# Establish and maintain a business relationship

**D1.HCS.CL6.02**
**D1.HSM.CL5.05**
**D2.TCS.CL5.15**

**Assessor Manual**


Australian Aid
asean
William Angliss Institute
Specialist centre for foods, tourism & hospitality

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## D1.HCS.CL6.02
## D1.HSM.CL5.05
## D2.TCS.CL5.15

## Assessor Manual

**Project Base**

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**Acknowledgements**

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The Association of Southeast Asian Nations (ASEAN) was established on 8 August 1967. The Member States of the Association are Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam.

The ASEAN Secretariat is based in Jakarta, Indonesia.

General Information on ASEAN appears online at the ASEAN Website: www.asean.org.

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# Table of Contents

# Competency Based Assessment (CBA) – An introduction for assessors

Assessment is the process of identifying a participant's current knowledge, skills and attitudes sets against all elements of competency within a unit of competency.

## Suggested assessment methods

For each unit of competency a number of assessment tools have been identified including:

- Work Projects
- Oral Questions
- Written Questions
- Third Party Statements
- Observation Checklists.

Instructions and Evidence Recording Sheets have been identified in this Assessment Manual for use by Assessors.

## Alternative assessment methods

Whilst the above mentioned assessment methods are suggested assessment methods, the assessor may use an alternate method of assessment taking into account:

a) The nature of the unit
b) The strengths of participants
c) The number of participants in the class
d) Time required to complete assessments
e) Time dedicated to assessment
f) Equipment and resources required.

Alternate assessment methods include:

- Practical demonstrations
- Practical demonstrations in simulated work conditions
- Problem solving
- Portfolios of evidence
- Critical incident reports
- Journals
- Oral presentations
- Interviews
- Videos
- Visuals/slides/audiotapes
- Log books
- Projects and Role plays

- Group projects
- Recognition of Prior Learning.

Whilst there is no specific instruction or evidence collection documents for all the alternative assessment methods, assessors can record competency in the ‘Other’ section within the ‘Competency Recording Sheet’.

## Selection of assessment methods

Each assessor will determine the combination of Assessment Methods to be used to determine Competency for each Competency Unit on a student by student basis.

‘Sufficient’ evidence to support the ‘Pass Competent’/’Not Yet Competent’ decision must be captured.

In practice this means a minimum of 2 – 3 Assessment Methods for each candidate for each Competency Element is suggested.

At least one method should provide evidence of practical demonstration of competence.

The following assessment methods deemed to provide evidence of practical demonstration of competence include:

- Practical Work Projects
- Third Party Statement
- Observation Checklist.

## Assessing competency

Competency based assessment does not award grades, but simply identifies if the participant has the knowledge, skills and attitudes to undertake the required task to the specified standard.

Therefore, when assessing competency, an assessor has two possible results that can be awarded:

- ‘Pass Competent’ (PC)
- ‘Not Yet Competent’ (NYC).

### Pass Competent (PC)

If the participant is able to successfully answer or demonstrate what is required, to the expected standards of the performance criteria, they will be deemed as ‘Pass Competent’ (PC).

The assessor will award a ‘Pass Competent’ (PC) if they feel the participant has the necessary knowledge, skills and attitudes in all assessment tasks for a unit.

**Not Yet Competent' (NYC)**

If the participant is unable to answer or demonstrate competency to the desired standard, they will be deemed to be 'Not Yet Competent' (NYC).

This does not mean the participant will need to complete all the assessment tasks again. The focus will be on the specific assessment tasks that were not performed to the expected standards.

The participant may be required to:

a) Undertake further training or instruction

b) Undertake the assessment task again until they are deemed to be 'Pass Competent'.

## Regional Qualifications Framework and Skills Recognition System

The 'Regional Qualifications Framework and Skills Recognition System', also known as the 'RQFSRS' is the overriding educational framework for the ASEAN region.

The purpose of this framework is to provide:

- A standardised teaching and assessment framework
- Mutual recognition of participant achievement across the ASEAN region. This includes achievement in individual Units of Competency or qualifications as a whole.

The role of the 'RQFSRS' is to provide, ensure and maintain 'quality assurance' across all countries and educational providers across the ASEAN region.

## Recognition of Prior Learning (RPL)

Recognition of Prior Learning is the process that gives current industry professionals who do not have a formal qualification, the opportunity to benchmark their extensive skills and experience against the standards set out in each unit of competency/subject.

This process is a learning and assessment pathway which encompasses:

- Recognition of Current Competencies (RCC)
- Skills auditing
- Gap analysis and training
- Credit transfer.

## Code of practice for assessors

This Code of Practice provides:

- Assessors with direction on the standard of practice expected of them
- Candidates with assurance of the standards of practice expected of assessors
- Employers with assurance of the standards maintained in the conduct of assessment.

The Code detailed below is based on the International Code of Ethics and Practice (The National Council for Measurement in Education [NCME]):

- The differing needs and requirements of the person being assessed, the local enterprise and/or industry are identified and handled with sensitivity
- Potential forms of conflict of interest in the assessment process and/or outcomes are identified and appropriate referrals are made, if necessary
- All forms of harassment are avoided throughout the planning, conducting, reviewing and reporting of the assessment outcomes

- The rights of the candidate are protected during and after the assessment
- Personal and interpersonal factors that are not relevant to the assessment of competency must not influence the assessment outcomes
- The candidate is made aware of rights and process of appeal
- Evidence that is gathered during the assessment is verified for validity, reliability, authenticity, sufficiency and currency
- Assessment decisions are based on available evidence that can be produced and verified by another assessor
- Assessments are conducted within the boundaries of the assessment system policies and procedures
- Formal agreement is obtained from both the candidate and the assessor that the assessment was carried out in accordance with agreed procedures
- The candidate is informed of all assessment reporting processes prior to the assessment
- The candidate is informed of all known potential consequences of decisions arising from an assessment, prior to the assessment
- Confidentiality is maintained regarding assessment results
- The assessment results are used consistently with the purposes explained to the candidate
- Opportunities are created for technical assistance in planning, conducting and reviewing assessment procedures and outcomes.

