



National Certificate of Educational Achievement  
TAUMATA MĀTAURANGA Ā-MOTU KUA TAEA

## **Exemplar for Internal Achievement Standard Commerce Level 1**

This exemplar supports assessment against:

**Achievement Standard 92028**

**Demonstrate understanding of an organisation's financial  
decision-making**

An annotated exemplar is a sample of student evidence, with a commentary, to explain key aspects of the standard. It assists teachers to make assessment judgements at the grade.

New Zealand Qualifications Authority

To support internal assessment

Grade: Achieved

To achieve the standard, the student needs to demonstrate understanding of an organisation's financial decision-making.

This involves:

- describing options available for the organisation to address a need, issue, or opportunity
- describing a decision, supported by information from a financial tool
- describing how the decision addresses the need, issue, or opportunity.

The student described possible options the marae could take to repair the roofs of two buildings, including the cost of each option.

The decision to undertake the highest level of repair (the 'big fix') was supported by a SWOT analysis. This referred to implications of the decision to undertake the big fix. Reference to the option being "*up to \$24,000 [more expensive]*", lower maintenance expenses in the future, and the potential for other repair expenses being necessary, raises the evidence from focusing on a decision to a financial decision.

The student has described why the big fix option meets the marae's need to repair the roofs.

Explanatory Note 2 of the standard requires the student to discuss the organisation's pūtake in the context of financial decision-making. The student has explained the marae's pūtake/values in detail, with a focus on caring for the health and safety of its workers and community members, and kaitiakitanga of the marae buildings. The values have then been linked to the financial decision to undertake the big fix option.

For Merit, the student could go beyond identifying the marae's stakeholders to explain how their perspectives informed the decision to undertake the big fix. In explaining possible consequences of the decision for the organisation and stakeholders, the student should focus on consequences specific to the big fix option.

Achieved

NZQA Intended for teacher use only

# Decision Making

Re-roofing at the local Marae

## Intro

To gain knowledge on financial decision-making in a work environment the year 11 Commerce class travelled to the local Marae in XXXX.

We met with X, head of property management and Y, head of administration and education. Both managers spoke to us about the values/pūtake of the marae and how they work and live aligning with those values. Te Runanga O Nga .... follow their pūtake and values very closely within their work and living environment. 'Our vision to grow our people' is their purpose and guide. They also incorporate their values to serve, engage, protect and grow into their everyday lives.

X spoke in depth about the water leakage problem in two of their buildings. He explained and expanded on the different options of fixing the problem for the health and safety obligations that they abide by for their community and workers.

## Main goals and values influencing this decision-making process

### Manaakitanga (care & respect)

Treating people with unconditional care and respect. Creating a place where everyone feels equal and welcome. Mana-enhancing behaviour is the theme of all they do.

### Kotahitanga (Unity)

Working with others to achieve positive outcomes for everyone. This values relationships and continually puts sustainable positive outcomes for their whānau, hapū, iwi and community.

### Whanaungatanga (Family & Relationships)

The Marae is a place where whānau, hapū and iwi, local Māori, Pasifika and the community at large are welcome, and create a sense of connection and belonging.

### Te Reo Me Ngā Tikanga (culture and language)

The Rūnanga teaches, learns, upholds and uses reo and tikanga within the Marae community.

### Rangatiratanga (Leadership)

The leadership from everyone involved in the community will show pride, commitment, high capability, passion and authenticity that they uphold on behalf of the community.

### Kaitiakitanga (Guardianship)

Working together to care for the environment so it stays sustainable for the future generations to come.

## Problem

The roofs in two of the offices on site were leaking due to weather damage in the winter months. The workers expressed the problem that they were having in their workplaces. Water had been leaking into the offices and the electrical systems inside. This was not only a safety hazard, but these issues were going against the values of manakitanga and kaitiakitanga that the leadership team were committed to uphold for their workers. This meant they had to go through the process of fixing the issues.

There were many steps and decisions they had to work through to get the best possible outcome for the workers and future generations of Ngati .... The steps they took were firstly, to get professionals to look at the issue, get different quotations for the options they were given, find the funding for the decided choice, and then finally talk together and logistically put their decisions into place.

