ACCA

Strategic Business Leader

SBL

September 2026

Proforma Answer Pack

Hasper World

Contents

Tutorial note:

We created a standard pro forma answer tailoring the Sept 26 preseen case Hasper World, highlighting the key points that you can learn and apply to upcoming pre-seen and unseen exhibits.

However, you must read the requirements carefully. Do not assume that every question can be answered in the same way, as this is a postgraduate-level exam. The examiner will expect you to understand the requirement and the case, and to demonstrate depth by applying your answer appropriately.

By studying the highlighted points below, you are more likely to produce high-quality answers: concise, relevant and capable of gaining maximum marks.

Chapter 1: Strategy

Accounting
Practise
Center

apc

Contents

Tutorial note:

There are five key areas that are commonly tested in the SBL exam. We have found that students' answers often lack depth; for example, they may not apply their points to the exhibit or case information, or they may fail to develop the implications logically and correctly.

As you can see, the strong points are highlighted or underlined. Students can gain marks easily by addressing these points.

Each paragraph should include one or more strong points, known as Y+Z points. If a paragraph contains two or more points, it is likely to gain two marks.

Acquisition and Organic growth

A. Acquisition

1. Why buying?

Market share will increase because the target already has [customers / sites / market presence].

Competition will reduce because the target is a competitor or prevents another competitor acquiring it.

Growth will be faster because the target has established operations rather than needing to be built from zero.

Strategic fit is strong/weak because of similarities/differences in [brand, customers, location, service model, culture or capability].

The acquisition adds diversification because it provides [new geography / customer segment / channel / service].

2. Financial forecasts

Profit forecasts are more/less reliable because the target already has historical performance/market is untested.

The target is attractive/unattractive because its [revenue, margin, growth, customer base] is strong/weak.

Forecast performance may be unreliable because [incomplete data or optimistic assumptions].

Customer transfer is a questionable because customers may/not remain after ownership change.

3. Synergy

Costs can fall because duplicated [head office, premises, systems, marketing or purchasing] can be removed.

Revenue can increase because the combined business gains [cross-selling, stronger brand, social-media capability, wider locations or increasing market power].

The acquisition may improve the acquirer because the target has better practices in [technology, autonomy, incentives, service or marketing].

Synergy forecasts may be overstated because integration costs, capacity limits or staff resistance may prevent delivery.

4. Financial

The acquisition requires immediate funding because the purchase price is paid upfront.

The acquisition is financially attractive/unattractive because of our unused finance option.

The deal may put pressure on cash flow, gearing or shareholder returns because of [funding method / debt / upfront cost].

5. Integration

Integration risk is high/low because of differences in [culture, systems, management style, brand].

Staff retention risk is high/low because employees may fear [redundancy, loss of autonomy or changed terms].

Service quality and may fall if staff leave during integration.

Redundancy, rebranding and integration costs must be included because they can reduce expected value of the deal.

Management capacity may not be enough because the company has little experience of acquisitions of this scale.

6. Conclusion

Acquire if the strategic benefits, established revenue and realistic synergies are more than price, financing and integration risk.

Proceed only after due diligence confirms [customer retention, financial performance, closure costs, synergy delivery, key-staff retention and funding].

Organic-growth

1. Opportunity

The proposal gives access to [new customers / locations / channel / market segment].

Growth is attractive because it uses the company's [brand, product, capability or existing customer base].

The company gains first mover advantage because competitors have not yet entered this market.

Brand fit is strong/weak because the location/customer demographic is [consistent/inconsistent] with the existing brand.

2. Financial forecasts

Revenue forecasts are reliable/unreliable because [market data, comparable sites, customer research or prior experience] is available/not available.

Demand may be lower than forecast because customers may not value the new offering or may already use competitors.

Some existing customers may move to the new stores (our organic growth sites) instead of bringing in new business, which could reduce revenue from the current stores.

Pricing may need to be lower than expected because customers may value the new location/offer less than the core brand.

3. Financials

Organic growth reduces financial risk because investment is phased rather than paid upfront.

The company can learn from early sites and stop, revise or expand the rollout based on results.

Returns may be lower because new stores are [smaller / less established / offer fewer services] than existing sites.

We need to compare investment, revenue, profit, margin and cash flow per store against other options.

4. Culture & Brands

Brand and culture should be easier to maintain because new sites are created within the existing company.

Cultural differences may still arise because new locations, partners or customer groups create different working environments.