## Instructions and checklist for assessors

### *Instructions*

General instructions for the assessment:

- Assessment should be conducted at a scheduled time that has been notified to the candidate
- Facilitators must ensure participants are made aware of the need to complete assessments and attend assessment sessions
- If a participant is unable to attend a scheduled session, they must make arrangements with the Assessor to undertake the assessment at an alternative time
- At the end of the assessment the Assessor must give feedback and advise the participant on their PC/NYC status
- Complete the relevant documentation and submit to the appropriate department.

### *Preparation*

- Gain familiarity with the Unit of Competency, Elements of Competency and the Performance Criteria expected
- Study details assessment documentation and requirements
- Brief candidate regarding all assessment criteria and requirements.

***Briefing checklist***

- Begin the assessment by implementing the following checklist and then invite the candidate to proceed with assessment.

## Checklist for Assessors

| | Tick (✓) | Remarks |
|---|---|---|
| **Prior to the assessment I have:** | | |
| Ensured the candidate is informed about the venue and schedule of assessment. | | |
| Received current copies of the performance criteria to be assessed, assessment plan, evidence gathering plan, assessment checklist, appeal form and the company's standard operating procedures (SOP). | | |
| Reviewed the performance criteria and evidence plan to ensure I clearly understood the instructions and the requirements of the assessment process. | | |
| Identified and accommodated any special needs of the candidate. | | |
| Checked the set-up and resources for the assessment. | | |
| **During the assessment I have:** | | |
| Introduced myself and confirmed identities of candidates. | | |
| Put candidates at ease by being friendly and helpful. | | |
| Explained to candidates the purpose, context and benefits of the assessment. | | |
| Ensured candidates understood the assessment process and all attendant procedures. | | |
| Provided candidates with an overview of performance criteria to be assessed. | | |
| Explained the results reporting procedure. | | |
| Encouraged candidates to seek clarifications if in doubt. | | |
| Asked candidates for feedback on the assessment. | | |
| Explained legal, safety and ethical issues, if applicable. | | |

| | Tick (✓) | Remarks |
|---|---|---|
| **After the assessment I have:** | | |
| Ensured candidate is given constructive feedback. | | |
| Completed and signed the assessment record. | | |
| Thanked candidate for participating in the assessment. | | |

## Instructions for recording competency

### Specifications for recording competency

The following specifications apply to the preparation of Evidence Gathering Plans:

- A Competency Recording Sheet must be prepared for each candidate to ensure and demonstrate all Performance Criteria and Competency Elements are appropriately assessed. This Sheet indicates how the Assessor will gather evidence during their assessment of each candidate
- This Competency Recording Sheet is located at the end of the Assessment Plan
- It is the overriding document to record competency
- The Assessor may vary the Competency Recording Sheet to accommodate practical and individual candidate and/or workplace needs
- Assessor must place a tick (✓) in the 'Assessment Method' columns to identify the methods of assessment to be used for each candidate
- Multiple Competency Elements/Performance Criteria may be assessed at the one time, where appropriate
- The assessor and participant should sign and date the Competency Recording Sheet, when all forms of evidence and assessment have been completed
- The assessor may provide and feedback or clarify questions which the participant may have in regards to the assessment grade or findings
- All documents used to capture evidence must be retained, and attached to the Competency Recording Sheet for each candidate for each Competency Unit.

## Instructions for different assessment methods

### Specifications for work project assessment

These guidelines concern the use of work projects.

The work projects identified in the Training Manuals involve a range of tasks, to be performed at the discretion of the Assessor.

Work project tasks can be completed through any form of assessment as identified in the Trainer and Trainee Manuals and stated at the start of this section.

Assessors should follow these guidelines:

- Review the Work Projects at the end of each 'Element of Competency' in the Trainee Manual to ensure you understand the content and what is expected

- Prepare sufficient resources for the completion of work activities including:
  - Time – whether in scheduled delivery hours or suggested time participants to spend outside of class hours
  - Resources – this may involve technical equipment, computer, internet access, stationery and other supplementary materials and documents
- Prepare assessment location (if done in class) making it conducive to assessment
- Explain Work Projects assessment to candidate, at the start of each Element of Competency. This ensures that participants are aware of what is expected and can collate information as delivery takes place
- Assessors can use the following phrase as a guide (where an 'X' is identified, please input appropriate information):

  "At the end of each Element of Competency there are Work Projects which must be completed. These projects require different tasks that must be completed.

  These work projects are part of the formal assessment for the unit of competency titled X:

  - You are required to complete these activities:
    a) *Using the 'X' method of assessment*
    b) *At 'X' location*
    c) *You will have 'X time period' for this assessment*
  - You are required to compile information in a format that you feel is appropriate to the assessment
  - Do you have any questions about this assessment?"
- Commence Work Project assessment:
  - The assessor may give time for participants to review the questions at this time to ensure they understand the nature of the questions. The assessor may need to clarify questions
  - Participants complete work projects in the most appropriate format
  - Participants must submit Work Project evidence to the assessor before the scheduled due date
- Assessor must assess the participant's evidence against the competency standards specified in each Element of Competency and their own understanding. The assessor can determine if the participant has provided evidence to a 'competent' standard
- Transcribe results/details to Competency Recording Sheet
- Forward/file assessment record.

## Specifications for Oral Question Assessment

These guidelines concern the use of oral questioning.

Assessors should follow these guidelines.

