

Identify change requirements and opportunities

Submission details

Candidate's name		Phone no.	
Assessor's name		Phone no.	
Assessment site			
Assessment date/s		Time/s	

The assessment task is due on the date specified by your assessor. Any variations to this arrangement must be approved in writing by your assessor.

Submit this document with any required evidence attached. See specifications below for details.

Performance objective

You will demonstrate the skills and knowledge required to identify change requirements for an organisation.

Assessment description

Using the scenario information supplied, you will identify strategic change needs, review existing policy, monitor trends in the external environment that impact on an organisation's objectives, identify operational change objectives, prioritise change requirements and consult experts or specialists to assist in identification of change requirements and opportunities. You will then write a report to management outlining the change requirements.

Procedure

1. Review the scenario information provided (in the Appendix of this task) for Fast Track Couriers.
2. Prepare to write a report on change requirements for Fast Track by following steps 3–10 below.
3. Analyse the organisational objectives provided in the scenario to identify the following change requirements for Fast Track Couriers.
 - a. Identify requirements for change.
 - b. Prepare an explanation of how your identified change needs to link to the organisation's strategic plan goal/s.

4. Review the organisation's current state to understand how the current policies, practices and operations deliver against the organisation's strategic goals.

Review the organisation's performance against objectives with regards to its:

- a. people
 - b. policies and processes
 - c. technology
 - d. structure.
5. Monitor external trends to identify events or trends which may impact on the achievement of the organisation's strategic plan goals.
 - a. Identify two external trends.
 - b. Develop an explanation of how the trends currently impact or will impact organisational objectives.
 6. Identify major operational change requirements.
 - a. Identify changes due to performance gaps.
 - b. Identify changes due to business opportunities.
 - c. Identify changes due to threats.
 - d. Identify changes due to management decisions.
 7. Identify specialists to be consulted to assist with identifying change needs.
 - a. Identify specialists you will engage to help identify change requirements, and be prepared to explain your reasons for engaging these specialists.
 - b. Identify what consulting model you would adopt to engage the specialists, and be prepared to explain why you would use this model.
 8. Assume your assessor is a specialist/expert of the kind you have identified in step 7. Consult with your assessor to assist with identification of change management requirements and opportunities.
 9. Identify the managers that need to be informed. Prepare a plan that identifies who, when and how stakeholder managers will be engaged to review and prioritise change requirements.
 10. Assume your assessor is a manager you have identified. Consult with your assessor to review the changes you propose and to help you prioritise changes. Suggest and justify the priority you have assigned to each change you recommend.
 11. Prepare a 3–4 page report detailing change requirements for the organisation. Include all of the information you identified and the explanations that you prepared in steps 3–10.
 12. Submit all documents to your assessor as per the specifications below. Ensure you keep a copy of all work submitted for your records.

Specifications

You must provide:

- one 3–4-page report detailing change requirements for the simulated organisation.

Your assessor will be looking for:

- a 3–4-page report including all information identified in the procedure above
- how you use problem-solving skills to identify and analyse issues or barriers, and develop responses
- how you develop and incorporate new ideas into your report on change requirements
- planning skills to organise engagement with manager stakeholders and implement activities to achieve priorities and outcomes
- verbal communication skills to describe, support, and negotiate change requirements and priorities with stakeholders.

Adjustment for distance-based learners

- No changes to the assessment procedure or specification are required.
- Documentation may be submitted electronically.
- A follow-up interview may be required (at the discretion of the assessor).

Appendix

Fast Track Couriers Pty Ltd

Task

It is the end of the 2015 financial year. You are an external change management consultant employed by Fast Track Couriers. You have been asked by the General Manager to prepare a report to identify opportunities and requirements for change for the organisation in the coming year.

You have been given some information about the organisation and the organisation's strategic goals. Specific operational and human resources goals were developed to support the strategic goals.

The strategic goals were developed as a result of external market research indicating an opportunity for Fast Track Couriers to build market share in Sydney. The business has the opportunity to increase Sydney market share by 7.5% on the back of increased efficiency and shorter delivery times from larger truck fleet and improved distribution systems.

You have also been given some information about employees and some background information regarding the organisation's workforce relations.

Before submitting the final report, you will need to review your proposed changes with all relevant manager stakeholders. The General Manager is very concerned about identifying change requirements in close consultation with key management stakeholders within the organisation in order to ensure the least resistance to implementation.

About Fast Track Couriers

Fast Track Couriers is a courier company that has been operating in New South Wales for the last 15 years. Its primary business function is delivering medium to large size packages across metropolitan Sydney.

Strategic plan goals

The organisation's strategic goals are:

- to expand business in the metropolitan area so that small to medium package deliveries market share increases by 7.5%
- to develop an integrated approach to distribution management, utilising technology such as PDA devices and GPS
- to develop and maintain a cohesive and well-motivated workforce.

Strategic goals are supported by the following operational and human resources goals.

Operational plan goals

- Testing of the distribution management system is to cease and allow implementation within the first quarter of the 2016 financial year.
- The truck fleet will need to be expanded by 8 trucks within the 2016 financial year.

Human resources goals

- Incorporating a Human Resources function to facilitate the changes in workforce management in the first quarter of the 2016 financial year.
- Introducing professional development and training to achieve organisational goals and promote understanding of organisation's strategic goals in the first quarter of the financial year.
- Eliminating industrial relations problems in the financial year. Concluding negotiations with employees and union.
- Eliminating lifting injuries.

Employee profile

Fast Track Couriers employs the following people.

- General manager (GM) – Generally on the road; never in office.
- Chief financial officer (CFO) – Reports to GM and keeps office hours; 9–5, Mon–Fri.
- Accountant – Reports to CFO and keeps office hours; 9–5, Mon–Fri.
- Truck drivers (x20) – Report to office.
- Office team manager – Reports to GM and keeps office hours; 9–5, Mon–Fri.
- Office team members (x5) – Perform administrative, sales, customer relationship management duties. Monitor truck drivers and handle enquiries. Report to office team manager.

Head office employees

- Covered under individual contracts.
- Salary range is \$32,000–\$75,000 annum.
- Small team of mainly female employees, ranging in age.
- Lots of opportunity to participate in learning and development programs due to management support; however little desire to participate.
- High employee engagement scores. Employees cite team work and opportunities as motivating factors affecting the business success.

Drivers

- Covered by an award.
- Salary \$45,000 per annum.
- Heavily unionised.
- Employee demographics: all male employees aged 25–65.
- Little opportunity to participate in learning and development programs due to being on the road; however, little to no interest in participating in development opportunities.
- Large number of workplace injuries due to heavy lifting.
- Low employee engagement scores. Drivers cite pay as an issue.
- Currently experiencing low turnover.
- History of industrial disputes regarding pay and previous change initiatives.

Background to workforce management and relations

The company communicates with employees via email for head office employees, and a printed monthly newsletter for drivers. The company provides information regarding policies and procedures through documented manuals that are held in each truck as an employee manual. Office-based staff can access copies of these manuals at the office.

All trucks are fitted with a GPS system to assist drivers with navigating to each pick-up and drop-off location. Trucks are also assigned a PDA that provides drivers with the details of each pick-up and drop-off, and records when a job starts and finishes. The data from this device is sent back to head office to monitor job progress but is not used to complete productivity reporting. When this device was introduced, drivers were not happy, as they felt the organisation was saying that it did not trust the drivers to manually record the time spent on each job. Many of the drivers also resented having to learn how to use the device and thought it was a waste of time.

Head office employees work very closely together and are a very cohesive and motivated team. They are positive about the organisation's direction and respond well to change.

Drivers have historically reacted negatively to change. Change implemented in the past has met with resistance and was therefore difficult to implement. Drivers have in the past done their best to block any changes from being implemented, even going to the lengths of threatening strike action and having the union involved to assist with resolving the issue.

Fast Track Couriers currently allocates two drivers per truck to ensure that drivers are able to load and unload heavy packages. The strategy going forward is to remove the need for having two drivers per truck by installing an automatic lift gate on the back of each gate at a cost of \$10,000 per truck. This will mean that only one driver is needed per truck as no heavy lifting will be required.

It is Fast Track Couriers' intention to use these surplus drivers to drive the new trucks that will be purchased to enable the company to extend its services to regional NSW.

Drivers are currently happy with the work environment, as they enjoy working as part of a two-man team. The organisation typically leaves the drivers alone and lets them do their job as this is what seems to make them happy. Management has tried in the past to have drivers participate in organisational activities. These activities were not received positively and the drivers complained and asked not to be involved. The drivers' view is that their preferred team is their two-man driver team and they only see the benefits of that specific working arrangement. There is a high value placed on communication with trucking team members.

Devise strategies and plan marketing tactics

Submission details

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Performance objective

In this assessment task, you are required to review and evaluate marketing opportunities for an organisation and develop marketing activities that reflect strategic directions of the organisation.

Assessment description

For the organisation outlined in the case study provided, identify two marketing opportunities and evaluate each opportunity for risks, strengths, weaknesses and alignment with organisational objectives. After you have reviewed the opportunities, select the best-fitting opportunity for the organisation and develop marketing strategies, approaches and activities to take advantage of the opportunity.

Procedure

You are required to submit a report that addresses all of the elements listed in the procedure. The report should be structured using the headings below.