## Stakeholders and making the decision

The stakeholders of Ngati ... in this decision-making process include the workers using the offices, the clients and community also using these spaces, the Ngati ... leadership team, contractors and builders, and the XYZ Trust. The stakeholders are anyone who will be affected by or affect this process and their opinions are something that also needs to be taken into consideration by the team when deciding what to do.

Before making a decision, Ngati ... had to relocate the workers to different offices. Luckily Ngati ... had spare space onsite so saved money on not renting offices off-site while getting the roofs repaired. They then got professionals to look at the leakages and estimate how much it will cost, and how long it would take to fix. The professionals then supplied the leadership team with options and the details on each of these. The leadership team then discussed their options to find the best way to approach the issue.

The property manager and the rest of the leaders used their value of rangatiratanga as they had many quotations to go through and funding applications they had to apply for.

Successful funding applications came back from the XYZ Trust who agreed to fund their project. The XYZ Trust benefits charitable organisations within NZ. Ngati ... was eligible because it is a community based and involved organisation. The leadership team was able to get the amount they needed for the job from the Trust.

They tried their best to find and work with local contractors although it was difficult because of the location of the property. The costs were covered for the new roofs, contractors, and workers to come onsite to complete the project. There is always room for improvement in a growing community like Ngāti ... and their pūtake to grow their people was a consistent aim throughout this process.

## Options and Details

### **Leave As Is**

Leaving the buildings as they are would not involve any cost although the building would be useless. Having multiple offices not being used could negatively impact the growing community of Ngāti ... If the buildings were still being occupied by the workers, it would also go against Ngāti ...'s values on the pillars and their pūtake of respecting their clients' health, safety, and needs.

### **Quick fix**

Doing a quick fix would include the cost of silicone to seal up any gaps and cracks in the roofs and walls, nails to fix up any larger gaps, plus the labour from contractors and builders that would be required to do the work. This comes to a rounded total of \$3000-\$6000. The problem with just doing a quick fix is that it will only last around a year so next winter they will be re-addressing the same problem, therefore spending money and time on the same problem again. Without a future proof solution, this may last many years to come.

### **Medium fix**

This would involve paying to patch the roofs with corrugated iron, silicone, nails and labour. This option would last about five years before having to be addressed again, needing the same or different work done on a different section of the roof or a different bigger problem could occur that would require spending more money on to fix. The total money needed for a medium fix would be \$12,000-\$16,000.

### **Big fix**

A big fix would include removing and replacing the entire roof. They would have to pay for the builders and supplies. The offices would last 50 years into the future after these renovations. They would be fixed well for the generations to come, aligning with the values that Ngāti ... upholds in their community, especially the value of kaitiakitanga. The overall cost for a big fix would be \$35,000-\$40,000.

### **Demolish**

Demolishing the whole building should be considered as an alternative option to renovating. It would cost around \$20,000 to clear the site and another \$200,000 to rebuild new offices. It would be a lot of work to get contractors and diggers in to demolish the infrastructure and then clear the area of debris. They could then leave an empty space or rebuild new offices. This option does not allow the culturally significant buildings to stay standing, or give the people using these offices a place to work.

## The Decision

The Marae decided on the **Big Fix**.

This would then allow them to uphold their values and create the best environment for both the current workers that will presently be utilising this space, but also for the future generations that would therefore be able to use this space and not need to repair it for the next 50 years.

The big fix was the most expensive repair option and will take the most time but it is still the best option because it should prevent any other roof problems for many years. When the work is done the Marae will be able to get on with their work without leaking worries.

## SWOT Analysis of the Big Fix

### Strengths

- Upholds the pūtake and values of Marae as the health and safety of workers and community members can be protected and the building can be looked after (kaitiakitanga).
- All of the cost (up to \$40,000) can be paid for by the XYZ Trust grant.
- Buildings will be weather-protected for the next 50+ years and won't need as much spent on ongoing maintenance than if the small or medium fix options were done.
- The buildings are of cultural significance to the Marae and its people, and therefore a valued aspect of the community.

### Weaknesses

- The \$35-40,000 is being spent on the roofing. The buildings might need other repairs in different areas so the job might end up being more expensive than they thought.
- Workers will need to be relocated for a long time while the big fix goes on. This might create inconvenience for them.
- The big fix is the most expensive option, up to \$24,000 higher than the medium fix option.