- Prepare Assessment Record for Oral Questioning. One record for each candidate:
  - Enter Student name

  - Enter Assessor name
  - Enter Location
- Familiarise self with Questions to be asked
- Prepare assessment location (table and chairs) making it conducive to assessment
- Explain Oral Questioning assessment to candidate, using the following phrase as a guide (where a 'X' is identified, please input appropriate information):

  *"These oral questions are part of the formal assessment for the unit of competency titled X.*

  *There are X questions and you are required to answer all of them to the best of your ability and I will record whether or not you have answered correctly.*

  *We have 60 minutes for this assessment.*

  - I will give you feedback at the end of the assessment
  - Do you have any questions about this assessment?"
- Commence Oral Questioning assessment:
  - Complete Assessment Record for the Oral Questioning by:

    a) Ticking PC or NYC, as appropriate

    b) Entering 'Remarks' as required

    c) Completing Oral Questioning within 60 minutes
- Complete Oral Questioning and provide feedback to candidate
- Transcribe results/details to Competency Recording Sheet
- Forward/file assessment record.

## Specifications for Written Question Assessment

These guidelines concern the use of written questioning.

Assessors should follow these guidelines:

- Familiarise self with Questions and Answers provided
- Print and distribute copies of 'Written Questions' for participants. Ideally this should take place with adequate time for participants to answer all questions before the expected due date
- Explain Written Questioning assessment to candidate, using the following phrase as a guide (where a 'X' is identified, please input appropriate information):

  "These written questions are part of the formal assessment for the unit of competency titled X.

  There are X questions and you are required to answer all of them to the best of your ability.

  You may refer to your subject materials, however where possible try to utilise your existing knowledge when answering questions.

  Where you are unsure of questions, please ask the Assessor for further instruction. This may be answering the question orally or asking the assessor to redefine the question.

We have X time for this assessment:

- The due date for completion of this assessment is X
- On this date you must forward the completed questions to the assessor by X time on the date of X
- Do you have any questions about this assessment?"

- The assessor may give time for participants to review the questions at this time to ensure they understand the nature of the questions. The assessor may need to clarify questions
- Participants may record written answers (where possible)
- Participants must submit the written answers to the assessor before the scheduled due date
- Assessor must assess the participant's written answers against the model answers provided as a guide, or their own understanding. The assessor can determine if the participant has answered the questions to a 'competent' standard
- Transcribe results/details to Competency Recording Sheet
- Forward/file assessment record.

## Specifications for Observation Checklist

These specifications apply to the use of the Observation Checklist in determining competency for candidates.

Only an approved assessor is authorised to complete the Observation Checklist.

The assessor is required to observe the participant, ideally in a simulated environment or their practical workplace setting and record their performance (or otherwise) of the competencies listed on the Observation Checklist for the Competency Unit.

To complete the Observation Checklist the Assessor must:

- Insert name of candidate
- Insert assessor name
- Insert identify of location where observations are being undertaken
- Insert date/s of observations – may be single date or multiple dates
- Place a tick in either the 'Yes' or 'No' box for each listed Performance Criteria to indicate the candidate has demonstrated/not demonstrated that skill
- Provide written (and verbal) feedback to candidate – as/if appropriate
- Sign and date the form
- Present form to candidate for them to sign and date
- Transcribe results/details to Competency Recording Sheet for candidate
- Forward/file Observation Checklist.

This source of evidence combines with other forms of assessment to assist in determining the 'Pass Competent' or 'Not Yet Competent' decision for the participant.

## Specifications for Third Party Statement

These specifications relate to the use of a relevant workplace person to assist in determining competency for candidates.

The Third Party Statement is to be supplied by the assessor to a person in the workplace who supervises and/or works closely with the participant.

This may be their Supervisor, the venue manager, the Department Manager or similar.

The Third Party Statement asks the Supervisor to record what they believe to be the competencies of the participant based on their workplace experience of the participant. This experience may be gained through observation of their workplace performance, feedback from others, inspection of candidate's work etc.

A meeting must take place between the Assessor and the Third Party to explain and demonstrate the use of the Third Party Statement.

To complete the Third Party Verification Statement the Assessor must:

- Insert candidate name
- Insert name and contact details of the Third Party
- Tick the box to indicate the relationship of the Third Party to the candidate
- Present the partially completed form to the Third Party for them to finalise
- Collect the completed form from the Third Party
- Transcribe results/details to Competency Recording Sheet for candidate
- Forward/file Third Party Statement.

The Third Party must:

- Record their belief regarding candidate ability/competency as either:
  - Pass Competent = Yes
  - Not Yet Competent = No
  - Unsure about whether candidate is competent or not = Not Sure
- Meet briefly with the assessor to discuss and/or clarify the form.

This source of evidence combines with other forms of assessment to assist in determining the 'Pass Competent' or 'Not Yet Competent' decision for the candidate.

A separate Third Party Statement is required for each Competency Unit undertaken by the candidate.

# Competency Standard

<table>
<tr><td>UNIT TITLE: ESTABLISH AND MAINTAIN A BUSINESS RELATIONSHIP</td><td>NOMINAL HOURS: 60 hours</td></tr>
<tr><td colspan="2">UNIT NUMBER: D1.HCS.CL6.02 D1.HSM.CL5.05 D2.TCS.CL5.15</td></tr>
<tr><td colspan="2">UNIT DESCRIPTOR: This unit deals with the skills and knowledge required to establish and maintain a business relationship in a range of settings within the hotel and travel industries.</td></tr>
<tr><td>ELEMENTS AND PERFORMANCE CRITERIA</td><td>UNIT VARIABLE AND ASSESSMENT GUIDE</td></tr>
<tr><td>Element 1. Establish and conduct business relationships<br>1.1 Establish business relationships in a manner that promotes goodwill and trust between the enterprise, its customers and suppliers<br>1.2 Build trust and respect in business relationships<br>1.3 Identify and take up opportunities to maintain regular contact with customers and suppliers<br>Element 2. Conduct negotiations<br>2.1 Conduct negotiations in a business-like and professional manner within the relevant cultural context<br>2.2 Conduct negotiations in the context of the current enterprise marketing focus and within legal and ethical constraints</td><td>Unit Variables<br>The Unit Variables provide advice to interpret the scope and context of this unit of competence, allowing for differences between enterprises and workplaces. It relates to the unit as a whole and facilitates holistic assessment.<br>This unit applies to establishing and maintaining business relationships within the labour divisions of the hotel and travel industries and may include:<br>1. Front Office<br>2. Housekeeping<br>3. Food and Beverage Service<br>4. Food Production<br>5. Travel Agencies<br>6. Tour Operation<br>Business relationships may relate to:<br>• Customers<br>• Suppliers<br>• Strategic partners</td></tr>
</table>