Organisational overview

1. Develop an organisational overview that:
 - a. outlines the strategic direction and organisational objectives
 - b. outlines the current size, capabilities and resources of the organisation, including any notable strengths and weaknesses
 - c. identifies any gaps between the objectives and the current capabilities and resources.

Opportunities

1. Identify two marketing opportunities that meet the objectives, and evaluate the risks and benefits of each opportunity.
2. Recommend the opportunity that best addresses organisational objectives and:
 - a. develop a marketing mix strategy that fits within the capabilities and resources of the organisation
 - b. describe how your strategies align with the strategic direction of the organisation, and give justifications for your selection
 - c. detail a marketing performance review strategy using an appropriate tool (competitive analysis, life cycle model, value chain analysis, etc.) to review the performance of the organisation against marketing objectives
 - d. include the metrics to be used in measuring marketing performance.

Tactics

1. Detail the tactics necessary to implement the strategy you have outlined, including:
 - a. scheduling of activities to enact the strategy
 - b. costing
 - c. accountabilities and responsibilities
 - d. a plan for coordinating and monitoring scheduled activities, including KPIs.
2. Outline any legal and ethical requirements that impact on the selected tactics.
3. Describe how the tactics fit within identified organisational resources and capabilities.

Specifications

This assessment can be completed in your own time, as you work through the related topics in either the Student Workbook, or under the guidance of the assessor.

The assessment is due at the completion of Section 2 of the Student Workbook unless another submission time/method is suggested by your assessor.

Check with your assessor whether it is appropriate to use a computer for the submission of the report (electronic), or if the assessor requires a hard copy (printed) version.

You must provide:

- a report containing documents that support all of the instructions outlined in the procedure above.

Your assessor will be looking for whether you have:

- identified a suitable marketing opportunity
- conducted research to assess and analyse the market
- prepared a report outlining your marketing strategies to best take advantage of the identified market opportunities
- organised your report under the headings suggested in the procedure.

Adjustment for distance-based learners:

- No variation of the task is required.
- A follow-up interview may be required (at the discretion of the assessor).
- Documentation can be submitted electronically or posted in the mail.

Case study

Houzit is a chain of homewares stores in Brisbane that specialise in bathroom fittings, bedroom fittings, mirrors and decorative items. They currently have 15 stores spread across the greater Brisbane area, with all stores being managed and coordinated from their head office in Milton.

You have recently been appointed as the marketing manager and must now review the organisation and devise marketing strategies that will move Houzit towards its strategic goals.

The CEO has also asked you to consider some marketing opportunities that may assist Houzit in reaching its goals, and provide him with a brief summary evaluating two alternatives, including the benefits and risks associated with each option, and making a recommendation for the opportunity most likely to produce results.

You have gleaned the following information about Houzit:

- Houzit is close to entering its fifth year of operation; offers a wide range of homeware items on easy-to-manage payment terms and supplies a three-year guarantee on every item sold.
- The typical target customers have the following characteristics:
 - sophisticated people who are houseproud
 - shoppers who will drive to an easy-to-access store
 - customers who require payment plans to spread their commitment over an extended period
 - renovators and new home builders
 - 20–50 years old.
- Houzit recognises the following trends and focuses its efforts on them.
 - **Quality** – Preference for high-quality items is increasing as customers are learning to appreciate differences in quality.
 - **Unique items** – Customers want homewares that stand out from mass-produced, low-quality items.
 - **Selection** – People are demanding a larger selection of choices, and are no longer accepting a limited selection of homewares.
- The typical Houzit store has the following characteristics.
 - **Location** – A commercial, suburban neighbourhood, or urban retail district.
 - **Design** – Bright and functional.
 - **Size** – 1,000–1,500 m².
 - **Employees** – 15–20 full time, plus several casuals
 - **Types of transactions** – 60% cash, 40% on long-term repayment plan.
- Sales break-ups between the existing Brisbane stores reveal sales of:
 - 30% bathroom fittings
 - 35% bedroom furnishings
 - 20% mirrors and decorative items
 - 15% lighting fixtures (recent addition).
- A new customer's first purchase is generally of mirrors and decorative items, and this gives us the opportunity to sign them up to our loyalty program.

In a brief discussion with the CEO, you asked about the changes taking place in legislation that could impact on Houzit's operation. The CEO explained:

'There is a big push by governments on the issue of sustainability. This focuses mostly on environmental issues of waste management and energy conservation. Houzit stores have been deliberately designed in the past to be bright and comfortable places to shop. This means a significant cost in electricity usage to run the lights and the air conditioners. With the new regulations, we are going to have to find ways to still provide customers with what they want without the high electricity usage.'

Strategic plan (extract)

Vision

Houzit will be a national retail brand, catering to the needs of home makers with a range of unique, high-quality homewares made accessible to all through our easy-to-manage payment plan.

Mission

By 2020, Houzit will have a significant retail presence in homewares in every Australian capital city, starting with 15 stores in the greater Brisbane area and growing to 100 Australia-wide.

Objectives

1. Increase sales from \$15 million per year to \$20 million per year in the next three years.
2. Increase our loyalty customers list from 10,000 to 15,000.
3. Establish brand recognition in Brisbane so that at least 1 in 3 people recognise our brand in a random survey taken in 18 months.

SWOT Analysis*Strengths:*

- Excellent staff who are highly skilled and knowledgeable about homewares.
- Great retail space that is bright, functional and efficient for a commercial urban district.
- High customer loyalty among repeat customers.
- Assortment of offerings that exceed competitors' offerings in quality, range and accessibility.

Weaknesses:

- A limited marketing budget to develop brand awareness due to the lack of critical mass and store cover.
- The struggle to continually fund the growing long-term repayment plans taken out by our customers.

Opportunities:

- A growing market in a high growth area with a significant percentage of the target market still not aware of Houzit's offer.
- Increasing sales opportunities outside of our target area – greater Brisbane.

Threats:

- Competition from local independent retailers can drive down prices, as owner-operators have lower overhead costs than our staff-run stores.
- Competition from national chains moving into the Brisbane market.
- A slump in the economy reducing customers' disposable income spent on homewares.

Develop policy

Submission details

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Performance objective

In this assessment task, you will need to demonstrate the skills required to review and develop policies.

You will need to consult with the business manager to develop a sustainability policy that is consistent with organisational approaches to sustainability and complies with legislative and regulatory requirements.

Assessment description

You have been hired as the new environment officer at Tiny Opera Company. You will need to review the Tiny Opera Company case study including their sustainability policy. You need to determine the shortfalls between the sustainability approach and the practices required of Tiny Opera Company and develop the sustainability policy to reflect those requirements.

You will need to present draft policy documents to the Business Manager (your assessor) to agree on the final policy document.

Procedure

1. Review the case study information provided and determine all legislative and regulatory documents that describe compliance requirements for this company.
2. Research best practice models used by theatres and performance spaces.
3. Develop three options for the direction and focus of the policy and consider the likely effectiveness, timeframe and cost of implementing the option. Write summaries of each option to present in your consultation with the Business Manager (your assessor).
4. Meet with the Business Manager (your assessor) to consult on the policy options and decide on the preferred option.
5. Draft a sustainability policy for Tiny Opera Company based on your research, the company information provided and your consultation session. Ensure that you:
 - a. specify the scope of the policy (who it applies to, relevant standards and legislation)
 - b. outline Tiny Opera Company's commitment to the policy
 - c. address areas of sustainability that Tiny Opera Company specifically wants to focus on.
6. Meet with Business Manager (your assessor) to discuss:
 - a. typical barriers to sustainability policy implementation and possible strategies to address barriers
 - b. the process you are taking to develop the policy
 - c. the draft policy and gain approval for your draft.
7. Update your draft policy according to agreements that you made in consultation with the Business Manager.
8. Collate your research into legislation and best practice models and the sustainability policy you have developed into an interim report that includes:
 - a. an outline of the environmental and sustainability legislation that applies to Tiny Opera Company
 - b. an explanation of how you developed a sustainability policy that reflects Tiny Opera Company's commitment to sustainability
 - c. strategies for promoting awareness of the sustainability policy
 - d. strategies for maximising the impact of the policy (training, marketing, stakeholder engagement).
9. Submit the report, and the final version of the sustainability policy, to your assessor. Ensure you keep copies for your records.

Specifications

You must provide:

- three policy option summaries
- draft sustainability policy
- an interim report that includes:
 - an outline of the environmental and sustainability legislation that applies to Tiny Opera Company
 - an explanation of how you developed a sustainability policy that reflects Tiny Opera Company's commitment to sustainability
 - strategies for promoting awareness of the sustainability policy
 - strategies for maximising the impact of the policy (training, marketing, stakeholder engagement)
- final version of the sustainability policy.

Your assessor will be looking for:

- reading skills to interpret documents to determine legislative requirements
- writing skills to prepare documents appropriate to the context and audience
- oral communication skills to:
 - present information and seek advice using questioning and listening skills
 - use appropriate conventions when communicating with stakeholders
- numeracy skills related to timeframe and costs of policy options
- work skills to:
 - modify policies and procedures
 - lead consultation with stakeholders
 - plan work activities of yourself and others
 - systematically gather information, set goals and evaluate options
- knowledge of applicable environmental or sustainability legislation
- knowledge of sources of information that can be used to plan and develop the organisation's sustainability policy
- knowledge of policy development processes and practices.