## SWOT Analysis of the Big Fix

### Opportunities

- Can find funding from other places as they are a community-based place and are culturally significant.
- Provide an updated workplace for the workers and this might open up more Marae jobs for new workers.
- Some other repairs might be able to be done from the budget, for example new carpet.

### Threats

- Bad weather could affect the timeframe of getting the job done.
- There might be delays due to illness (COVID).
- Investing too much money could potentially put the community at risk financially, in case something goes wrong.

## Evaluation of SWOT analysis

My SWOT analysis shows the positive and negative attributes of the decision made by the leadership team to do a big fix on the roofs.

Some financial consequences include the spending of money that could need to be used for the upkeep of other buildings in case of leakage or issues in other areas of the Marae or its business. They could also risk losing the money they were given if things don't go to plan.

Some non-financial consequences that the leadership team might have to deal with would be having a loss of workers who might find a better alternative if the roofing job is not quickly fixed, or they could lose time re-building that they could be using on other projects.



Grade: Merit

For Merit, the student needs to examine an organisation's decision-making.

This involves:

- explaining how stakeholder perspectives informed the decision-making
- explaining possible consequences of the decision for the organisation and its stakeholders.

The student has identified two possible vehicles the Salvation Army could purchase to meet its need for greater delivery capacity while maintaining financial viability and reducing gas emissions. The decision to buy an electric van over the diesel truck alternative is supported by a comparative budget for purchase and operating costs.

The student has explained stakeholders' perspectives: the Salvation Army's own position on climate change and the need to prioritise spending on its clients, the safety and workload of employees and volunteers, and how the public/potential donors would favour a cost-effective and climate-friendly vehicle. These perspectives were considered in making the financial decision.

Possible consequences of the financial decision are explained. For example, the student discusses the short- and long-term costs of purchasing and maintaining the vehicle.

The standard also requires the student to discuss the organisation's pūtake in the context of financial decision-making. Three of the Salvation Army's core values most relevant to a vehicle purchase were explained, and these were later referenced in the explanation of why the electric van was chosen over the diesel truck.

For Excellence, the student needs to evaluate an organisation's decision-making.

The justification for buying the electric van should explain the extent to which stakeholder perspectives (beyond those of the Salvation Army) were met or not met. For example, will the lesser cargo capacity of the van increase the number of trips and consequently the workload of drivers?

There should also be an explanation of how possible negative consequences of buying the electric vehicle could be mitigated. This could include discussion of potential issues, such as limited battery range or the practicalities of charging.

You have been asked by a local charity organisation Salvation Army to give ~~advice on their~~ decision to purchase a new vehicle. They need a delivery vehicle that can deliver large household items each day. The pūtake of Salvation Army includes an emphasis on climate change mitigation while maintaining financial viability. Any purchase will require the Salvation Army to source money beyond the current resources of the organisation.

Explore the financial decision making process by:

### 1. Describing the Salvation Army's need to purchase a delivery vehicle

The Salvation Army requires a delivery vehicle to allow it to continue operating a range of services. It operates food banks, transitional housing and family stores, and provides emergency services after natural disasters. It requires a large vehicle to transport furniture, food, clothing, and medical supplies to people in need. Without a vehicle, many people seeking the Salvation Army services would be affected (e.g. people with financial difficulties, natural disaster victims). A delivery vehicle would be a long-term investment for the Salvation Army.

### 2. Identifying a range of delivery vehicles (2 vehicles) that could be purchased by the Salvation Army.

There are two vehicles the Salvation Army is considering purchasing. The first option is the [2012 Mitsubishi Canter](#), a \$40,239 diesel truck. The second vehicle is the [2015 Nissan e-NV200](#), an electric van costing \$26,989.

### 3. Explaining the values that the Salvation Army will consider when selecting the vehicle for purchase

The Salvation Army has seven fundamental values. The three values most relevant when deciding to purchase a vehicle are "care for others", "think holistically", and "do the right thing". Caring for others is one of its most important values, as it explains the organisation's purpose. When choosing a vehicle, the Salvation Army must care for others by using its money wisely and prioritising funds on people in need.