| | |
|---|---|
| **2.3** Maximize benefits for all parties in the negotiation through use of established *negotiation techniques*<br><br>**2.4** Incorporate feedback and input from colleagues into the negotiation where appropriate<br><br>**2.5** Communicate the results of negotiations to appropriate *colleagues and stakeholders* within appropriate timeframes<br><br>**Element 3. Make formal business agreements**<br><br>**3.1** Confirm agreements in writing, using formal contracts where appropriate, and in accordance with enterprise requirements<br><br>**3.2** Check and gain appropriate approvals for all aspects of formal agreements in accordance with enterprise procedures<br><br>**3.3** Identify the need for and *seek specialist advice* in the development of contracts where appropriate<br><br>**Element 4. Foster and maintain business relationships**<br><br>**4.1** Seek, review and act upon information needed to maintain sound business relationships in a pro-active manner<br><br>**4.2** Honor agreements within the scope of individual responsibility | • Finance companies<br>• Other enterprises<br>• Employees<br>• Industry bodies<br>• Local authorities.<br><br>*Opportunities to maintain regular contact with customers or suppliers* may include:<br><br>• Informal social occasions<br>• Industry functions<br>• Association membership<br>• Cooperative promotions<br>• Program of regular telephone contact.<br><br>*Negotiations* may relation to:<br><br>• Corporate accounts<br>• Service contracts<br>• Agency agreements<br>• Venue contracts<br>• Rate negotiations<br>• Marketing agreements<br>• Preferred product agreements.<br><br>Legal and ethical constraints may include:<br><br>• Legislation<br>• Regulation<br>• Codes of practice |

| | |
|---|---|
| **4.3** Make adjustments to agreements in consultation with the customer/supplier and share information with appropriate colleagues<br><br>**4.4** Nurture relationships through regular contact | • Cultural expectations and influences<br>• Social responsibilities, e.g. Protection of children, environmental issues.<br>Negotiation techniques may include:<br>• Identification of goals, limits<br>• Clarification of needs of all parties<br>• Identifying points of agreement and points of difference<br>• Preparatory research of facts<br>• Active listening and questioning<br>• Non-verbal communication techniques<br>• Appropriate language<br>• Bargaining<br>• Developing options<br>• Confirming agreements<br>• Appropriate cultural behaviour.<br><br>Colleagues and stakeholders may include:<br>• Owner/s<br>• Board of directors<br>• Managers<br>• Supervisors<br>• Finance staff<br>• Marketing personnel<br>• Human resource staff |

| | |
|---|---|
| | • It staff<br>• Production staff.<br>Specialist advice may relate to:<br>• Legal<br>• Financial<br>• Industrial.<br>**Assessment Guide**<br>The following knowledge and skills must be assessed as part of this unit:<br>• Knowledge of the business environment in which the hotel and travel industry operates including major current marketing and management issues as appropriate to the industry sector<br>• Knowledge of the legal issues that affect negotiations and contracts in the relevant industry sector<br>• General knowledge of contracts as appropriate to different industry sectors<br>• Negotiation and communication techniques appropriate to negotiations that may be of significant commercial value.<br>**Linkages To Other Units**<br>• Monitor workplace operations<br>• Lead and manage people<br>• Manage workplace diversity<br>• Develop and implement a business plan<br>• Develop new products and services<br>• Manage and implement small projects |

| | |
|---|---|
| | • Plan, and establish systems and procedures<br>• Plan, manage and conduct meetings<br>• Prepare business documents<br>• Develop a marketing strategy and coordinate sales activities.<br><br>**Critical Aspects of Assessment**<br>Evidence of the following is essential:<br>• Demonstrated ability to conduct successful business negotiations within a specific travel and hotel industry context<br>• Ability to build and maintain relationships to achieve successful business outcomes<br>• Knowledge and understanding of the current environment in which travel and hotel businesses operate, and the major industry issues of relevance to the particular sector<br>• Knowledge and understanding of the role of contracts within a given industry sector<br>• Consistency of performance across a range of situations that demonstrates knowledge, understanding and skill in implementing the principles and practices of developing and maintaining a business relationship.<br><br>**Context of Assessment**<br>This unit may be assessed on or off the job:<br>• Assessment should include practical demonstration of the ability to establish and maintain a business relationship in the workplace or through a simulation activity, supported by a range of methods to assess underpinning knowledge<br>• Assessment must relate to the individual's work area, job role and area of responsibility and require the candidate to negotiation business relationships or agreements<br>• Assessment must include project or work activities that allow the candidate to respond to multiple and varying workplace issues relevant to work area, job role and area of responsibility that allow the candidate to demonstrate knowledge and awareness of conducting business negotiations to establish an agreement. |

**Resource Implications**

Training and assessment to include access to a real or simulated workplace and relevant documentation, such as strategic plans and information on the internal and external operating environment; and access to workplace standards, procedures, policies, guidelines, tools and equipment.

**Assessment Methods**

The following methods may be used to assess competency for this unit:

- Case studies
- Observation of practical candidate performance
- Oral and written questions
- Portfolio evidence
- Problem solving
- Role plays
- Third party reports completed by a supervisor
- Project and assignment work.