Adjustment for distance-based learners

- Consultation with the Business Manager (your assessor) can be completed via videoconferencing technology (such as Skype) or via email as agreed with your assessor.
- Documentation can be submitted electronically or posted in the mail.
- A follow-up interview may be required (at the discretion of the assessor).

Case study – Tiny opera Company

The history of the Tiny Opera Company

Tiny Opera Company operates in a rural NSW town. Colleen Starr started the company after moving to the small town from Sydney in the late 1970s. Colleen wanted to bring the wonder and entertainment of theatre-based performances to rural NSW. Her vision was to create a regional theatre that emulated the Sydney Opera House; making theatre both accessible and valued in her town and the surrounding community. Stella's idea and passion was shared by a wealthy landowner in the area who donated \$2.3 million to support the purchase of a venue and the ongoing operation of the theatre. \$1.3 million of this was invested in a trust which has been added to over the years that Tiny Opera Company has generated a profit.

Colleen Starr bought an old town hall that had been built in the early 1900s. The hall is listed on the State Heritage Register in NSW. Basic interior renovations were carried out to the stage, three dressing rooms, kitchen, break room, meeting room, food counter and ticketing booth including:

- painting internal walls
- installing wall-mounted radiators throughout the theatres, dressing rooms and break room
- installing a dishwasher and oven in the kitchen
- installing a wood heater in the meeting room.

Tiny Opera Company has staged regular performances in the theatre from the 1970s onwards.

Ten years ago, the Tiny Opera Company built a small office building to serve the growing number full time staff.

Tiny Opera Company today

The staff at Tiny Opera company currently include:

- Stage Manager (part-time)
- Director of Programming
- Resident Designer (funded by a grant for three years)
- Business Manager
- Marketing Communications Manager (part-time)
- Project Officers x 3 (part-time)
- Customer Service Representatives x 2 (part-time).

This year, the Tiny Opera Company has added a position for a new environment officer. You have been hired as the new environment officer at Tiny Opera Company after responding to the following job advertisement.

Sustainability project officer position

Tiny Opera Company is taking a new direction to become a leading practitioner of sustainable practices in the performing arts industry. As part of this direction, Tiny Opera Company has created an exciting new position for a sustainability project officer. You will be motivated, enthusiastic about sustainability and ready to bring an innovative approach to Tiny Opera Company practices.

You will work within our small team at Tiny Opera to review work practices, especially the use of costume, props, lighting and facilities, as well as communications, and equal employment opportunity practices. You will be required to develop best practice models to increase sustainability practices across the organisation. This may involve training and educating staff through professional development, company newsletters and other similar approaches.

We are looking for a highly skilled individual capable of reviewing technical documents and legislation in order to develop plain language policy, internal memos and external publicity materials.

The project officer is also required to develop materials to inform and educate audiences about Tiny Opera Company's sustainable activities and encourage participation in activities and practices that lead to better environmental outcomes.

You are inducted by Nic Tan, the Business Manager of Tiny Opera Company, who gives you an overview of how the company wants to approach sustainability.

In the last six months, Tiny Opera Company has been focusing on becoming a more sustainable operation. Nic Tan has reviewed some of the organisation's operations and has observed that resource use in the theatre is not aligned with sustainable work practices being promoted at Tiny Opera Company.

Nic realises that this is at least partly due to the policy and procedure documents not reflecting industry requirements or reflecting Tiny Opera Company's aim to increase sustainability across its operations. Nic wants you to update the sustainability policy to specifically reflect the sustainability aims of the business. Nic wants to focus on the following areas:

- minimising resource use
- using resources more efficiently
- reducing toxic material and hazardous chemical use
- employing life cycle management approaches
- implementing a sustainability continuous improvement strategy.

Nic Tan also mentions that they need something in the policy that talks about measuring resource use and reviewing resource records periodically because that's the main way that Tiny Opera Company will be monitoring their progress towards minimising resource use.

Tiny Opera Company has made an effort to improve sustainability by pursuing some new sustainability initiatives:

- programming of all reverse-cycle air conditioners in the office to automatically switch off at 4.45 pm every day:
 - currently air-conditioners are manually switched off
 - it is the responsibility of the last staff member leaving each day to turn them all off – this is rarely done, and most commonly all air-conditioners are left running 24 hours per day.
- better sorting of recyclable paper from general rubbish
- using low VOC (volatile organic compound) paint when painting sets for performances to protect the health and safety of workers.

Tiny Opera Sustainability Policy
<p>Tiny Opera has a commitment to minimising environmental impact by:</p> <ul style="list-style-type: none"> • using resources wisely • encouraging visitors to consider sustainability • focusing on appropriate management principles. <p>We seek to improve social, economic, cultural and environmental benefits in our decision-making.</p>

Nic Tan provides you with the budget for the previous few years as well as projections for next year. Nic points out that the marketing budget has already been increased to allow for marketing the new Tiny Opera Company sustainability initiatives. Nic Tan envisages that you will create sustainability policy options that fit within amount that is currently being generated as profit. Nic Tan points out that there is quite a fluctuation in the amount of profit generated, so you should use it as a rough guide. 'Who knows', says Nic Tan, 'with an innovative sustainability plan, maybe you'll even be able to generate some additional income by bringing bigger audiences to the Tiny Opera Company in support of our new, sustainable direction'.

Sustainability is a long-term goal at Tiny Opera Company, but Nic would like to see a couple of actions implemented within the next 12 months.

Tiny Opera Company				
	2 years ago	Last year	This year	Next year (projected)
	\$	\$	\$	\$
Income				
Sales of goods and services	111,500	117,750	112,000	115,000
Venue hire	25,600	24,300	24,700	24,000
Grants	35,000	70,000	85,000	80,000

Assessment Task 1 BSBSUS501 Develop workplace policy and procedures for sustainability

Philanthropy	75,500	74,750	72,000	72,000
Fundraising	3,300	6,500	5,800	4,500
Corporate partners	70,000	87,000	85,000	80,000
Investing activities	65,400	68,000	72,300	73,300
Total income	386,300	448,300	456,800	448,800
Expenses				
Wages and salaries	275,000	303,000	358,000	358,000
Utilities	7,672	8,472	8,672	8,800
Maintenance	1,825	869	765	1,000
Accounting expenses	1,500	1,500	1,750	1,750
Marketing	4,270	4,320	5,245	8,200
Performance costs	58,000	47,700	53,670	55,000
Miscellaneous	2,500	3,200	1,275	2,000
Total expenses	350,767	369,061	429,377	434,750
Profit/loss	35,533	79,239	27,423	14,050

Report on risks

Submission details

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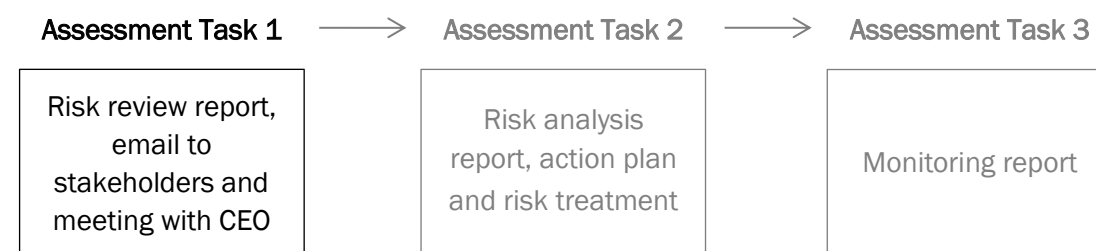
Performance objective

For this task you are required to determine the risk context associated with establishing a new business outlet within the existing business structure. You will be required to review internal and external environment factors, obtain support for activities and liaise with relevant stakeholders to identify risks.

Assessment description

For the MacVile Pty Ltd simulated business scenario provided, you are required to assume the role of Brisbane store Assistant Manager, Ash, who has just been promoted to be Manager of a new store. Ash has been tasked with conducting a risk management analysis of this new venture.

There are three stages to this project: (1) review, (2) analyse and plan, and (3) monitor. This project is divided into three assessment tasks as follows:



For this assessment task, you will need to review the simulated business's risk management processes and determine the scope and objectives, taking into account stakeholders and both internal and external environmental factors affecting the organisation. Once you have gathered this information, you are to identify risks and write a draft report to the CEO. You will meet with the CEO to discuss your report, seek support for your findings, and approval to communicate risk management processes to relevant stakeholders for their feedback and participation.

Procedure

You will assume the role of Ash, Assistant Manager of the Brisbane MacVille café, who has just been promoted to Manager of the new Toowoomba store. In preparation for the new venture, Ash has been tasked with conducting a risk management analysis of this project:

Excerpt of email from CEO Paula Kinski

From: CEO – P. Kinski

To: Assistant Manager – Queen Street store

Re: New Toowoomba store

Congratulations on your new appointment. Prior to taking up your position as Manager of our new Toowoomba store, located in Ruthven Street, the Board of Directors has asked that the risks in this project be appropriately managed.

I want you to undertake this task as it will give you significant insight into the store's operations, it will ensure a smooth transition for Hurley's Café staff into the MacVille family and will encourage you to give ongoing support for our risk management initiatives.

I would like you to approach this task in three stages and meet with me at the end of each phase to review your work and discuss your plans for the subsequent phases. The three stages in this risk management task will include:

1. Review.
2. Analyse and plan.
3. Monitor.

...

