Solutions

2.1

- The competitor begins outside the firm.
- **External change**

2.2

- The manager belongs to the firm.
- **Internal change**

2.3

- Loan repayments may rise.
- Borrowing becomes less affordable, so the firm may delay expansion.

3.1

- Improve repair speed or customer service to make the offer more valuable.
- Train staff to explain repairs clearly or add a same-day option.

3.2

- Cutting training can reduce spending immediately.
- Staff may be less skilled, so mistakes or poor service may rise later.
- A balanced judgement recognises that the saving may cost more than it gains if quality falls. (E1)