**Key Competencies in this Unit**

*Level 1 = competence to undertake tasks effectively*

*Level 2 = competence to manage tasks*

*Level 3 = competence to use concepts for evaluating*

| Key Competencies | Level | Examples |
|---|---|---|
| Collecting, organizing and analysing information | 3 | Gather and analyse information to prepare for business negotiations |
| Communicating ideas and information | 2 | Present a proposal to win a contract |

| | | | |
|---|---|---|---|
| | Planning and organizing activities | 2 | Manage an annual review of all supplier contracts |
| | Working with others and in teams | 3 | Conduct mutually beneficial negotiations to establish and maintain productive business relationships |
| | Using mathematical ideas and techniques | 2 | Calculate profit margins to inform a contract negotiation process |
| | Solving problems | 3 | Negotiate contract renewals in the face of rising costs |
| | Using technology | | Communicate to maintain business relationships using email, telephone, fax |

# Oral Questions

| | |
|---|---|
| **Student name** | |
| **Assessor name** | |
| **Location/venue** | |
| **Unit of competency** | Establish and maintain a business relationship<br>D1.HCS.CL6.02 D1.HSM.CL5.05 D2.TCS.CL5.15 |
| **Instructions** | 1. Ask student questions from the attached list to confirm knowledge, as necessary<br>2. Place tick in boxes to reflect student achievement (Pass Competent 'PC' or Not Yet Competent 'NYC')<br>3. Write short-form student answer in the space provided for each question. |

| **Questions** | **Response** | |
|---|---|---|
| | **PC** | **NYC** |
| 1. Give me three examples of business relationships you have established: who were they with and what did you do to base those relationships on goodwill and trust? | ❑ | ❑ |
| 2. What do you do to maintain and grow the trust and respect inherent in the relationships you have with other businesses, customers, suppliers and/or industry bodies/agencies? | ❑ | ❑ |

| Questions | Response | |
|---|---|---|
| | PC | NYC |
| 3. Describe the opportunities you have used to maintain regular contact with suppliers and/or customers you have a business relationship with. | ❑ | ❑ |
| 4. What do you do to ensure the negotiations you conduct with businesses etc are business-like and professional? | ❑ | ❑ |
| 5. What legal and ethical constraints do you observe when conducting negotiations with suppliers and/or customers? | ❑ | ❑ |

| Questions | Response | |
|---|---|---|
| | PC | NYC |
| 6. Describe the negotiation techniques you use when negotiating with suppliers and/or customers. | ❑ | ❑ |
| 7. Give me an example where you have factored in feedback from a customer into your negotiations with them. | ❑ | ❑ |
| 8. What internal communication do you undertake after having concluded a negotiation with a supplier and/or customer? | ❑ | ❑ |

| Questions | Response | |
|---|---|---|
| | PC | NYC |
| 9. Identify three topics about which your workplace prepares formal documents/contracts following completion of negotiations. | ❑ | ❑ |
| 10. What approvals are you required to obtain before finalising an agreement/contract with a third party on behalf of your employer? | ❑ | ❑ |
| 11. What specialist advice/input have you used (or is available to you) when developing agreements/contracts with a third party? | ❑ | ❑ |

| Questions | Response | |
|---|---|---|
| | PC | NYC |
| 12. Give me an example of when and how you have sought, reviewed and acted on information from a business partner or customer to maintain/enhance an existing business relationship. | ❑ | ❑ |
| 13. What scope of authority do you have for honouring existing agreements with business and/or customers with which your employer has an established relationship? | ❑ | ❑ |
| 14. Give me an example of how and when you adjusted an existing arrangement with a business partner/supplier or customer that resulted in mutual benefit. | ❑ | ❑ |

| Questions | Response | |
|---|---|---|
| | PC | NYC |
| 15. What do you do/say when you make regular contact with businesses and/or customers with whom you have a business relationship in order to nurture the existing relationship? | ❑ | ❑ |

# Written Questions

## Establish and maintain a business relationship – D1.HCS.CL6.02 D1.HSM.CL5.05 D2.TCS.CL5.15

**Student Name:** ____________________________________________________________

Answer all the following questions and submit to your Trainer.

1. Identify three classifications of persons or organisations or bodies with whom a business may seek to establish a business relationship.

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

2. Define ‘goodwill’.

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

3. List three activities/things that can create ‘goodwill’ towards/for the business.

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

4. Does ‘trust’ from customers/other businesses in a business arise as a result of ‘action’ or ‘promises made’?

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

5. Identify three activities which can enable a business to build trust in its business relationships.

___

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___

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6. List four factors that can display/demonstrate respect for those with whom a business relationship is required.

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7. Identify four ways in which 'respect' can be demonstrated in every contact with people in a business relationship context.

___

___

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8. List three types/classifications of opportunities that exist for maintaining regular contact with customers and suppliers.

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9. What is identified in the notes as an 'essential element of true negotiation'?

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10. Define 'negotiation'.

11. Describe three 'sound general negotiation rules' as identified in the notes.

12. Answer 'Yes' or 'No' to the following question: 'Should activities involved in establishing and maintaining business relationships align with the goals and objectives of the business and/or department in that relationship.'

Yes ❑ No ❑

13. Identify three options for determining the legal constraints that apply to you in the workplace/when in a business relationship.

14. List three examples of penalties that may be applied if a business/person fails to comply with legally imposed requirements.

15. Describe four examples of ethical constraints a business should observe in its business relationships with others.

16. List three possible counter-tactics if the other party has set limits (for example they have established boundaries of finance, personnel, time, price) as a tactic in their negotiation process.

17. In a negotiation, should you be ‘assertive’ or ‘aggressive’?

18. What is identified in the notes as ‘the crux of negotiation’?

19. Give four ‘tips on using feedback from the other party.

20. Identify three tips on ‘giving feedback’.

21. List three ways in which communications (with management/other staff) about negotiations may take place.

22. Identify three types/classifications of people who may need to be communicated with in relation to the outcome of negotiations.

23. Why can it be useful to put arrangements into a formal written agreement/contract?

24. Define ‘a contract’.

25. What are the six elements of a valid contract?

26. What is the name given to a clause in a contract that seeks to limit the liability of the contracting party?

27. List three persons/classifications of people from whom approval, permission and/or signatures will have to be obtained before a formal agreement can be entered into.

