

Competency Standard

UNIT TITLE: DEVELOP AND MANAGE BUSINESS STRATEGIES		NOMINAL HOURS: 70
UNIT NUMBER: D2.TRM.CL9.03		
UNIT DESCRIPTOR: This unit deals with skills and knowledge required to develop, manage and review business strategies to attain the stated objectives of the organisation		
ELEMENTS AND PERFORMANCE CRITERIA	UNIT VARIABLE AND ASSESSMENT GUIDE	
<p>Element 1: Identify the internal business environment</p> <p>1.1 Identify and confirm <i>core features of the business</i></p> <p>1.2 <i>Identify marketing information</i> relevant to the current situation</p> <p>1.3 Review <i>business performance information</i></p> <p>1.4 Identify <i>capabilities and resources</i> of the business</p> <p>1.5 <i>Identify under performing products and services</i></p> <p>Element 2: Identify the external business environment</p> <p>2.1 <i>Identify expected market share</i></p> <p>2.2 <i>Identify external factors impacting on the business</i></p> <p>2.3 <i>Analyse comparative market information</i></p>	<p>Unit Variables</p> <p>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</p> <p>This unit applies to all organisations that develop, manage and review business strategies to attain the stated objectives within the labour divisions of the hotel and travel industries and may include:</p> <ol style="list-style-type: none"> 1. Travel Agencies 2. Tour Operation <p><i>Core features of the business</i> may be related to:</p> <ul style="list-style-type: none"> • Core activities • Products and services offered • Customer base • Business values • Current business direction • Mission statement. 	

<p>2.4 Analyse <i>industry and customer trends</i></p> <p>2.5 Analyse the <i>legal and ethical issues</i> in the market place</p> <p>Element 3: Define and implement business strategies</p> <p>3.1 Formulate business objectives for individual <i>business units</i></p> <p>3.2 Review existing <i>business strategies</i></p> <p>3.3 <i>Develop business strategies</i> relating to established strategic objectives for the organisation</p> <p>3.4 <i>Communicate business strategies</i> to relevant stakeholders</p> <p>Element 4: Review the effectiveness of business strategies</p> <p>4.1 <i>Review established strategies</i></p> <p>4.2 Include multiple perspectives and <i>information sources</i> in determining the effectiveness of strategies</p> <p>4.3 <i>Evaluate the effectiveness of the strategies</i></p> <p>4.4 <i>Make recommendations for enhancements to strategies and plans</i></p> <p>Element 5: Manage risk associated with business strategies</p> <p>5.1 Identify <i>risks associated with implementation of strategic plans</i></p>	<p><i>Identify marketing information</i> may include:</p> <ul style="list-style-type: none"> • Classifying and analysing data • Considering primary and secondary data • Considering hard and soft data • Undertaking new market research where deemed necessary. <p><i>Business performance information</i> may be related to:</p> <ul style="list-style-type: none"> • Sales and bookings • Profit • Cash flow • Trends • Market share • Business partnerships • Position in the marketplace • Image of the business • Identifying strengths and weaknesses of the business • Identifying critical success factors. <p><i>Capabilities and resources</i> may include:</p> <ul style="list-style-type: none"> • Human resources • Financial resources • Equipment capacity • Staff skill levels • Hours of operation
--	--