When purchasing a vehicle, the Salvation Army should think holistically and consider all factors contributing to its decision. For example, the diesel truck has greater capacity and can transport more goods, but it has high greenhouse gas emissions, which does not align with the Salvation Army's values on climate change. The Salvation Army can display its value of doing the right thing by considering the vehicle's safety to ensure it meets safety requirements and keeps its workers safe while ensuring the vehicle aligns with its values and mission.

- ### 4. Explaining why the particular delivery vehicle was chosen instead of the alternatives, which should include
- an explanation of costs
  - financing options

c. the Salvation Army's values

The 2015 Nissan e-NV200 was chosen because it cost \$13,250 less and has lower short and long-term costs than the diesel truck, as it is exempt from road user charges while also having significantly lower costs for electricity and registration. A breakdown of costs is provided under question 5 below. Lower upfront and ongoing costs allows the Salvation Army to use its funds on people in need which displays its values of caring for others and doing the right thing. Although the diesel truck had more space, the electric van aligns with its views on caring for the environment and climate change mitigation.

The vehicle's purchase could be financed in several ways, including:

- using existing funds from its reserves
- fundraising
- sponsorship of the vehicle
- a bank loan
- a commercial vehicle loan

While either vehicle could be financed in the same ways the Salvation Army is likely to find it easier to fundraise or obtain sponsorship for the electric van, given the public's desire to support the reduction in greenhouse gas emissions.

5. Using a budgeting tool relevant to the decision-making process,

*Comparative budget for vehicle purchase and operating costs*

	Vehicle 1. Diesel Truck		Vehicle 2. Electric Van	
Capital Cost:	\$	\$	\$	\$
Vehicle purchase	\$40,239	\$40,239	\$26,989	\$26,989
Funded by:				
Fundraising (sausage sizzles, raffles, charity auction)	\$25,000		\$15,000	
Sponsorship	\$10,000		\$10,000	
Reserves or profit from family stores	\$5,239	\$40,239	\$1,989	\$26,989
Operating Cost (per annum):				
Fuel/Electricity	\$6,250		\$1,125	
Insurance	\$1,000		\$1,000	

Maintenance/WOF/Registration	\$1,120		\$1,029	
Road user charges	\$1,900	\$10,270	0	\$3,154
Funded by:				
Sponsorship	\$5,000		\$2,000	
Reserves or profit from family stores	\$5,270	\$10,270	\$1,154	\$2,654
Surplus or deficit		0		0

6. Explaining the financial and non-financial consequences of the decision for the Salvation Army, which should include:
- an explanation of financing options for the purchase of the delivery vehicle

The Salvation Army has chosen to finance the vehicle through fundraising, sponsorship and using reserves or profit from its family stores. See the table above for a detailed breakdown of costs and revenue.

Fundraising for a specific item like a van is likely to appeal to the public, however it can be time and resource consuming. Because the electric van requires \$10,000 less for fundraising, there will be less fundraising needed.

Sponsorship is another efficient financing option, where an organisation gives funds in exchange for signwriting or an advertisement on the vehicle.

Another option is to fund the vehicle using reserves or profits from family stores, which make reasonable profits. Using profits to finance the vehicle would be justified as the vehicle will pick up and deliver goods to and from the family stores.

A bank would be an option to purchase the vehicle but because interest would need to be paid this would not be a good use of Salvation Army funds, which could be used in better ways.

The time spent fundraising and seeking sponsorship brings an opportunity cost for the organisation. Funding it through existing reserves or profit from family stores lowers the opportunity cost.

- the short and long term costs of the financing options

The short-term costs relate to the initial purchase of the vehicle and could be financed as outlined in 6a) above.

The longer-term costs include ongoing costs such as maintenance, costs to seek further sponsorship (if the initial sponsors pull out), depreciation, loan interest (if any) and fuel/electricity.

Since the Salvation Army has chosen the Electric Van, long-term costs are drastically reduced in comparison to the diesel truck. This is because it won't have to pay road user charges or diesel. Additionally, electric vehicles have lower maintenance costs due to fewer moving parts, and depreciation is less because the purchase cost was \$13,250 lower.