28. List the three areas in which it is common to seek specialist advice about in relation to accepting and/or proceeding with a contract?

29. Give three examples of 'research' that it can be useful to undertake when seeking to gain/review information about other parties in a business relationship.

30. List three benefits of maintaining sound business relationships.

31. Give five components of 'honouring an agreement' from the customer's perspective.

32. Identify three possible outcomes of failing to meet customer expectations within a business relationship.

33. List three keys when making adjustments to agreements with those with whom a business relationship exists.

34. Answer 'True' or 'False' to the following statement: 'Changes to an agreement with another party should never be made without consulting the other party first.'

True ❑ False ❑

35. What are the two keys to nurturing g business relationships?

# Answers to Written Questions

## Establish and maintain a business relationship – D1.HCS.CL6.02 D1.HSM.CL5.05 D2.TCS.CL5.15

The following are model answers only – Trainers/Assessors must use discretion when determining whether or not an answer provided by a Student is acceptable or not.

**1. Identify three classifications of persons or organisations or bodies with whom a business may seek to establish a business relationship.**

Any from the following:

- Corporate customers/clients
- Government customers
- Private customers
- Travel or tourism sector customers
- Suppliers
- Strategic partners
- Finance companies
- Other businesses
- Employees
- Industry bodies
- Local authorities.

**2. Define 'goodwill'.**

Goodwill refers to the positive feelings and sentiments customers (and others) have towards the business. It translates into the reasons a customer (or other party) likes/prefers the business.

**3. List three activities/things that can create 'goodwill' towards/for the business.**

Any from the following:

- The positive things the business does for the community
- The ways it conducts itself in terms of its ethical standards, compliance with legal requirements and the extent to which it goes beyond its legally imposed obligations
- Gifts made to customers/potential customers
- Its public statements and actions about issues – being a 'good corporate citizen'
- Its history – the track record of a business.

**4. Does ‘trust’ from customers/other businesses in a business arise as a result of ‘action’ or ‘promises made’?**

Action.

**5. Identify three activities which can enable a business to build trust in its business relationships.**

Any from the following:

- Follow-up on all things
- Honour promises made
- Make customers aware of any potentially negative aspects of a deal
- Give customers what they are entitled to
- Advise them about new/different products, deals, prices, discounts:
- Maintain confidentialities
- Charge the prices quoted
- Advise suppliers when you have received more than what you ordered and/or more than what you paid for.

**6. List four factors that can display/demonstrate respect for those with whom a business relationship is required**

Any from the following:

- Consideration for them and their situation
- Politeness and civility
- Getting to know their needs, wants and preferences
- Treating them differently to other people
- Acknowledging and showing appreciation for their time
- Recognising and appreciating the money they spend with you
- Never taking them for granted, ignoring them or providing them with sub-standard products or services
- Identifying and showing due regard for individual differences
- Demonstrating ‘nothing is too much trouble’
- Understanding every customer is a unique individual
- Demonstrating a genuine desire to be of service.

**7. Identify four ways in which ‘respect’ can be demonstrated in every contact with people in a business relationship context.**

Any from the following:

- Use the person’s name
- Keep appointment times

- Maintain a professional ‘distance’ from the person
- Be alert to non-verbal communication
- Refrain from being judgemental
- Always dress appropriately.

**8. List three types/classifications of opportunities that exist for maintaining regular contact with customers and suppliers.**

Any from the following:

- Informal social occasions
- Industry meetings
- Association membership
- Cooperative promotions
- Regular schedule of contact.

**9. What is identified in the notes as an ‘essential element of true negotiation’?**

Compromise.

**10. Define ‘negotiation’.**

'A process in which two or more parties confront a problem and arrive at a solution which best meets the needs of all of them'.

**11. Describe three ‘sound general negotiation rules’ as identified in the notes.**

Any from the following:

- Try to witness more experienced colleagues negotiate
- Be business-like while remaining as friendly as possible
- Try to get initial agreement from all parties as to the agenda of the negotiation
- At the same time try to get agreement on what the likely outcome will be
- Deal with any issues that can be easily and painlessly dealt with, first
- Take notes, refer to them regularly and try to get agreement your notes accurately reflect what has taken place.

**12. Answer ‘Yes’ or ‘No’ to the following question: ‘Should activities involved in establishing and maintaining business relationships align with the goals and objectives of the business and/or department in that relationship.’**

Yes.

13. **Identify three options for determining the legal constraints that apply to you in the workplace/when in a business relationship.**

Any from the following:

- Speak to your supervisor, manager or the owner/operator of the business where you work
- Talk to more senior and experienced work colleagues
- Make contact with authorities/agencies
- Visit relevant websites Ask questions of industry associations as well as employer and employee bodies.

14. **List three examples of penalties that may be applied if a business/person fails to comply with legally imposed requirements.**

Any from the following:

- Verbal and/or written warning issued by the authorities
- A monetary fine
- A term of imprisonment
- Official and binding directive or 'order'
- Business closure.

15. **Describe four examples of ethical constraints a business should observe in its business relationships with others.**

Any from the following:

- The standards the business publicly makes about itself – Vision Statement, Mission Statement and/or Value Statements
- The policies and procedures of the business
- Head office
- Codes of Practice
- Social and moral imperatives.

16. **List three possible counter-tactics if the other party has set limits (for example they have established boundaries of finance, personnel, time, price) as a tactic in their negotiation process.**

- Explain why these limits are unacceptable.
- Respond with your own limits.
- Engage in open discussion of limits.

17. **In a negotiation, should you be 'assertive' or 'aggressive'?**

Assertive.

**18. What is identified in the notes as 'the crux of negotiation'?**

Bargaining.

**19. Give four 'tips on using feedback from the other party.**

Any from the following:

- Thank the person giving you the feedback, and respect their view
- Clarify the feedback by repeating it back to them, or by paraphrasing
- Reflect on the feedback
- If you believe the feedback is reasonable and accurate – act on it
- Always remain within your designated scope of authority to act on the situation
- If you do not believe the feedback is reasonable and accurate – work it through with the sender
- Be prepared to stand up for yourself, using facts/evidence as the basis for your response
- Learn from the experience.