Once I have received your risk review report, we will need to discuss the steps that you will take in the risk management process.

Regards

P. Kinski

CEO MacVille Cafés (Qld)

1. Review the provided MacVille simulated business scenario information and documentation provided in the Appendices of this task.
 2. Write a report for the CEO (your assessor) that addresses the following:
 - a. The effectiveness of the MacVille Risk Management Framework in supporting the principles and processes of risk management, set out in the risk management standard *AS/NZS ISO 31000:2009*. Outline the purpose and key elements of the standard in your discussion.
 - b. Identify and describe the scope of risk management required in your role.
 - c. Identify and describe the critical success factors, goals or objectives for areas included in the scope.
 - d. Identify relevant internal and external stakeholders, their role in the risk management process, and any issues or concerns they have raised. Complete the Table of Stakeholders Template (provided in Appendix 3 of this task) and attach to your report.
 - e. Complete a PEST analysis and a SWOT analysis to identify risks associated with the scenario. Outline the relevant legislation, regulations and standards (including those at a local level, i.e. Toowoomba Council).
 - f. Describe the methods of research that you used to complete your PEST and SWOT analysis. For example, how you approached the simulated business information; legislation, regulations, etc.; and any other information or research on risk that applies to the scope of your report.
 - g. Complete the analysis of risk for the scenario by summarising the scenario and identifying a list of risks to the project.
- Note:** Ensure your report is written in a style appropriate to your stakeholder audience, for example, using appropriate language and including appropriate illustrative material (such as checklists, diagrams or flow charts) and attachments to support your summary.
3. Submit your report as per the specifications on the next page. Be sure to keep a copy for your records.
 4. After you have developed your report, write an email that is intended for relevant stakeholders (identified in Step 2). Your email should clearly ask stakeholders for input, include a list of risks you have identified and invite them to assist in identifying any additional risks.
 5. Send the email to the CEO (your assessor) for review and request a meeting to discuss identified risks and further risk management processes.
 6. Meet with the CEO to:
 - a. discuss your findings, particularly your understanding of the critical success factors and goals
 - b. explain the MacVille risk management process
 - c. discuss how you can communicate with stakeholders about the risk management processes in this scenario and invite them to participate in discussions to further identify risks associated with the scenario

- d. obtain the CEO's support for ongoing risk management activities
 - e. ask the CEO for input on additional risks.
7. In dot-point form, summarise your discussion with the CEO. This should include any recommendations they made to you.
 8. Submit the required documents for assessment as per the specifications below. Be sure to keep a copy for your records.

Specifications

You must provide:

- a risk review report, including a completed table of stakeholders
- email communication to stakeholders
- summary notes from your meeting with the CEO.

Your assessor will be looking for evidence of:

- reading skills to gather, review, interpret and analyse text-based business information from a range of sources
- written and oral communication skills to organise and deliver information to effectively communicate risk management processes to a range of stakeholders
- numeracy skills to interpret mathematical data when reviewing and analysing scenario business information
- ability to work independently as well as collaboratively to make decisions about risk management
- ability to interact with others using appropriate conventions when communicating to, and consulting with, stakeholders
- ability to sequence and schedule activities and manage communication
- ability to analyse relevant information to identify scope, goals and objectives and to evaluate options
- ability to use familiar digital technology to access information, document findings and communicate them to stakeholders.

Adjustment for distance-based learners

- No variation of the task is required.
- A follow-up interview may be required (at the discretion of the assessor).
- Documentation can be submitted electronically or posted in the mail.
- The role-plays can be adjusted for distance learning. The role-plays for this task can be varied to take place using Skype conferencing (or any other video conferencing tool available to both you and the assessor).

Appendix 1: MacVille Pty Ltd simulated business

Background

As part of their overall strategy in the Australian beverage market, MacVille Pty Ltd have developed a chain of cafés in the Central Business District (CBD) of Brisbane, Queensland and the CBD of Sydney, NSW. The Board of Directors has made the decision to expand their operations in Queensland with the purchase and re-branding of the existing Hurley's Café in Toowoomba, 130 km west of Brisbane.

Ash is currently the Assistant Manager of MacVille's flagship café in Queen Street, Brisbane, and has been given the opportunity to manage the new store in Toowoomba. Ash is also a member of the Finance, Audit and Risk Management (FARM) Committee described in the MacVille Risk Management Policy.

The CEO for MacVille's cafés in Queensland, Paula Kinski, has assigned Ash the task of managing the risks involved with the operational aspects of this takeover. A copy of her email is provided below.

Email from CEO Paula Kinski

From: CEO – P. Kinski

To: Assistant Manager – Queen Street

Re: New Toowoomba store

Congratulations on your new appointment. Prior to taking up your position as Manager of our new Toowoomba store, located in Ruthven Street, the Board of Directors has asked that the risks in this project be appropriately managed.

I want you to undertake this task as it will give you significant insight into the store's operations, it will ensure a smooth transition for Hurley's Café staff into the MacVille family and will encourage you to give ongoing support for our risk management initiatives.

I would like you to approach this task in three stages. After the first stage, we will meet to review your work and discuss your plans for the subsequent phases. The three stages in this risk management task will include:

1. Review.
2. Analyse and plan.
3. Monitor.

Your primary risk management focus is directed to the ongoing operations of the Toowoomba café. The strategic and investment risks of this project are being managed by the Board. To this end, you are to consider any risks that could impact on human resources management, financial operations, WHS, our supply chain and the local governance and overall compliance issues.

MacVille has agreed to employ all existing staff at Hurley's Café on three months' probation. The current supervisor of Hurley's, James Mansfield, has been offered the position of 2nd In Charge and he has accepted.

While settlement on the purchase of the business is not for another few weeks, the seller has agreed to grant us full access to the store's operational processes and store information. You should liaise weekly with the Finance, Audit and Risk Management (FARM) Committee here at head office concerning the marketing, finance and store management functions that you are investigating. I will set up a regular meeting for you.

Head office has a report on a similar expansion conducted by the NSW team that may help you in your research. You may need to review other statistical information and engage specialists to help you with your investigation. The legal firm Goldsmith Partners are advising MacVille on the Hurley's Café acquisition and would be available to help you with legal or any compliance issues.

The landlord of the shop in Toowoomba, Ron Langford, is also a local councillor and has offered his assistance in getting established in Toowoomba. He has offered his availability for email address for correspondence.

When you have finished your report, please name it according to our document naming conventions and send it through. Once I have received and discussed your risk review report, we can move onto the next stage of the risk management process.

Regards

P. Kinski

CEO MacVille Cafés (Qld)

MacVille document naming convention

Files should be saved using the document name, the date and the document version. For example, a meeting agenda for a meeting on 1 March 2014 would be saved as 'Meeting Agenda 01032014 v1'.

Site visit – New Toowoomba store (the existing Hurley’s Café)

You received permission from Paula to travel to the Toowoomba store to start your research. Paula had cleared it with James Mansfield, the current senior supervisor, who will spend most of the day with you helping answer your queries. She also arranged for you to spend time with Ron Langford, the store’s landlord.

Meeting with James Mansfield

You arrived at the café and noted the two hours of drive time that it took to get there from the CBD of Brisbane. You met with James, who took you through a complete overview of the store and the surrounding area. He was OK with the idea that you needed to take notes in preparation for a report.

After lunch, you went over your notes to revise and edit key concerns and significant events that you had written down earlier:

Notes from meeting with James Mansfield

- The location of the store on the corner of the two main streets of the city makes for easy access for local customers and high visibility for tourists.
- The long drive from Toowoomba to Brisbane would make attending the weekly managers meeting difficult considering many meetings did not finish until into the evening after refreshments. There are also manager training sessions that need to be completed over the next six months in with a few other assistant managers. Navigating the steep narrow climb up the range with trucks blocking the way is quite difficult even in daylight hours. Being a competent driver you feel that it would be unlikely that you would be involved in an accident, but it still concerns you considerably.
- The two-hour delivery time would make fresh pastry deliveries from the company’s central bakery plant impractical. The pastries would arrive after the morning rush. These are a key part of the MacVille product assortment.
- There is also a concern about getting the company-branded supplies through as quickly as a CBD Brisbane store could.
- Hurley’s Café was a family-run store and some family members were employed on the staff. James was engaged by the family to supervise the operations of the store and Mr Hurley as manager would authorise wages but anyone can authorise deliveries.
- When asked about written policy and procedures manual, James said that Mr Hurley set the policy and procedures verbally and on the few days each week he was in the store he would show the staff how to do things the way he wanted them done.
- Water use – Water wastage present; the dishwasher is often run when only half full; fruit and vegetables are washed under a fast-running tap; toilets all use the single flush system; James explained that Mr Hurley instructed the staff to keep the non-native flowering plants in the courtyard fully watered.

- The dishwasher was always set to the full wash setting and has a Water Efficiency Labelling and Standards Scheme (WELS) rating of 3. The more water efficient 5–6 star dishwashers cost about \$6,000 and above.
- Dual-flush system would cost about \$7,500 to upgrade.

The store currently uses 41,500 litres a week.