#### 7. Justifying (why) the decision of purchasing the delivery vehicle in relation to the Salvation Army's pūtake and stakeholder perspectives

The Salvation Army's decision considered its pūtake and stakeholder perspectives. Stakeholders agree that it should display kaitiakitanga by reducing its climate change contribution and maintaining financial stewardship by choosing a cost-effective option when purchasing the vehicle (volunteers and donors will appreciate this as they give time and money to the organisation). Because the Nissan NV-200 is electric, less costly, and therefore requires less family store funds compared to the diesel truck, the Salvation Army is displaying kaitiakitanga. The choice is responsible and effective, building the Salvation Army's reputation and attracting donors and the community to the organisation.

Volunteers agree that the Nissan NV-200 should be purchased because less fundraising is required, and they wouldn't have to spend as much time and effort fundraising.

The Salvation Army relies on revenue from family stores to support its activities. Because fewer family store funds are needed to fund the van the Salvation Army could spend its resources to continue carrying out its pūtake - displaying manaakitanga by supporting and standing alongside those in need and ensuring they are healthy and safe.

#### 8. Justifying how the decision of purchasing the delivery vehicle was made, linking this to the underlying values of the Salvation Army, pūtake, and stakeholder perspectives.

The decision on which vehicle to purchase would be made by the Territorial Management Board, the Salvation Army committee led by Mark Campbell, which is assigned to making important decisions for the organisation. The committee weighed up the advantages and disadvantages of the electric van versus the diesel truck to ensure the decision consistently aligned with the Salvation Army pūtake. The committee also considered the lower upfront and lower ongoing costs along with better environmental outcomes.

In particular, the committee considered:

- Lower upfront costs (for the vehicle purchase) - which allows the Salvation Army to use its funds to meet its organisational mission
- Lower ongoing costs - no road user charges, electricity cheaper than diesel, lower maintenance costs - also allows the organisation to use funds to meet its organisational mission
- Better environmental outcomes - no emissions from the electric van

Grade: Excellence

For Excellence, the student needs to evaluate an organisation's decision-making.

This involves analysing how the decision integrates stakeholder perspectives and responds to possible consequences.

The student responded to the Salvation Army's need for a delivery vehicle to transport large and heavy items to Family Store customers. Three possible vehicles were evaluated, and a decision made to purchase a Toyota diesel truck. The decision is supported by a price/features comparison chart and a cost/benefit analysis for each vehicle. The options of financing the purchase through a bank loan or vendor finance were also explored, providing further financial data to inform the decision.

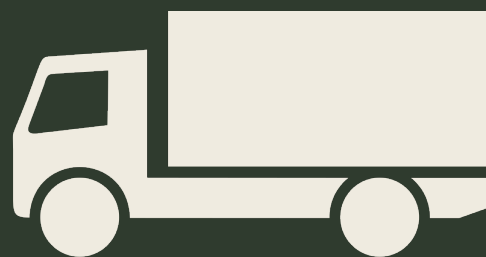
The student has explained the stakeholders' general interests in purchasing a new delivery vehicle, then referred to specific stakeholder needs that informed the decision to purchase the Toyota. For example, the double and sliding door feature of the vehicle would assist the employees/volunteers to upload and unload furniture more easily. While both the Toyota and Isuzu have three seats in the cab enabling more opportunities for volunteers, the Toyota offers this feature for less than half the purchase price. The Toyota will also suit employees/volunteers who are not comfortable driving manual transmission vehicles.

The standard also requires the student to discuss the organisation's pūtake in the context of financial decision-making. The values of the Salvation Army have been explained and then referenced in the explanation of why the Toyota truck was selected.

As required for Excellence, the student has integrated some stakeholder perspectives, those of the Salvation Army and customers. For example, they have acknowledged that the Toyota has the capacity to carry larger and heavier furniture to help customers who would otherwise not be able to get their purchases home. The student counters this with the suggestion that, if the organisation wishes to reduce its carbon emissions, customers may need to wait for their deliveries until the truck is full.

The student has also considered responses to potential negative consequences. They have discussed how the harmful environmental impact of a diesel vehicle can be mitigated by maintaining the vehicle and limiting the number of delivery trips.

# Fast and Financing



A new delivery vehicle

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Salvation Army

## The Salvation Army needs a delivery vehicle for its Family Store.

What does The Salvation Army do?

The Salvation Army runs a lot of volunteer programs/businesses such as early childhood education, youth services, welfare, and many more, one of which is known as a 'Family Store'. There are currently 125 branches of the store stores across the south and north islands with it being the most well-known business the Army runs.