**20. Identify three tips on 'giving feedback'.**

Any from the following:

- Be positive and constructive
- Make sure all feedback is fact-based
- Respect the feelings of the speaker/person you are providing feedback on, or to
- Immediate feedback is more effective than delayed feedback
- Restrict your feedback to only those things that can be changed.

**21. List three ways in which communications (with management/other staff) about negotiations may take place?**

- In person
- By phone
- Via e-mail.

**22. Identify three types/classifications of people who may need to be communicated with in relation to the outcome of negotiations.**

Any from the following:

- Anyone who was involved in the negotiation process
- Business owners, managers and departmental heads, supervisors, and/or boards of directors
- Departmental personnel from key support departments
- Suppliers/support services who may have been advised to be on 'standby'

- Head office
- Specific operational departments potentially involved in servicing/providing whatever was the content of the negotiation.

**23. Why can it be useful to put arrangements into a formal written agreement/contract?**

Provides common understanding and agreement; removes/eliminates/reduces confusion over what was agreed to.

**24. Define 'a contract'.**

A contract is an agreement enforceable at law.

**25. What are the six elements of a valid contract?**

- Intention to create legal relations
- Agreement
- Consideration
- Capacity
- Certainty of terms
- Legality of objects.

**26. What is the name given to a clause in a contract that seeks to limit the liability of the contracting party?**

Exclusion clause/term.

**27. List three persons/classifications of people from whom approval, permission and/or signatures will have to be obtained before a formal agreement can be entered into.**

Any from the following:

- The owner/manager
- Finance/accounting department
- The individual relevant department head – such as the Executive Chef, the Head Housekeeper or the Functions Manager
- Sales and Marketing
- The legal representative for the business.

**28. List the three areas in which it is common to seek specialist advice about in relation to accepting and/or proceeding with a contract.**

- Legal
- Financial
- Industrial relations.

**29. Give three examples of ‘research’ that it can be useful to undertake when seeking to gain/review information about other parties in a business relationship.**

Any from the following:

- Talk to network of industry contacts to identify what ‘the other party’ is up to
- Keep an eye on the news in the media for details about relationship partners are doing
- Be observant about media advertising that is undertaken by your other party – what does it tell you they are up to?
- Obtain and read relevant annual reports
- Visit relevant web sites and opposition properties.

**30. List three benefits of maintaining sound business relationships,**

Any from the following:

- Personal relationships/friendships
- Peer support and a network you can use to bounce ideas off
- An opportunity to learn from others and share personal experiences
- Increased business opportunities for your enterprise
- Chances to keep more up-to-date and better informed about the industry
- Increased access to relevant information that is sometimes denied to those who aren’t ‘in the know’.

**31. Give five components of ‘honouring an agreement’ from the customer’s perspective.**

- Doing what you said you would do
- Doing it when you said you would do it – or by the stated time/date
- Doing it for the promised price
- Doing it to the expected, stated or agreed standard
- Doing a little bit extra – that is, going beyond the strict interpretation of the agreement.

**32. Identify three possible outcomes of failing to meet customer expectations within a business relationship.**

Any from the following:

- Reduces levels of satisfaction
- Harms the trust and rapport that has been established
- Creates the impression your business is only interested in their part of the agreement (the cash, the booking) and not focussed on fulfilling agreed requirements
- Can give rise to legal action
- Can result in adverse publicity
- Destroys the potential for on-going relationships.
- List three keys when making adjustments to agreements with those with whom a business relationship exists.
- Any from the following:
- Clarify revised arrangements
- Obtain approval for changes
- Determine if extra charges (or refunds) need to be made
- Advise others (as necessary) about the revised arrangements.

**33. Answer 'True' or 'False' to the following statement: 'Changes to an agreement with another party should never be made without consulting the other party first.'**

True.

**34. What are the two keys to nurturing g business relationships?**

- Regular contact
- Effective communication.

# Observation Checklist

| | |
|---|---|
| **Student name** | |
| **Assessor name** | |
| **Location/venue** | |
| **Unit of competency** | Establish and maintain a business relationship<br>D1.HCS.CL6.02  D1.HSM.CL5.05  D2.TCS.CL5.15 |
| **Dates of observation** | |
| **Instructions** | 1. Over a period of time observe the student completing each of the following tasks:<br>a) Establish and conduct business relationships<br>b) Conduct negotiations<br>c) Make formal business agreements<br>d) Foster and maintain business relationships<br>2. Enter the date on which the tasks were undertaken<br>3. Place a tick in the box to show they completed each aspect of the task to the standard expected in the enterprise<br>4. Complete the feedback sections of the form, if required. |

| **Did the candidate** | **Yes** | **No** |
|---|---|---|
| **Element 1: Establish and conduct business relationships** | | |
| Establish business relationships in a manner that promotes goodwill and trust between the enterprise, its customers and suppliers | ❑ | ❑ |
| Build trust and respect in business relationships | ❑ | ❑ |
| Identify and take up *opportunities to maintain regular contact with customers and suppliers* | ❑ | ❑ |
| **Element 2: Conduct negotiations** | | |
| Conduct *negotiations* in a business-like and professional manner within the relevant cultural context | ❑ | ❑ |
| Conduct negotiations in the context of the current enterprise marketing focus and within *legal and ethical constraints* | ❑ | ❑ |
| Maximize benefits for all parties in the negotiation through use of established *negotiation techniques* | ❑ | ❑ |