<p>5.2 Access <i>information sources</i> in relation to identified risk</p> <p>5.3 Assess <i>risk levels</i></p> <p>5.4 Develop written <i>operational risk management policy</i></p> <p>5.5 Develop written <i>operational risk management plans</i></p> <p>5.6 Develop written <i>operational contingency plans</i></p> <p>5.7 Communicate risk management strategies to stakeholders</p> <p>5.8 Review and monitor risk management plans and procedures</p>	<ul style="list-style-type: none"> • Communication capabilities • Location/position of the agency • E-business capacity • Need for specialist assistance in certain areas. <p><i>Identify under performing products and services</i> should relate to:</p> <ul style="list-style-type: none"> • Analysing sales records • Determining reasons for performance, such as sales that are below expectations. <p><i>Identify expected market share</i> may include:</p> <ul style="list-style-type: none"> • Estimating growth or decline of business • Identifying market place threats and opportunities. <p><i>External factors impacting on the business</i> may include:</p> <ul style="list-style-type: none"> • Status of the labour market • Changes in target market populations • General economic activity, including inflation, currency exchange rates, state of relevant economies and current spending patterns. <p><i>Comparative market information</i> may relate to:</p> <ul style="list-style-type: none"> • Best practice information • Benchmarking • Competitor activity and information. <p><i>Industry and customer trends</i> may refer to current and emerging issues and may include:</p> <ul style="list-style-type: none"> • Economic indicators • Ecological and environmental issues
---	--

- Government activities
- Social and cultural issues
- Demographic characteristics
- Technological advances.

Legal and ethical issues may include:

- Changes to legislation and regulations that have impacted, or have the potential to impact on the business
- Industry codes of practice
- Consumer expectations
- Social responsibilities.

Business units may include:

- Individual programs and sub-programs and/or individual product and service lines
- Cost centres
- Branches and agencies including sub-agencies.

Business strategies may include decisions relating to:

- Business growth, including expansions and acquisitions
- Contraction of the business
- Catch-up
- Redirection, including business turnaround
- Addressing specific areas such as:
 - Technology
 - Staffing

- Funding
- Marketing
- Products and services
- Sales
- Administration
- Structure and organisation.

Develop business strategies may include:

- Identifying internal and external business environment
- Developing key organisational capability statements
- Undertaking gap analysis between capabilities and expectations
- Investigating and evaluating strategic options in accordance with the strategic plan for the business
- Preparing plans, documenting identified strategies to indicate:
 - Goals, objectives, targets and Key Performance Indicators (KPIs)
 - Specific action or strategies to be taken to achieve the stated goals and objectives
 - Timelines
 - Allocation of responsibilities.

Communicate business strategies may include:

- Using small group information sessions
- Disseminating via computerised communications
- Making verbal presentations and explanations
- Providing the strategies through in-house publications.

Review established strategies may include:

- Revising strategies in a timely fashion
- Determining actual performance of the strategies.

Information sources may include:

- Interviews with stakeholders
- Surveys
- Focus group interviews
- Research on existing programs
- Solicited and unsolicited feedback
- Organisational reviews
- Workforce management data
- Statistical data, including sales, bookings and profit.

Evaluate the effectiveness of the strategies may include:

- Assessing performance against the attainment of established indicators, including objectives, use of resources, timelines, execution of allocated responsibilities and budgets
- Seeking opinions from relevant stakeholders
- Validating conclusions reached in relation to strategy performance.

Recommendations for enhancements to strategies and plans should include:

- Targeting recommendations to evidence-based outcomes
- Reviewing internal and external business environment factors
- Revising organisational policies and procedures
- Revising goals, objectives and targets
- Recommending changes in strategic directions for the organisation.

Risks associated with implementation of strategic plans may relate to:

- People
- Assets
- Physical environment
- Reputation and image of the organisation
- Legal issues
- Business continuity
- Finances.

Information sources may include:

- Computer modelling
- Sensitivity analysis
- Structured interviews
- Statistical data
- Questionnaires
- Fault trees analysis
- Analysis of consequences including loss of money, time, labour, sales and intangibles.

Assess risk levels may include:

- Determining acceptable and unacceptable risks
- Classifying the level and extent of the risk
- Balancing risks against opportunities afforded by taking the risk.

Operational risk management policy should include:

- Reasons for the enterprise wanting or needing to manage operational risk
- Objectives of the operational risk management strategies
- Statements regarding the limits of operational risk the enterprise will allow or engage in
- The ways in which the enterprise will manage operational risk
- Allocation of responsibilities for operational risk management
- Identification of reviews of existing operational risk management strategies
- Statement by management committing the enterprise to managing operational risk.