The stores sell second-hand donated goods. The process helps families who have lower financial opportunities so that they are able to buy necessities.

Many of the items the stores sell are heavy, such as furniture, resulting in families struggling to take home the furniture bought. This is why the Salvation Army needs a new vehicle so that they can deliver items to families.



The Salvation Army's Pūtake consists of four parts which are considered when making business decisions.

- Raising funds in order to operate other programs
- Providing second chances for people
- Keeping in mind climate change
- Maintaining the financial viability of the store itself

Throughout the decision process we kept in mind these values in order to come up with the best outcome.

# Trucks/Van

We have identified three potential vehicles that would allow the Salvation Army to deliver heavy and large items to customers.



Toyota Toyoace 20m3  
\$47,139(incl.GST)  
Year: 2015  
Fuel: Diesel  
Engine: 4000cc  
GVM Weight: 5385kg  
Payload: 2165KG  
Model: XZU710 Wide cab  
Transmission:Automatic  
Leaf suspension Reverse camera  
Cloth interior seats 3 Drivers Airbag and ABS



Foton View CS2 Transon  
\$18,080(incl.GST)  
Year: 2015  
Fuel: Diesel  
Engine: 2776cc  
Transmission Manual  
WOF expiry: 14/01/24  
REGexpiry: 29/12/23  
ABS Brake Bluetooth AC-Air conditioning  
Alloy wheels Remotelocking Turbo



Isuzu Forward Fsr90  
\$89,990(excl GST)  
Year: 2018  
Model: Isuzu FSR90  
Fuel: Diesel  
Engine: 5190cc  
5.7T Payload  
Transmission:6 speed Manual  
GVM Weight: 10940kg  
Electric Windows Fog Lights Power steering  
Wide cab Central Locking Monsoonsields  
Lane departure Warning system Drivers Airbag

## Two Financing Options

Given that The Salvation Army's average income is said to be \$3,000 weekly with an average expense to be \$2,400 - they would need to borrow money to pay for expenses

### ASB - Bank Loan

First Option  
[https:// www.asb.co.nz/personal-loans/calculator.html](https://www.asb.co.nz/personal-loans/calculator.html)

- Fixed interest
- Interest rate 13.90% p.a
- Monthly or Fortnightly
- \$99.00 loan processing fee
- Contract term of 1- 7 years

Depending on which vehicle we decide to choose, the amount loaned can be adjusted and the payment are able to be adjusted to preference. The interest rate is fixed which is convenient and you are able to adjust to how much you are able to pay.

### UDC -Dealership Loan

Second Option  
[https:// www.udc.co.nz/used-vehicle-finance/commercial-vehicle-finance](https://www.udc.co.nz/used-vehicle-finance/commercial-vehicle-finance)

- Fixed or Floating interest
- Interest rate - Indicative of 10% p.a
- Monthly
- Contract term of 1- 5 years
- Balloon payment available
- Establishment fee of \$510

According to the website, they have many other key benefits specifically for cars. They also offer to adjust any payment preference; however, the time is limited as they only accept a 1- 5-year contract meaning there's a set amount of money you would have to pay.

## Finance - UDC

UDC was the recommended financing option underneath the vehicle we chose.

### COST

The Salvation Army would have to pay \$610 for an establishment fee since the contract we chose was 60 months/ five years (the maximum term allowed), with a loan of 47,138 and a weekly payment of \$233.85 (without a deposit). This was only an estimated amount from the UDC Express finance calculator.

### BENEFIT

UDC authorises either a fixed or floating interest which can be adjusted to the borrower's preferences/contract. They offer flexible repayments if the borrower is struggling to meet the expectation. The Salvation Army can benefit from these features by adjusting the contract to how much they are able to pay as their funds are very limited by having to run other branches of the organisation. During their contract with UDC they would also only have to make repayments monthly.



## Stakeholders' interests in a new delivery van

### First, the Family Store

Due to the size of the vehicle each delivery can be more efficient because there will be more space available. This can result in attracting more customers, encouraging them to buy more which allows the business to increase their profit.

