

Worksheet 7 (HL): NovaWear Fashion Group and Strategic Accountability

Topic: Stakeholders and Business Responsibility

Student name: _____ Class: _____ Date: _____

Level	HL
Recommended time	75 minutes
Total marks	52
Question mix	6 multiple choice, 4 short answer, 4 case questions, 1 extended response
Use	Original school-use IB-style worksheet; answer key and marking guidance included at the end.

Instructions

- Answer all questions.
- Use stakeholder terminology accurately and apply it to the case material where appropriate.
- For analysis and evaluation questions, compare stakeholder perspectives before reaching a judgment.
- Use the exhibits carefully and support recommendations with evidence.

Section A - Multiple choice

1. Which stakeholder group usually has the greatest formal power in a listed company such as NovaWear? **[1]**
 - A. Institutional investors and shareholders
 - B. Occasional website visitors
 - C. Local residents near a single store
 - D. A single social media commenter
2. Which action best demonstrates accountability in a global fashion supply chain? **[1]**
 - A. Publishing supplier-audit results and corrective actions
 - B. Changing suppliers without notice
 - C. Reporting only favorable data
 - D. Keeping labor concerns confidential
3. Why might suppliers resist sudden sustainability demands from NovaWear? **[1]**
 - A. They never need new machinery or training
 - B. They may need time and investment to meet new standards profitably
 - C. They have no interest in long-term contracts
 - D. They automatically prefer lower margins
4. Which strategic move is most likely to align with customer interest and waste reduction? **[1]**
 - A. A repair and resale platform
 - B. More frequent product drops with no returns policy

- C. Eliminating quality checks
 - D. Hiding fiber composition data
5. Which piece of evidence suggests the sustainable line may support long-term profitability? [1]
- A. Its lower return rate and higher repeat purchase rate
 - B. Its lower gross margin in year 1 only
 - C. Its longer lead time alone
 - D. Its use of fewer social media posts
6. Which of the following is an internal stakeholder at NovaWear? [1]
- A. Product design manager
 - B. Major customer advocacy group
 - C. Textile NGO
 - D. Contracted port operator

Section B - Short answer

7. Distinguish between stakeholder power and stakeholder interest, using NovaWear. [3]

8. Explain one reason ESG-focused investors may influence strategy even if they are not involved in daily operations. [3]

9. Explain one possible conflict between speed-to-market and accountability to suppliers. [4]

10. Explain one benefit to NovaWear of giving managers time to implement a phased sustainability strategy rather than demanding immediate full transformation. [4]

Section C - Data response / case study

Case study: NovaWear rethinks its growth model

NovaWear operates 120 stores and a large e-commerce channel. It built its reputation on rapid weekly product drops, but media reports have criticized labor conditions at two overseas suppliers and the amount of clothing returned and discarded.

Management is reviewing three strategic options. Option A would keep the current fast-cycle model with tighter minimum legal compliance. Option B would keep a smaller fast range but move core products to audited suppliers and add a repair-resale service. Option C would move most production to recycled fabrics and longer seasonal cycles over two years.

Exhibit 1: Product economics

Measure	Fast-cycle line	Sustainable line
Gross margin	58%	51%
Return rate	32%	18%
Average lead time	5 weeks	9 weeks
Repeat purchase rate	41%	54%

Exhibit 2: Stakeholder signals

Signal	Figure
Customers saying ethics affect purchase decisions	63%
Social media trust score after media criticism	48 / 100
Potential ESG-fund investment if credible targets are published	\$25m
Key suppliers requesting 18-month contracts before investing in cleaner machinery	6 suppliers

Exhibit 3: Strategic options summary

Option	Upfront cost	Expected year-1 operating margin	Reputation risk
A - Minimal compliance	\$3m	11.5%	High
B - Audited hybrid model	\$9m	10.4%	Medium
C - Full transition over 2 years	\$16m	8.9%	Low

11. Using a power-interest matrix, place three stakeholder groups from the case and justify each position. [4]

12. Analyze how NovaWear's accountability to both customers and suppliers could influence its product strategy. [4]

13. Recommend one of the three strategic options using evidence from the exhibits. [4]

14. Evaluate the likely stakeholder conflicts NovaWear would face during implementation of your chosen option. [8]

Section D - Extended response

15. Discuss whether global fashion companies should place stakeholder welfare ahead of rapid growth. [12]

Use the planning grid below before writing your full response.

Possible thesis / position	
Stakeholder 1 evidence	
Stakeholder 2 or 3 evidence	
Final judgment	

Then present a balanced, case-aware argument that ends with a supported judgment.

Answer Key and Marking Guidance

Reward any other reasonable answer that uses stakeholder terminology, applies the scenario where relevant, and offers a supported judgment for evaluation questions.

Section A answers

Q	Answer	Why
1	A	Major investors have formal rights such as voting power and influence over board decisions.
2	A	Accountability involves transparency and showing how problems are addressed.
3	B	Suppliers may need support, certainty, and investment before they can adapt.
4	A	Repair and resale can extend product life and appeal to more responsible consumers.
5	A	Lower returns and higher repeat purchases can improve economics over time.
6	A	The design manager works within the company.