- James spoke about the café attracting a large percentage of retirees because of the easy access to buses and the store's central location.
- The same staff member that completed the cash register balancing also completed the bank deposit form and did the banking as well. The banking was not done every day and often \$4,000 was kept on the premises overnight in the cash register. There was no safe. There is a bank two shops away but the Hurley family bank is a couple of blocks away and there was not always time to do the banking.
- James replied to your question about the possibility of break-ins, saying that there was a 50% chance of it happening in a year and the consequence was moderate.
- Not all takings from the cash register by family staff members were recorded.
- The fit-out looked old and unattractive in parts, with some chairs unstable and broken and some parts of the worn carpet were simply taped over with gaffer tape.
- One of the staff was a qualified chef who had developed an innovative and popular range of rice wraps that were tasty, gourmet and healthy. None of the other cafés in the area offered these.
- No established process for dealing with injuries that happened at work.
- James gave a brochure about an innovative frozen par-bake cooking system that was under the limit set by council for an exhaust system, yet it cooked fresh bakery items in 30 minutes from frozen par-baked pastries.
- The computer with all the store's employee details, and financial records was not password protected and anyone could access the information.
- James's response to your question about the lack of sales promotion techniques was that he could not get the staff interested in the activity so he stopped trying to make it happen.
- The employee detail form requested information about the employee's entire past health issues.
- The wage and superannuation records seemed to be incomplete, with many calculations being worked out by the number of hours worked multiplied by a set 'in the hand' amount.
- James also provided a brochure about a company that could come and set up WiFi in the café so that customers could use their computer notebooks and connect to the internet while they were dining in the café.

Meeting with Ron Langford

You met with Ron Langford in his office to discuss the café, council by-laws and aspects concerning the surrounding district. You took notes that included the following significant information.

Notes from meeting with Ron Langford

- Ron explained that there were opportunities for opening more cafés in the surrounding shopping centres like Wilsonton, Clifford Gardens and K-Mart Plaza.
- Ron handed you an extract from a government report, 'Economic Brief'.
- Ron explained that the federal government was now introducing legislation that backs up the local by-law concerning efficient water usage, particularly by industries. The current by-law has fines of up to \$50,000 for excessive water breaches. Ron did explain that the council was allowing some time to 'make good' under certain circumstances on a case-by-case basis. Ron also agreed with the idea of installing a water tank in the courtyard for the café to use and would help get it built.
- Ron explained that Toowoomba was obviously a place for retirees and the population was growing.
- Ron spoke about the federal government's National Broadband Network being rolled out in Toowoomba, which would allow efficient and effective video streaming and teleconferencing.
- Ron spoke about a current by-law that is due for implementation on the first of next month, which will allow cafés to expand their footpath dining and so put more tables and chairs outside their premises.
- Ron also spoke of the fact that representatives of a large international chain of coffee shops had been making enquiries around town about opening a store in the Toowoomba CBD.

Meetings with Senior Management Team and Finance, Audit and Risk Management (FARM) Committee

Soon after you returned from your research trip to the Toowoomba store, you attended two teleconferences.

First teleconference

First, you met with the senior management team. At this teleconference, you discussed issues raised by James Mansfield and Ron Langford and the report on previous NSW expansion, which head office had given you: *Report into the acquisition and re-branding of the NSW expansion store*. Paula said that there may be some things to learn from the NSW experience.

Key problems identified in the report were as follows:

1. Lack of internal controls, particularly over cash handling, monitoring and recording.
2. Failure to meet compliance standards in WHS, privacy and industrial relations law.
3. Lack of written policy and procedures to guide staff in carrying out their duties.
4. Lack of a professional business culture in the family run business.
5. Failure of the business to monitor the external environment and find opportunities and threats to the business.

The team agreed that similar issues would pose a risk to the Toowoomba expansion.

Second teleconference

You then held a teleconference with the FARM Committee. At the teleconference, you relayed the concerns of the senior management team. The FARM Committee decided to allow you time to complete your review and then would include discussion of your review in the monthly Board of Directors meeting.

Appendix 2: MacVille Pty Ltd – Business plan (excerpt)

MacVille Pty Ltd Business Plan

Mission

MacVille Cafés serve competitively priced, high quality coffee and gourmet food in a safe and comfortable café-style environment. Our friendly, well-trained staff provide superior customer service.

Vision

MacVille aims to deliver our valued customers the very best café-going experience. In three years, the business will have established a presence across the Queensland and NSW, with the opening of additional cafés.

Values

- customer-focus
- safety
- teamwork
- performance excellence.

Strategic directions

The strategic context in which MacVille will achieve its mission and vision is through:

- engaging with customers and customer research
- developing and improving products and quality
- expansion of operations across Queensland and NSW
- creating a high-performing organisation.

MacVille Pty Ltd: Risk management policy

Introduction

MacVille recognises that risk management is an essential component of good management practice and is committed to ensuring the implementation of risk management processes that focus on the proactive management of risks across the organisation.

This risk management policy forms part of MacVille's internal controls and corporate governance arrangements. The risk management policy is designed to:

- identify, evaluate, control and manage risks
- ensure potential threats and opportunities are identified and managed
- inform directors, senior management and staff members about their roles, responsibilities and reporting procedures with regards to risk management
- ensure risk management is an integral part of planning at all levels of the organisation.

Policy

MacVille is committed to achieving its vision, business objectives and quality objectives by the proactive management of risk at all levels of the organisation.

MacVille will identify, evaluate, control and manage risk throughout the organisation in accordance with the 'MacVille Risk Management Framework'. See risk management strategy for framework details.

Responsibility and Authority

Directors, management and employees of MacVille have responsibility for implementing aspects of this policy.

Role of the Directors

The Directors have a governance responsibility in the management of risk. This includes:

- determining which types of risk are acceptable and which are not
- setting the standards and expectations of staff with respect to conduct
- approving major decisions affecting MacVille's risk profile or exposure
- monitoring the management of significant risks to reduce the likelihood of potential organisational risks and threats or failure
- being satisfied that risks are being actively managed, with the appropriate controls in place and working effectively
- annual review of MacVille's approach to risk management and approval of changes or improvements to key elements of its processes and procedures.

Role of the Senior Management Team and Store Managers

Key roles of the senior management team are to:

- implement policies on risk management and internal control where this is deemed appropriate
- identify and evaluate areas of significant risks potentially faced by MacVille for consideration by the Directors
- identify areas where risk management is not adequately addressed and advise the Directors accordingly
- review and update the Risk Management Strategy
- undertake an annual review of the effectiveness of systems of internal control and provide an annual report to the Directors, including a summary review and respective recommendations.

Role of Café Employees

Key roles of employees are to:

- familiarise themselves with the content of the Risk Management Policy and clarify any aspects necessary with a senior team member
- consider any risks they feel could impact on them meeting their objectives and either manage the risk if it is in their control to do so, or inform a management team member of their concerns
- advise senior management, in the first instance, or the Board of Directors, if concerned about any fraud or unethical behaviour.

MacVille Risk Management Framework

This framework encompasses a number of elements that together facilitate an effective and efficient operation, enabling MacVille to respond to a variety of operational, financial, commercial and strategic risks. These elements include:

- policies and procedures
- monthly reporting
- business planning and budgeting
- risk management review
- external audit.

Policies and procedures

A series of policies underpin the internal control process. These policies are endorsed by the directors and are implemented and communicated by the senior management team to all staff. These policies include:

- Human Resources Policies:
 - Staff Travel Policy
 - Harassment Policy
 - WHS Policy

- Return to Work Policy
- Work–Life Balance Policy
- Equity/Discrimination/Diversity Policy
- Parental Leave Policy
- Organisational Culture Policy
- Financial Policies:
 - Bad Debt Policy
 - Cash Reserving Policy
 - Revenue/Expenditure Recognition Policy
 - Finance, Audit and Risk Management (FARM) Committee Terms of Reference, including delegations
- Corporate Governance Policies:
 - Board Protocol
 - Sitting Fees Policy
 - Directors Remuneration Policy.

Monthly reporting

Decisions to rectify problems are made at regular meetings of the senior management team. Comprehensive reporting at Board and Sub-committee meetings is designed to monitor key risks and their controls.

Business planning and budgeting

The business planning and budgeting process is used to set objectives, agree on action plans, and allocate resources. Progress towards meeting business plan objectives is monitored regularly by the senior management team and by Directors at Board meetings.

Risk management review

The Finance, Audit and Risk Management (FARM) Committee is required to report at Board meetings on internal controls. The FARM Committee pays particular attention to risk management. It is the CEO's responsibility to brief the Directors periodically and as appropriate on the development of policies and procedures to ensure effective and efficient operations, risk management strategies and implementation. In addition, the FARM Committee oversees internal audit, external audit and management as required in its review of internal controls. The committee is therefore well placed to provide advice to the Board on the effectiveness of the internal control system, including MacVillie's strategy for the management of risk.

External audit

The final audit of financial statements is controlled by an external chartered accountant who provides feedback to the Board through the FARM Committee.

Procedure: Development of a Risk Management Profile

The following outlines the process for developing a risk management profile.

1. Establish the context:

- Define and identify the environment, characteristics and stakeholders, their goals and objectives, and the scope of the specific risk management process.
- Develop criteria against which risks are evaluated and identify the structure for risk management.

2. Identify and describe risks:

- Risks are best identified through a collaborative approach involving a cross-section of stakeholders.
- All conceivable risks must be considered. Ensure any certainties are identified as problems and addressed in the risk management profile.

3. Conduct current risk analysis:

- An analysis of the risks is conducted to determine their causes, and estimate their probability and consequences. This analysis provides the basis for working on the 'right' risks.

