purpose of this document is to give some feedback on the May 2020 Strategic Case Study (SCS). It also aims to provide some useful advice for candidates preparing to re-sit this exam in August 2020. If you are planning to re-sit in August 2020, remember that the exam will be based on the same pre-seen as May 2020. You don't need to know or use any information from the variants of the exam that was taken in May 2020.

The full set of post-exam materials (applying to both May 2020 and August 2020) including the full examiner's report, along with model answers, variants and marking schemes will be available 2 weeks after the August 2020 exam results are released.

#### General comments

This case study was based on a pre-seen scenario which described Runnabout, a company that provides micromobility services that offer individuals an alternative to walking in order to cover the "last mile" after parking their cars or alighting from public transport. The scenario was made available in advance with each variant presenting additional scenario-based information and setting three tasks to be completed. Each task was split into either two or three specific elements (sub-tasks).

The micromobility industry is growing and developing in a number of directions. Candidates should have been able to identify with the concept of renting personal transportation devices to individuals to help them with their commute or to enhance tourist trips. The need to create accounts and make charges to credit cards also raise questions of the security of IT systems and the need to maintain consumer confidence. Many answers demonstrated an understanding of these issues, suggesting that candidates had studied the pre-seen and were aware of the issues.

The following points are based on feedback from the marking team:

<b>Develop business strategy</b>	<p>Stronger candidates were able to identify the strategy being pursued by Runnabout and offer realistic suggestions for changes of direction. The fact that the exam variants add additional information and offer proposals for changes in strategy means that candidates must be able to evaluate potential changes and offer a justification for any opinions or arguments that they express.</p> <p>Weaker candidates often missed the point of any new information offered alongside the questions and gave the impression that they were unable to adapt their understanding of the strategy to changing circumstances.</p>
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<b>Evaluate business ecosystem and business environment</b>	<p>Stronger candidates' answers usually demonstrated an understanding of Runnabout's situation and were able to make realistic recommendations that reflected that situation. As with the real world, strategic planning requires the ability to appreciate how stakeholders will be affected by proposals and how they are likely to respond.</p> <p>Some candidates offered practical examples of real-world cases involving micromobility companies. That worked well when the cases were relevant to Runnabout and the scenario that had been introduced in the question paper because it showed that the candidate had researched the industry and was able to apply the lessons learned. Weaker answers tended to offer such examples in order to extend their answers, despite having little relevance to the question.</p>
<b>Recommend financing strategies</b>	<p>Most candidates were aware of the theoretical underpinning for financing decisions. That is clearly necessary in order to advise on any of the key aspects of financial management.</p> <p>Stronger candidates were able to adapt their understanding of the theory to reflect Runnabout's circumstances and the needs arising from the scenario described in the question paper.</p> <p>Weaker answers tended to repeat the content of study materials, with little or no attempt to identify the specific issues arising and to address the needs faced by the company.</p>
<b>Evaluate and mitigate risk</b>	<p>As with financing, this is a core activity that requires candidates to be aware of a number of models. These models should be regarded as a framework that requires adaptation to meet the specific requirements from the question paper.</p> <p>Stronger candidates tended to recognise that the risks affecting Runnabout were driven by the nature of its business and the manner in which the scenario threatened to impact on that. Good candidates recognised that the severity of risks varies in response to the strategic position of the company.</p> <p>Weaker candidates repeated content from their study materials, with little or no real attempt to adapt that content to the requirements.</p>
<b>Recommend and maintain a sound control environment</b>	<p>This is undoubtedly the core activity that is most effective in distinguishing candidates who are capable of applying syllabus content from those who are not.</p> <p>Stronger answers generally focused on the problems arising from the control environment and recommended realistic changes or audit work that addressed those problems.</p>

	Weaker answers tended to write out lists of tests, internal controls or governance features, with little or no attempt to make them relevant to the question.
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**The following hints and tips should be considered if you plan to sit the SCS in August 2020:**

Before the exam:

1. Make sure that you understand the study materials for the pillars that feed into the Strategic case study examination. It is not sufficient to just recall the content at the Strategic level because tasks will generally require some application to a scenario.
2. Take time to make sure you are familiar with the pre-seen. The Strategic case study examination frequently asks for recommended responses to strategic threats and opportunities. Runabout's Board will expect its senior advisers to understand the business and its present position before offering advice on any new developments.
3. Invest time in writing answers to previous SCS cases. The skills required to create and justify relevant answers require practice to develop and maintain. In preparing for the Strategic case study examination you should attempt past cases by typing out full answers and then reviewing them. Ask yourself whether you would feel confident about submitting those arguments to a Board of directors. Are your recommendations logical? Are they clear and properly justified?

During the exam:

1. Answer the question. No matter how obvious that seems, examiners frequently say that candidates miss the question. Revising for the Strategic case study examination requires that you study and learn a number of different models and theories from each of the three pillars of the qualification and use these to meet the core activities prescribed in the blueprint. Tasks will generally require that material to provide a suitable structure for answers, but the key is to apply that knowledge to the scenario. Candidates frequently offer detailed summaries of syllabus content, with little or no relationship to the scenario.
2. Don't forget it may be necessary to answer in a manner that could prove unpopular with senior managers, perhaps by recommending the rejection of a proposal made by one of the directors and this should be approached in a professional manner. The best way to deal with that is to offer a clear and relevant argument that satisfies the requirement.
3. Focus on clarity for the reader. Look at previous marking schemes. Marks are awarded based on the content of your answers, so don't spend too much time on the formatting and presentation of your work. Use the word processing tools available wisely to help you structure your response in a way that demonstrates your understanding and application of the scenario.



4. Use time wisely. There are three tasks, with an hour allocated to each. The tasks are subdivided into separate elements (sub-tasks), with recommendations as to the weighting for each element. If you have, say, 24 minutes available for a requirement then you should aim to spend roughly that amount of time on it. It is probably unwise to take time from another requirement to make that answer as full as it can possible be. If you run out of ideas before the time has elapsed then it might be better to spend some of the time left thinking about possible ways of expanding that answer, rather than returning to an easier requirement. It is, of course, worth using the whole hour for each task, even if that does mean reviewing and expanding answers.
5. Think carefully about when it is appropriate to include real world examples in your answers. Candidates for the Strategic case study examination often investigate the industry and learn about recent events in the business news. The insights from such background research can often help develop answers. For example, Runnabout is part of a larger micromobility industry and that has been written about extensively because it is topical and has had a significant impact on many cities. The unseen information in the scenario will rarely be the same as in real life, so be mindful that any examples you do provide should relate specifically to the tasks provided.

Good luck with your studies.