Section B guidance

7. Distinguish between stakeholder power and stakeholder interest, using NovaWear. [3]

- Stakeholder power is the ability to influence NovaWear's decisions or outcomes, for example through voting rights, supply dependence, or revenue impact.
- Stakeholder interest is the degree to which a stakeholder cares about the decision and is affected by it.
- A stakeholder can have high interest but lower formal power, or high power even without daily involvement.

Marking guidance: Award 1 mark for a correct power point, 1 mark for a correct interest point, and 1 mark for a clear distinction or example.

8. Explain one reason ESG-focused investors may influence strategy even if they are not involved in daily operations. [3]

- They may control significant amounts of capital or affect access to future funding.
- Their support or criticism can influence the board and market confidence.
- As a result, managers may adapt strategy to keep these investors engaged.

Marking guidance: Award marks for one developed reason with clear application to investors.

9. Explain one possible conflict between speed-to-market and accountability to suppliers. [4]

- Speed-to-market encourages short lead times and rapid design changes.
- Accountability to suppliers may require fair timelines, stable contracts, and realistic production expectations.
- If NovaWear pushes for constant speed, suppliers may struggle to meet standards responsibly or profitably.

Marking guidance: Award marks for explaining both sides of the conflict.

10. Explain one benefit to NovaWear of giving managers time to implement a phased sustainability strategy rather than demanding immediate full transformation. [4]

- A phased strategy can reduce disruption and allow suppliers and internal teams to adapt.
- It gives managers time to test systems, protect quality, and communicate targets clearly.
- This may improve stakeholder support and increase the chance that change is credible and sustainable.

Marking guidance: Award marks for one developed benefit with relevant application.

Section C guidance

11. Using a power-interest matrix, place three stakeholder groups from the case and justify each position. [4]

- Institutional investors may have high power and high interest because they influence funding and care about returns and strategy.
- Major customers or advocacy-driven consumer groups may have high interest and increasing power because trust and purchase decisions affect sales.
- Key suppliers may also have significant power and high interest because NovaWear needs them to invest in

cleaner machinery and meet deadlines.

Marking guidance: Award marks for three sensible placements with brief justification. Full matrix drawing is not required.

12. Analyze how NovaWear's accountability to both customers and suppliers could influence its product strategy. **[4]**

- Accountability to customers may push NovaWear toward clearer sourcing, lower waste, and more durable products.
- Accountability to suppliers may require longer contracts, realistic lead times, and support for cleaner production.
- Together, these pressures could reduce the size of the fast-cycle range and favor a more stable, audited product mix.

Marking guidance: Award marks for analytical links between stakeholder expectations and strategic choices.

13. Recommend one of the three strategic options using evidence from the exhibits. **[4]**

- A strong recommendation is likely to favor Option B because it balances ethics, trust recovery, supplier adaptation, and a manageable margin impact.
- Option A is cheaper but leaves reputation risk high. Option C may deliver the strongest long-term responsibility outcome but has the highest upfront cost and lowest year-1 margin.
- Any option can be rewarded if the recommendation is evidence-based and justified.

Marking guidance: Award marks for a clear recommendation supported by relevant exhibit evidence.

14. Evaluate the likely stakeholder conflicts NovaWear would face during implementation of your chosen option. **[8]**

- Likely conflicts include investors versus managers over margin pressure, suppliers versus buyers over lead times and contract terms, and customers wanting both low prices and higher ethical standards.
- Employees and designers may also face tension between creativity, speed, and more disciplined sourcing systems.
- Stronger answers weigh short-term cost and complexity against long-term trust, lower returns, and better access to ESG capital. A good judgment will explain which conflicts are most serious and how they could be managed.

Marking guidance: Award up to 4 marks for developed analysis of stakeholder conflicts, up to 3 marks for balanced evaluation of trade-offs, and 1 mark for a justified final judgment.

Section D guidance

15. Discuss whether global fashion companies should place stakeholder welfare ahead of rapid growth. **[12]**

- A strong response should explain why rapid growth can attract investors and increase market share, but also increase pressure on suppliers, employees, and product waste.
- It should consider how stakeholder welfare affects trust, brand resilience, access to capital, and long-term competitiveness.
- Better answers compare short-term growth goals with longer-term legitimacy and operational stability.
- A convincing judgment may conclude that stakeholder welfare should set the boundaries for growth, even if firms still pursue expansion within those limits.

Marking guidance: Use the 12-mark best-fit rubric. Reward integrated use of stakeholder concepts, evidence, and a substantiated final judgment.

Extended response best-fit rubric

Band	Best-fit descriptor
1-3	Limited understanding with little application to the case. Analysis is largely descriptive and unsupported.
4-6	Satisfactory understanding with some relevant application. Analysis considers more than one stakeholder but remains uneven.
7-9	Good analysis using case data and stakeholder concepts. Evaluation is balanced and leads to a supported recommendation or judgment.
10-12	Excellent, integrated analysis with effective use of evidence, multiple stakeholder viewpoints, strategic trade-offs, and a compelling final judgment.