### People who need a second chance

Part of the Salvation Army's purpose is giving second chances to people. This involves volunteers and people doing community services. Having a bigger vehicle opens more opportunities as there will be more seats available for workers or volunteers.

### Customers of the Family Stores

Having a delivery vehicle can provide the consumers a sense of ease. They wouldn't have to worry about fitting large items in their vehicle to take home and instead, they are able to focus on buying things they need.

### A fourth stakeholder would be UDC

As the Salvation Army would be borrowing a large sum of money, they would be expected to pay this back within the term of their contract. The amount the Salvation Army would be able to pay back would depend on how well their store is doing and the number of sales they make. As mentioned before, the vehicle could encourage customers to buy more and increase chances of them buying items because they wouldn't have to worry about how to get the furniture home.

### Lastly, the Salvation Army's overall business

They use the Family Store to gain extra funds to run other programs such as the church, youth services, and drug support. The more revenue and profit they make, the better it is for the overall organisation.

## Decision

### Toyota Toyoace (Chosen)

#### *COST*

The size of its engine means it would require more gas compared to the 2nd option (Foton View CS2). Its relatively larger size can prevent easy access parking especially if the place they are delivering to is narrow.

#### *BENEFIT*

The Toyota Toyoace 20m3 has many things to offer. It has a 3-seater up front and lots of space in the trailer. This vehicle can carry a load worth 2165kgs which means the Salvation Army will be able to take less trips whilst carrying a hefty amount of furniture.

The trailer also has two doors on it, one sliding door on the side and a big double door at the back. This allows easy access to when taking out the furniture and you can also have multiple people working on both sides of the door to get the job done quicker.

The vehicle has automatic transmission, making it easier to drive. Also, not many people have experience driving a manual vehicle so it might be hard to get drivers/volunteers.

### Why we didn't choose the other options

#### **Foton View CS2 Transon**

#### *COST*

Due to its size some heavy/large furniture wouldn't be guaranteed to fit. This would result in more travelling and lack of reassurance to customers.

Manual transmission.

#### *BENEFIT*

This was the least expensive of the three with a price of \$18,030 (incl). It has lower gas consumption and would be easy to find parking space anywhere.

#### **Isuzu Forward Fsr90**

#### *COST*

The most expensive vehicle with a price of \$103,489 (incl). Because of its size it would require a lot of gas compared to the other two options. This vehicle would also cost a lot of money if it ever required any repairs.

Manual transmission.

#### *BENEFIT*

You are able to travel with many items of furniture and other items due to its payload roughly being 5700kgs. Like the Toyota Toyoace, it also has three seats at the front.

Based on this analysis, the Toyota Toyoace would better fit the Salvation Army's purpose and is more balanced with costs and benefits.



Toyota Toyoace 20m3

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\$47,139 (with GST)

## Salvation Army's Pūtake

As mentioned before, the Salvation Army has four parts to its pūtake.

- Raising funds to operate other programs
- Providing second chances for people
- Keeping in mind climate change
- Maintaining the financial viability of the store itself

Due to the vehicle's size, it can carry up to 2165KG meaning it would require less trips back and forth which can slightly reduce the amount of pollution that is emitted each trip. The vehicle also allows up to 3 people in the front at a time, giving more opportunities for people who are doing community service and volunteers to complete their hours.

Though it has a much higher price compared to the second option (Foton View CS2 Transon) with a difference of \$29,059, we believe that it would be a good investment to buy a vehicle which provides more space as it can prevent problems such as when a family is wanting to buy something big e.g. couch.

They can use this opportunity to reassure their consumers who don't have access to a vehicle and encourage them to buy all the items that they are wanting without having to worry about how it will reach their house. (Increase sales)

## How does the chosen option (Toyoace) compare to the other options?

First, comparing it to the second vehicle - Foton View CS2 Transon. Though it costs less, the second vehicle allows less space for the furniture and employees. This defeats the purpose of helping customers as some furniture is large and heavy which would be an obstacle if the Foton View vehicle was purchased. Not many people are comfortable driving a manual vehicle.

Second, comparing it to the third option - Isuzu Forward Fsr90. This vehicle has the largest capacity out of the three. However, \$103,489. Repayments would exceed how much the Salvation Army earns weekly, making it difficult for them to keep up with funding demands from other programs. Not many people are comfortable driving a manual vehicle.