4. Conduct risk evaluation:

- Risks are considered and prioritised according to their potential impact, and each risk is assessed to determine its level of acceptability.

5. Develop and implement proposed risk treatments:

- Risk treatments are developed to cost-effectively reduce, contain and control risk.
- Formal risk management reporting mechanisms are defined and documented.
- Categorise the risk likelihood.

6. Monitor, report, update and manage risks:

- As risks change constantly, the risk profile is continuously monitored, reviewed and updated by management. New risks may be identified as more information becomes available and existing risks may be eliminated through the effectiveness of the risk treatments/actions.
- Identified risks, and monitoring and management activities should be recorded and stored as follows:
 - risks identified through regular audit should be recorded on the Risk Audit Log
 - risk management activities should be recorded on the Risk Management Register.

MacVille's Risk Areas

The following are four broad areas where potential for risk to MacVille has been identified. Under each area, examples of possible risks are detailed.

Operational/organisational:

- legal and regulatory compliance
- technology
- insurance
- resources: human, physical
- logistics
- marketing
- product quality
- communications
- infrastructure, plant and equipment
- customer interaction
- market needs.

Financial:

- accountability
- fraud or theft
- capital investment
- interest rates
- loss of income, funding/finance.

Governance:

- conduct of Board of Directors
- conflict of interest.

Project management:

- procedures and tools for project management
- stakeholders – strength of relationships/conflict of interest
- human resources
- financial resources.

MacVille Pty Ltd: Risk management strategy

Introduction

MacVille recognises that risk management is an essential component of good management practice and is committed to the proactive management of risks across the organisation. The strategy is designed to:

- identify, evaluate, control and manage risks
- ensure potential threats and opportunities are identified and managed
- inform directors, senior management and staff members about their roles, responsibilities and reporting procedures with regards to risk management
- ensure risk management is an integral part of planning at all levels of the organisation.

Guiding Principles

- MacVille is committed to achieving its vision, business objectives and quality objectives by the proactive management of risk at all levels of the organisation, acknowledging that embracing innovative ideas and practices carries with it risks, but that these are identifiable and measurable and therefore capable of being subject to realistic risk mitigation processes.

Responsibility and Authority

- The Board of Directors have responsibility for ensuring that risk management is in place.
- The Finance, Audit and Risk Management (FARM) Committee has the responsibility of reviewing the Risk Management Action Plan on a six-monthly basis.
- The CEO and the senior management team have responsibility for managing risk and advising the Board on appropriate controls.
- The CEO and the senior management team support and implement policies approved by the directors.
- Key risk indicators will be identified, closely monitored and action taken where necessary, by the staff and directors.

MacVille Risk Management Framework

This framework encompasses a number of elements that together facilitate an effective and efficient operation, enabling MacVille to respond to a variety of operational, financial, commercial and strategic risks. These elements include:

- Policies and procedures: A series of policies underpin the internal control process.
- Reporting: Decisions to rectify problems are made at regular meetings of the senior management team.

- Business planning and budgeting: The business planning and budgeting process is used to set objectives, agree on action plans and allocate resources. Progress towards meeting business plan objectives is monitored regularly by the senior management team and by directors at Board meetings. Contingency planning is undertaken as required.
- Risk management review: The FARM Committee is required to report at Board meetings on internal controls.
- CEO: The CEO has responsibility to brief the Directors periodically and as appropriate on the development of policies and procedures to ensure effective and efficient operations, risk management strategies and implementation.
- External audit: The final audit of financial statements is controlled by an external chartered accountant who provides feedback to the Board through the FARM Committee.

Definitions

Risks are identified on a scale of likelihood of occurring in the next 12 months and assigning an impact or consequence to the risk as high, medium or low. High includes either a significant shortfall of around 40% in achieving budget or a significant reduction in ability to function. Medium includes either a shortfall of budget of between 10% and 20% or some reduction in function. Low indicates minor reductions in achieving budget or minimal reduction in performance.

Appendix 3: Table of stakeholders template

Stakeholder	Internal/external	Role in process	Stake in process

Prepare budgets

Submission details

Candidate's name		Phone no.	
Assessor's name		Phone no.	
Assessment site			
Assessment date/s		Time/s	

The assessment task is due on the date specified by your assessor. Any variations to this arrangement must be approved in writing by your assessor.

Submit this document with any required evidence attached. See specifications below for details.

Performance objective

For this task you are required to respond to a range of questions that examine your understanding of key legislative and financial management requirements for a case study organisation. This assessment also requires you to review available financial information and establish a budget for the organisation.

Assessment description

This assessment requires you to determine the requirements to undertake budgeting, financial forecasting and reporting requirements for an organisation. You will also need to review the case study provided and prepare a budget (in electronic spreadsheet format) and budget notes for distribution and implementation in the organisation.

Procedure

Part 1

1. Read and analyse the case study information (including business plan summary and previous financial data) and complete the following.
 - a. Develop a sales budget, profit budget, cash flow budget and debtor ageing summary using electronic spreadsheets (as separate worksheets) making sure each budget is divided into quarterly periods and that you use previous financial data to determine allocations for resources.
 - i. Ensure each budget you prepare complies with the organisational and policies and procedures as provided.
 - b. Develop budget notes that include:
 - i. identification of reasons for previous profits and losses
 - ii. your comment on the effectiveness of existing financial management approaches
 - iii. all assumptions and bases that have been made or used to form budgets
 - iv. any relevant notes regarding implementation and monitoring of budget expenditure.

Part 2

1. Communicate information regarding the budget and answer a series of eight questions (see end of this task) in written or oral form as agreed with your assessor.

Specifications

You must submit:

- a completed annual budget in a single spread sheet with a separate sheet for each budget component
- budget notes and question answers in a written format.

Your assessor will be looking for:

- evidence you have reviewed the case study information provided by submitting an appropriate budget with budget notes
- evidence that you understand, and can explain, the required legislative requirements of financial management (and outline statutory requirements of ATO, GST, company tax, PAYG)
- evidence that you can outline compliance requirements for the *Corporations Act 2001*
- evidence that you can identify and recommend use of suitable software for financial management

- evidence that you have clearly communicated information regarding the budget and correctly responded to a series of questions (e.g. describe the principles of accounting and financial systems)
- evidence that you can describe implications of financial probity
- evidence that you can outline the critical dates/initiatives that will require or generate resources
- evidence that you have provided for additional items (as necessary and appropriate) in the budget
- evidence that you have recommended new or modified internal controls that could improve risk management and maintenance of audit trails
- evidence that you have developed an annual budget, as appropriate
- evidence that you have developed appropriate budget notes
- evidence that you have responded appropriately to the questions presented by 'Jim Schnieder', the CEO in the case study in this assessment task.

Adjustment for distance-based learners

This test can be adjusted for distance learners. Options include:

Option 1: Submit test as a report

Procedure:

- no variation of the task is required
- follow-up interview may be required (at the discretion of the assessor)
- documentation can be submitted electronically or paper-based.

Option 2: Conduct test as an interview

This option involves holding an interview with the candidate on Skype or by telephone.

Procedure:

- the assessor will schedule a date for the interview
- the assessor will make contact with the learner and commence the interview
- supplementary information or a follow-up interview may be required (at the discretion of the assessor).

Case study: Houzit Pty Ltd

You have recently been appointed as the business manager of Houzit Pty Ltd having been a store manager for the past three years. Houzit Pty Ltd is a 15 store retail chain located in Brisbane. Houzit is the leading homewares retailer, catering to the growing need for furnishing new and renovated dwellings in the greater Brisbane area.

The assortment on offer of bathroom fittings, bedroom fittings, mirrors and decorative items together with the recently added lighting fixtures has positioned Houzit as a leader in homewares retailing in Australia. Houzit has grown over the past five years from a single store to the current chain. Houzit prides itself on superior after sales service which has been a key reason for the continued growth in sales and corresponding profit increases. Today Houzit employs over 150 staff.

Houzit Pty Ltd is a proprietary limited company (ACN 34 765 234 02) registered with the Australian Securities and Investment Commission. The registered address is with Houzit's solicitors (Langs Lawyers, 535 Queen Street, Brisbane, QLD 4000) and the principle place of business is 505 Boundary Street Spring Hill Brisbane QLD 4000.

Computer software requirement

The current accounting information system has not adequately provided sufficient analysis of revenue and expenditure and has made it difficult to make informed estimates of future profits. Estimates have relied on the 'gut feel' of the experienced traders on the board and of the senior managers. The board sees the need to apply more analysis to past results that they believe could be done with the introduction of state-of-the-art computer software.

Houzit Pty Ltd wants to upgrade their existing accounting system which will manage the company accounts more efficiently in the long run. They request that the new system you recommend to them to be compliant with all legislative and statutory requirements for small to medium businesses.