Operational risk management plans should include:

- Statement and description of the operational risks to be managed
- Allocation of responsibilities and resources to attain the objectives of the plan
- Descriptions of action to be taken in the event of an operational risk becoming a reality, including specific actions by nominated persons, sequencing of actions and identification of resources to assist in risk abatement/treatment
- Preventative action to be taken to reduce the chance of an operational risk becoming a reality
- Steps to eliminate unacceptable operational risks, including priorities for doing so
- Details regarding the application of identified risk control measures to operational risks that cannot be eliminated.

Operational contingency plans should include:

- Details of the actions the enterprise will take when an operational risk has become a reality and loss or damage has occurred, including identification of necessary scopes of authorities, changes to standard operating procedures, limitations on actions and contact with outside agencies including the media

- Processes to retrieve the situation and re-establish normal operating conditions
- Specific actions to retain customers and market share
- Specific actions to maintain industry confidence, stakeholders and customers of the enterprise
- Damage limitation and damage control protocols.

Assessment Guide

The following skills and knowledge must be assessed as part of this unit:

- Enterprise policies and procedures in regard to development, implementation, monitoring, review and communication of business and strategic plans
- Legislation of the host country in relation to the business operation
- Principles of data collection and research methodologies
- Knowledge of strategic planning models and theory
- Knowledge of risk management principles and processes
- Ability to prepare written plans and strategies
- Ability to apply business planning techniques and software
- In-depth knowledge of the host enterprise, industry sector, target markets, market research data, products and services offered
- Ability to analyse and interpret documents and data
- Ability to use management, negotiation and influencing skills.

Linkages To Other Units

- Develop and update local knowledge
- Develop a marketing strategy and coordinate sales activities
- Produce documents, reports and worksheets on a computer

- Plan and establish systems and procedures
- Prepare business documents
- Develop and implement operational policies
- Develop and supervise operational approaches
- Manage legal requirements for business compliance
- Develop and update tourism industry knowledge
- Construct and apply tourism product research
- Create, implement and evaluate strategic product initiatives
- Develop, manage and evaluate local marketing strategies
- Source and present information
- Lead and manage a development team
- Monitor workplace operations.

Critical Aspects of Assessment

Evidence of the following is essential:

- Understanding of host enterprise policies and procedures in regard to development, implementation, monitoring, review and communication of business and strategic plans
- Demonstrated ability to conduct research to identify the external and internal factors affecting or impacting on a nominated real or simulated organisation
- Demonstrated ability to review and evaluate existing business plans and strategies that apply to a real or simulated organisation
- Demonstrated ability to prepare and justify the development of a comprehensive and viable suite of business strategies and related plans to guide the operation of a nominated real or simulated organisation
- Demonstrated ability to prepare risk management policy, plans and strategies for a nominated real or simulated organisation.

Context of Assessment

This unit may be assessed on or off the job:

- Assessment should include practical demonstration either in the workplace or through a simulation activity, supported by a range of methods to assess underpinning knowledge
- Assessment must relate to the individual's work area or area of responsibility.

Resource Implications

Training and assessment must include the use of real or simulated organisations and real industry and general environmental and marketplace business factors; 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:

- Observation of practical candidate performance
- Analysis of portfolio of documents developed by the candidate, including research material, reviews of existing strategies, new or revised plans and strategies and evidence of risk assessment
- Project work
- Case studies
- Oral and written questions
- 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, organising and analysing information	3	Formulate recommendations for changes to plans and strategies
	Communicating ideas and information	2	Negotiate with stakeholders in relation to the development of business strategies
	Planning and organising activities	3	Arrange reviews of plans and strategies
	Working with others and in teams	3	Develop strategies in consultation and collaboration with stakeholders
	Using mathematical ideas and techniques	2	Assess and quantify risks; establish supporting budgets for business strategies
	Solving problems	3	Address identified risk
	Using technology	1	Use the internet to research information; use planning software