| | | |
|---|---|---|
| Incorporate feedback and input from colleagues into the negotiation where appropriate | ❑ | ❑ |
| Communicate the results of negotiations to appropriate *colleagues and stakeholders* within appropriate timeframes | ❑ | ❑ |
| **Element 3: Make formal business agreements** | | |
| Confirm agreements in writing, using formal contracts where appropriate, and in accordance with enterprise requirements | ❑ | ❑ |
| Check and gain appropriate approvals for all aspects of formal agreements in accordance with enterprise procedures | ❑ | ❑ |
| Identify the need for and *seek specialist advice* in the development of contracts where appropriate | ❑ | ❑ |
| **Element 4: Foster and maintain business relationships** | | |
| Seek, review and act upon information needed to maintain sound business relationships in a pro-active manner | ❑ | ❑ |
| Honour agreements within the scope of individual responsibility | ❑ | ❑ |
| Make adjustments to agreements in consultation with the customer/supplier and share information with appropriate colleagues | ❑ | ❑ |
| Nurture relationships through regular contact | ❑ | ❑ |
| **Did the student's overall performance meet the standard?** | ❑ | ❑ |

| Feedback to student and trainer/assessor | | | |
|---|---|---|---|
| **Strengths:** | | | |
| **Improvements needed:** | | | |
| **General comments:** | | | |
| **Candidate signature** | | **Date** | |
| **Assessor signature** | | **Date** | |

# Third Party Statement

| | | | |
|---|---|---|---|
| **Student name:** | | | |
| **Name of third party:** | | **Contact no** | |
| **Relationship to student:** | ❑ Employer ❑ Supervisor ❑ Colleague ❑ Other<br>*Please specify:*______________________________<br>*Please do not complete the form if you are a relative, close friend or have a conflict of interest]* | | |
| **Unit of competency:** | Establish and maintain a business relationship<br>D1.HCS.CL6.02 D1.HSM.CL5.05 D2.TCS.CL5.15 | | |

The student is being assessed against industry competency standards and we are seeking your support in the judgement of their competence.

Please answer these questions as a record of their performance while working with you. Thank you for your time.

| **Do you believe the trainee has demonstrated the following skills?**<br>*(tick the correct response]* | **Yes** | **No** | **Not sure** |
|---|---|---|---|
| Establishes business relationships in a manner that promotes goodwill and trust between the enterprise, its customers and suppliers | ❑ | ❑ | ❑ |
| Demonstrates and builds trust and respect in business relationships | ❑ | ❑ | ❑ |
| Identifies and takes up opportunities to maintain regular contact with customers and suppliers | ❑ | ❑ | ❑ |
| Conducts negotiations in a business-like and professional manner within the relevant cultural context observing legal and ethical constraints | ❑ | ❑ | ❑ |
| Negotiates fairly and effectively using accepted techniques and communicates results of negotiations internally and externally as required | ❑ | ❑ | ❑ |
| Confirms agreements in writing, using formal contracts where appropriate, accordance with enterprise requirements | ❑ | ❑ | ❑ |
| Checks and gains appropriate approvals for negotiations and contracts seeking professional/specialist as necessary | ❑ | ❑ | ❑ |
| Maintains and nurtures sound business relationships honouring and adjusting agreements (as required) within the scope of individual responsibility | ❑ | ❑ | ❑ |

| Comments/feedback from Third Party to Trainer/Assessor: | |
|---|---|
| | |
| **Third party signature:** | **Date:** |
| **Send to:** | |

# Competency Recording Sheet

| | | |
|---|---|---|
| **Name of Student** | | |
| **Name of Assessor/s** | | |
| **Unit of Competency** | Establish and maintain a business relationship | D1.HCS.CL6.02 D1.HSM.CL5.05 D2.TCS.CL5.15 |
| **Date assessment commenced** | | |
| **Date assessment finalised** | | |
| **Assessment decision** | Pass Competent / Not Yet Competent (Circle one) | |
| **Follow up action required**<br>(Insert additional work and assessment required to achieve competency) | | |
| **Comments/observations by assessor/s** | | |

Place a tick (✓) in the column to reflect evidence obtained to determine Competency of the student for each Performance Criteria.

| Element & Performance Criteria | Observation of skills | 3rd Party Statement | Oral Questions | Written Questions | Work Projects | Other |
|---|---|---|---|---|---|---|
| **Element 1: Establish and conduct business relationships** | | | | | | |
| Establish business relationships in a manner that promotes goodwill and trust between the enterprise, its customers and suppliers | | | | | | |
| Build trust and respect in business relationships | | | | | | |
| Identify and take up opportunities to maintain regular contact with customers and suppliers | | | | | | |
| **Element 2: Conduct negotiations** | | | | | | |
| Conduct negotiations in a business-like and professional manner within the relevant cultural context | | | | | | |
| Conduct negotiations in the context of the current enterprise marketing focus and within legal and ethical constraints | | | | | | |
| Maximize benefits for all parties in the negotiation through use of established negotiation techniques | | | | | | |
| Incorporate feedback and input from colleagues into the negotiation where appropriate | | | | | | |
| Communicate the results of negotiations to appropriate colleagues and stakeholders within appropriate timeframes | | | | | | |

Place a tick (✓) in the column to reflect evidence obtained to determine Competency of the student for each Performance Criteria.

| Element & Performance Criteria | Observation of skills | 3rd Party Statement | Oral Questions | Written Questions | Work Projects | Other |
|---|---|---|---|---|---|---|
| **Element 3: Make formal business agreements** | | | | | | |
| Confirm agreements in writing, using formal contracts where appropriate, and in accordance with enterprise requirements | | | | | | |
| Check and gain appropriate approvals for all aspects of formal agreements in accordance with enterprise procedures | | | | | | |
| Identify the need for and seek specialist advice in the development of contracts where appropriate | | | | | | |
| **Element 4: Foster and maintain business relationships** | | | | | | |
| Seek, review and act upon information needed to maintain sound business relationships in a pro-active manner | | | | | | |
| Honour agreements within the scope of individual responsibility | | | | | | |
| Make adjustments to agreements in consultation with the customer/supplier and share information with appropriate colleagues | | | | | | |
| Nurture relationships through regular contact | | | | | | |
| **Candidate signature** | | | **Date** | | | |
| **Assessor signature** | | | **Date** | | | |