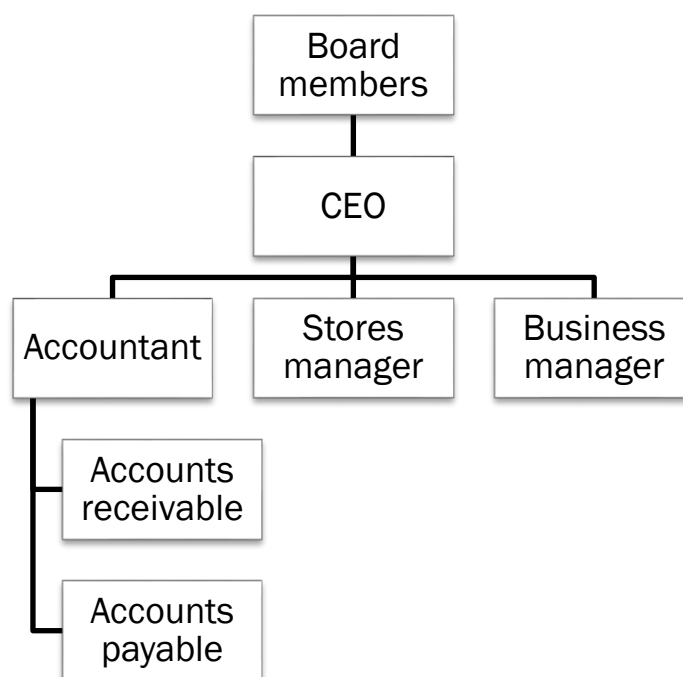
None of Houzit's products are GST free however the accounting information system records the GST collected as well as the input tax credits earned on the purchases of stock and assets. These amounts are reported and paid in accordance with the business activity statement (BAS) schedule determined by the Australian Tax Office.

They have 100 fulltime and 50 part-time staff, but only 10 of the staff will have or need access to the financial system. Some staff are paid on a salary sacrifice arrangement that attracts fringe benefits tax. The staff with access to the financial system want software that is a single purchase with no ongoing license fees, and a plan to keep using it for the next 3–5 years, while the organisation continues to grow. They are anticipating that within five years they will have over 250 full-time staff, and at least 20 staff will require access to the financial system by then.

The payroll system deducts withholding tax from the employees and remits this along with the firm's pay as you go (PAYG) instalment each quarter as reported on the firm's business activity statement. Income tax return for the company and its annual statement is completed by the firm's accountant. Taxes and fees due are paid by the due dates. Financial records are kept at Houzit's principle place of business.

Houzit have just upgraded their computers and have five new desktop PCs which will be used by the finance staff. They are current (for 2011) specification machines with i5 CPUs and 4Gb RAM each, and all have Windows 7 Professional and Norton's 360 installed with the professional version of Microsoft Office Small Business as well. Other staff will use their machines at various times, so it is important that the software requires a login to access data and that data stored by the software cannot be accessed in any other way.

Corporate details



Jim Schneider, the CEO, has asked you to prepare some financial budgets for the 2011/12 financial year as a preliminary overview of the financial year ahead. He asked you to first prepare a 12 months budget and then break it up over the four quarters. The areas he is particularly interested in seeing is:

1. Sales budget for 2011/12 by department by quarter.
2. Profit budget (including detailed expenses) for 2011/12 by quarter.
3. The cash flow result per quarter of the GST after adjusting the GST collected by the allowable GST tax credits.
4. The anticipated aged debtors summary at the end of each quarter.

The CEO wants to be given all the budgets except for the aged debtors budget which the accountant and accounts receivable clerk can monitor. The CEO produced a summary of the current business plan that covered the budget year to highlight some of the key goals, objectives and strategies he would like incorporated into the budget.

Business plan summary

1. The anticipation that the coming financial year would maintain the same sales growth as the growth that took place between 2007/08 to 2010/11.
2. To budget for an increase in inflation to 4% per annum and that all costs subject to inflation should incorporate this particular increase.
3. A new car costing \$97,466 including GST has been planned for in the coming period to replace the five year old vehicle currently used by the chairman. This fuel inefficient car will attract a luxury car tax.
4. Sales breakup over the departments is anticipated to be bathroom fittings 30%, bedroom fittings 25%, mirrors 15% and decorative items 10% together with the recently added lighting fixtures 20%.
5. Profits are to be built on securing a growing customer base which will generate loyalty sales and become the refer other customers to the organisation. The superior after-sales service is the key strategy to achieve this.
6. Reduction on the principle of the loan by a payment of \$100,000 on the 31 December 2011 from the profits generated by the business.
7. One objective in this plan is to manage the debtors more efficiently in the current period. This will involve an analysis of the debtors to identify ways to reduce the amount of cash tied up in outstanding debtors.
8. The expectation that 2011/12 would be a difficult trading year but that the budget net profit should target the same result as achieved in the 2010/11. The strategy to achieve this in the business plan included three key elements:
 - a. To reduce the expected gross profit rate by 1% on the 2010/11 result in the hope that lower prices on the products would help maintain the sales growth even in difficult trading conditions.
 - b. To increase the advertising budget by \$70,000 over the 2010/11 results in the hope that Houzit can secure a greater market share in a constricting market. \$200,000 is planned for the first quarter with the balance apportioned equally over the following three quarters.
 - c. To increase wages and salaries by \$172,500 over the 2010/11 amounts in the hope that allowing the existing high number of casual staff to earn commissions on sales that should help to maintain Houzit's sales growth.

After going through the business plan summary, the CEO gave you the previous year's financial reports and asked you to speak with the accountant Celina Patel to get some of the figures and detailed expectations for the coming year.

You arrange a meeting with Celina Patel, Houzit's accountant, and she gives you the following insight into the historical expense relationships and the current statutory compliance liabilities.

Sales and profit budget information

Celina explained that the only budget she monitors on a day-to-day basis is the cash flow budget and the store manager is primarily responsible for the sales budget.

These are the notes you take at the meeting:

- The overall sales for 2011/12 target set by the business plan should be apportioned across the quarters in the same % as was achieved in 2010/11. This was:

Qtr 1	Qtr 2	Qtr 3	Qtr 4	2010/11
3,142,822	3,771,386	4,085,668	4,714,232	15,714,108

- Cost of goods sold is the inverse of the gross profit rate determined by the business plan and is determined by the quarterly sales budget.
- Accounting fees have been negotiated for the year at a fixed amount of \$10,000 to be paid in equal amounts each quarter.
- The interest charges on the bank loan are anticipated at a reduced amount of \$84,508 due to an agreed repayment of some of the loan principal. This is to be paid in equal amounts each quarter.
- Bank charges are expected to be the same as 2011 and paid in equal amounts each quarter.
- Celina has requested that a new expense (store supplies) be recognised in the new budget that was previously included in with the cleaning expense amounts. Store supplies in the 2009/10 results was \$3,500 of the cleaning expense and \$3,605 of the 2010/11 result. Cleaning expense will then be lower but identify the real labour costs involved in the cleaning expense.
- Depreciation is expected to be the same as 2011 and allocated in equal amounts each quarter.
- Advertising is to be apportioned to each quarter based on the business plan.
- The following expenses are expected to increase by the determined inflation rate in the business plan summary:
 - Insurance – apportioned in equal amounts each quarter.
 - Store supplies – is calculated for to each quarter using the same % as determined by the sales for each quarter.
 - Cleaning – is calculated for each quarter using the same % as determined by the sales for each quarter.

- Repairs and maintenance – apportioned in equal amounts each quarter.
- Rent – apportioned in equal amounts each quarter.
- Telephone – is calculated for to each quarter using the same % as determined by the sales for each quarter.
- Electricity – is calculated for to each quarter using the same % as determined by the sales for each quarter.
- Fringe benefits tax is expected to be the same as 2011 and paid in equal amounts each quarter.
- Wages and salaries are calculated for each quarter using the same % as determined by the sales for each quarter.
- The statutory requirements are:
 - superannuation is 9% of wages and salaries for each quarter
 - payroll tax is 4.75% of wages and salaries for each quarter
 - workers compensation is 2% of wages and salaries for each quarter
 - company tax is 30% of net profit before tax for each quarter.

Houzit Pty Ltd				
For 12 months ended				
Profit & Loss Actuals	2007/08	2008/09	2009/10	2010/11
Revenue				
Sales	12,474,336	13,472,315	14,550,100	15,714,108
- Cost Of Goods Sold	6,860,901	7,409,773	8,002,555	8,799,900
Gross Profit	5,613,465	6,062,542	6,547,545	6,914,208
Expenses				
- Accounting Fees	5,500	6,500	8,500	9,000
- Interest Expense	45,000	65,000	96,508	90,508
- Bank Charges	1,200	1,300	1,580	1,600
- Depreciation	170,000	170,000	170,000	170,000
- Insurance	12,500	12,500	12,500	12,875
- Store Supplies	-	-	-	-
- Advertising	50,000	100,000	280,000	280,000
- Cleaning	12,560	15,652	18,700	19,261
- Repairs & Maintenance	40,250	52,600	60,000	61,800
- Rent	2,465,000	2,465,000	2,465,000	2,538,950
- Telephone	9,862	12,523	14,000	14,420
- Electricity Expense	22,500	23,658	25,000	25,750
- Luxury Car Tax	-	-	12,400	-
- Fringe Benefits Tax	26,000	26,000	26,000	28,000
- Superannuation	148,500	160,737	166,500	171,495
- Wages & Salaries	1,649,998	1,785,965	1,850,000	1,905,500
- Payroll Tax	78,375	84,833	87,875	90,511
- Workers' Compensation	33,000	35,719	37,000	38,110
Total Expenses	4,770,245	5,017,987	5,331,563	5,457,780
Net Profit (Before Tax)	843,220	1,044,554	1,215,982	1,456,428
Income Tax	252,966	313,366	364,795	436,928
Net Profit	590,254	731,188	851,188	1,019,499