A pilot allows management to test [services, pricing, staffing and customer demand] before committing to full expansion.

5. Operations

Staffing may be difficult because [industry shortage / specialist skills / recruitment needs].

Poor staffing could damage service quality, customer retention and brand reputation.

Management capacity must be available to open, supervise and support new sites, ie if existing managers are overstretched, supervision may weaken, and this causes operational problems.

Supply chain (suppliers and marketing), property arrangements must support the expansion.

6. Other ways to grow

Franchising, joint ventures may reduce investment and operational problems.

But these options may also reduce control over brand, service quality.

A pilot/franchise can be used before full direct investment if demand is uncertain.

7. Conclusion

Choose organic growth if the opportunity fits the brand, and demand/staffing risks are manageable.

Start with a pilot if forecasts are uncertain and expand only if early sites meet agreed revenue, service and profit targets.

Recommendation:

Choose **acquisition** if immediate scale, competitor removal, established trading and achievable synergies outweigh integration and funding risk.

OR

Choose **organic growth** if gradual investment, flexibility, control and learning outweigh slower growth and uncertain demand.

Potential Exam Qs (Hasper World)

Exhibit 1 - Board paper: growth alternatives for Hasper World

The board has requested an assessment of two alternatives to reverse HW's falling visitor market share and below-industry visitor growth.

Option A - acquire Legends Kingdom (LK)

LK is an independently owned regional theme park in southern Deeland, approximately 90 minutes from HW. It is owned by two siblings, both of whom wish to retire.

LK attracted 700,000 visitors in 20X5, 8% more than in 20X4. Its main visitors are families with children under 12, although it also attracts school groups. It offers local-history themed attractions, one indoor dark ride, several family rides and a 70-room lodge. The lodge had average occupancy of 64% in 20X5.

LK generated revenue of $30m and EBITDA of $5m in 20X5. The owners are requesting $72m for the business. The finance director has stated that HW could use $22m of cash reserves but would need a new $50m bank loan at 8% interest to fund the purchase.

Management believes that the acquisition could create annual cost savings of $2m from centralising marketing, ticketing procurement and finance. It also forecasts $3m of additional annual revenue from selling joint tickets, transferring HW annual-pass holders to LK, and promoting LK's lodge to international visitors.

However, an engineering review commissioned by the sellers states that LK's oldest indoor attraction will need major refurbishment within two years. The cost has not yet been estimated. LK uses a legacy hotel-booking and customer-data system which is incompatible with HW's current systems. Forty percent of LK's full-time employees have worked there for more than 15 years.

Option B - develop Hasper Legends Resort organically

The marketing and commercial director proposes a Hasper Legends Resort at HW. The proposal includes a 100-room themed hotel, a weatherproof AR dark ride based on the Hasper legend, a restaurant and an extension to HW's mobile app for hotel booking and virtual queues.

The estimated total investment is $78m: $12m would be spent immediately on design and planning, with the balance spread over the following two years. Management forecasts 180,000 additional annual visitors and 68% hotel occupancy in the first full year. These forecasts are based mainly on two mature Deeland competitor resorts; HW has no hotel-operating experience.

The proposal would be built on land currently used for overflow parking. Planning permission has not yet been obtained. A hotel operator has offered to operate the hotel under a management contract, but this would reduce HW's share of hotel profits.

Requirement

Prepare a report for the board evaluating the acquisition of LK against the organic development of Hasper Legends Resort. Make a justified recommendation and state the further information required before any commitment is made.

Professional skills marks are available for demonstrating evaluation skills by making a justified recommendation which is based on balanced assessments of the two proposed investments. (4 marks)

Answer:

Report:

To: CEO

From: Consultant

Subject: Evaluation

Introduction:

This report provides an evaluation of acquisition versus organic growth.

A. Acquisition of Legends Kingdom

1. Why buy?

Market share will increase because the target already has 700,000 annual visitors, a southern-Deeland location and an established family and school-group customer base.

Competition will reduce because LK competes for the same family leisure expenditure as HW, while its local-history positioning is close enough for HW to benefit from owning rather than competing against it.

Growth will be faster because LK already operates rides, an indoor dark ride and a 70-room lodge, rather than HW needing to build these capabilities from zero.

Strategic fit is mixed because both businesses offer family attractions and educational/local-history experiences, but HW is a northern, Hasper-themed day park whereas LK has a separate brand, older attractions and an existing hotel operation.