Houzit Pty Ltd		
Statement of Financial Position		
As at 30 June	2009/10	2010/11
Assets		
Current Assets		
- Cash On Hand	50,000	55,000
- Cheque Account	144,842	160,314
- Deposits Paid	950,000	950,000
- Trade Debtors	850,000	975,000
- Merchandise Inventory	1,530,000	1,430,000
Total Current Assets		
Fixed Assets		
- Motor Vehicles At Cost	500,000	500,000
- Motor Vehicles Accum Dep	(100,000)	(125,000)
- Furniture & Fixtures At Cost	1,950,000	2,250,000
- Furniture & Fixtures Accum Dep	(650,000)	(770,000)
- Office Equip At Cost	400,000	400,000
- Office Equip Accum Dep	(90,000)	(115,000)
Total Fixed Assets	2,010,000	2,140,000
Total Assets	5,534,842	5,710,314
Liabilities		
Current Liabilities		
- MasterCard	17,800	14,860
- Trade Creditors	780,000	679,000
- GST Collected	1,455,010	1,571,411
- GST Paid	(943,125)	(987,626)
- Superannuation Payable	100,000	120,000
- Luxury Car Tax Payable	20,920	-
- income Tax Payable	364,795	436,928
- PAYG Withholding Payable	65,000	44,872
Total Current Liabilities	1,860,400	1,879,445
Long-Term Liabilities		
- Bank Loans	1,608,459	1,508,459
Total Liabilities	3,468,859	3,387,904
Equity		
- Owner/Shareholder's Equity	500,000	500,000
- Retained Earnings	850,000	1,565,982
- Dividends Paid	(500,000)	(1,200,000)
- Current Year Earnings	1,215,982	1,456,428
Total Equity	2,065,982	2,322,410

Internal auditor

Carl Kerns is one of the directors of the board. Carl said that as a board member they are given the profit and cash flow budgets. He was appointed by the board to conduct an internal audit of operations to look for weaknesses in the internal control system. His report uncovered the following processes that he believed needed to be strengthened.

- While the overall customer base is increasing from year to year, there may be internal control issues relating to how these new customers are secured.
- Some discounts that were being given to customers were recorded as a net amount on the invoices and gave no indication of the discount from standard prices.
- Some cash registers in the stores were not reconciling the cash in drawer with the register printout.
- Not all timesheet overtime amounts were being authorised by the line manager.
- Service invoices for some items of equipment were not signed or linked to a purchase order. There was no check that the work had actually been carried out.
- Not all assets in the stores had unique codes fixed to the asset.
- There was minimal feedback lines of communication from the shop floor to head office, particularly when an error in the budgeting report process was recognised.
- Debtor reconciliations were not done monthly and sometimes not at all.
- In busy times the cashiers that operated the registers were also asked to do their own reconciliations and banking. Sometimes the cash was held in the store for a day or two.
- Job roles were not clearly defined so that responsibilities and liability can be identified.
- There was little rostering of duties and cash receipts were not pre-numbered.

Of particular concern to Carl was the directive given by the board to ensure that audit trails were created and maintained. These included:

- Signing the timesheets for employees under the authority of a department manager.
- Maintenance of a numbered cash receipts book.
- Using sequenced cheques as a systematic way of evidencing all monies paid out.
- Ensuring proper coding of evidenced transactions against appropriate general ledger account and cost centre.
- Ensuring reconciliations between company books and third party bank statements are performed.

GST cash flow budget

Statutory requirements for GST is 10% of the recorded amounts in sales. The only capital purchase planned for the year is the luxury car for the chairman. Those expense payments on which 10% GST was paid include the following:

- Cost of goods sold:
 - accounting fees
 - insurance
 - store supplies
 - advertising
 - cleaning
 - repairs and maintenance
 - rent
 - telephone
 - electricity expense.

The GST amount payable each quarter is the difference between the GST collected from sales and the GST paid – format as per policy and procedures.

CASH FLOW ANALYSIS – GST	2011/12	Qtr 1	Qtr 2	Qtr 3	Qtr 4
GST Collected	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
Less GST Paid	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
GST Payable	Calculation	Calculation	Calculation	Calculation	Calculation

Debtors ageing budget

The historical records show that the debtors balance at the end of each quarter is usually about 20% of the quarter's sales. At any time in the debtors balances 1% of the total debtors is overdue 90 days and over, 5% is 60 days overdue, 10% is 30 days overdue and the balance of the total debtors is current. The aged debtors' budgets are only distributed to the accountant and the accounts receivable clerk.

Houzit Budgeting Policy and Procedures

Budget development process

The standard process for developing budgets will follow the following steps:

1. Establish the budget objective.
2. Gather prior period data.
3. Discuss prior period information and anticipated changes in the budget period with stakeholders.
4. Research relevant external information.
5. Incorporate identified trends to determine assumptions and parameters.
6. Prepare budgets in standard formats.
7. Submit budgets for approval.

Budget objectives

Houzit prepares budgets to meet various company objectives. Budgets are prepared:

- for a specific expansion of the business activities:
 - business case to be prepared covering a cost-benefit analysis, market research report and summary profit and investment expectations
- to outline a specific debt reduction initiative:
 - company-wide summary of profit expectations, planned debt and equity funding arrangements, CAPEX plans summarised
- annually to cover the next financial year:
 - for the 12 month period from the beginning to the end of the financial year
 - budget to include four quarter milestones in line with seasonal trends identified from prior year data
 - initial preparation includes a preliminary overview of the financial year ahead
 - sales budget for next year to be prepared by department by quarter
 - profit budget (including detailed expenses) for the next year to be prepared by quarter
 - cash flow effect of the GST payable per quarter to be prepared (scheduled compliance payment date is the 21st day after the end of the quarter)
- To satisfy the statutory requirements relating to the current and short-term solvency of the company:
 - three monthly rolling forecast of cash flows to be prepared
- To qualify the strategic plans for the next 3–5 years planning cycle:
 - profit and CAPEX budget to be prepared.

Budget variances and schedules

- Key performance indicators that should be closely monitored and reported on include variances to:
 - total sales
 - gross profit (GP) %
 - wages and salaries as a % of total sales
 - total expenses as a % of total sales
 - net profit in dollars
 - net profit as a percentage.
- Budget variances will be reported using the standard format provided in this policy and procedures document.
- Budget variances must be completed within five working days of quarter end.
- Actual results for the month will be provided by the accounting information system.
- An analysis of the variance between the actual and the budget must include \$ and % variance.
- Report with explanations and recommendations to be complete within seven working days of quarter end and be given to the CEO.
- Analysis and investigation of variances will include the following priority:
 1. Establish the primary causes for variances to key performance indicators of total sales, gross profit % and net profit \$.
 2. Establish reasons for those individual items in the variance report that represent the greatest \$ variance.
 3. Establish reasons for those individual items in the variance report that represent the greatest % variance.
- Schedules relating to compliance due dates must be prepared and monitored by the accountant. Managers supplying information to the accountant regarding the compliance schedule must submit it at least five working days prior to the due date deadline.

Standard formats

The following formats will be used when preparing Houzit budgets and variance reports.

Sales and profit budgets

PROFIT BUDGET	2011/12	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Revenue	-	%	%	%	%
Sales	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
- Cost of Goods Sold	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
Gross Profit	Calculation	Calculation	Calculation	Calculation	Calculation
Gross Profit %	Calculation	Calculation	Calculation	Calculation	Calculation
Expenses					
- Accounting Fees	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
- Interest Expense	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
- Bank Charges	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
- Depreciation	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
- Insurance	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
- Store Supplies	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
- Advertising	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
- Cleaning	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
- Repairs & Maintenance	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
- Rent	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
- Telephone	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
- Electricity Expense	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
- Luxury Car Tax	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
- Fringe Benefits Tax	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
- Superannuation	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
- Wages & Salaries	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
- Payroll Tax	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
- Workers' Compensation	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
Total Expenses	Calculation	Calculation	Calculation	Calculation	Calculation
Net Profit (Before Tax)	Calculation	Calculation	Calculation	Calculation	Calculation
Income Tax	Calculation	Calculation	Calculation	Calculation	Calculation
Net Profit	Calculation	Calculation	Calculation	Calculation	Calculation

GST Cash flow budget

CASH FLOW ANALYSIS – GST	2011/12	Qtr 1	Qtr 2	Qtr 3	Qtr 4
GST Collected	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
Less GST Paid	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
GST Payable	Calculation	Calculation	Calculation	Calculation	Calculation

Aged debtors

AGED DEBTORS BUDGET	TOTAL	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Sales	x,xxx	x,xxx	x,xxx	x,xxx	x,xxx
% Debtors Sales		%	%	%	%
Total Debtors	%	Calculation	Calculation	Calculation	Calculation
Current	%	Calculation	Calculation	Calculation	Calculation
30 Days	%	Calculation	Calculation	Calculation	Calculation
60 Days	%	Calculation	Calculation	Calculation	Calculation
90 Days	%	Calculation	Calculation	Calculation	Calculation

Scenario

The CEO of Houzit Pty Ltd, Jim Schnieder explained that he prefers to discuss the budgets with all senior managers prior to their distribution in order to ensure a corporate view of the strategic plans. He then meets with each group separately to answer questions and concerns about their particular area. Eventually the budgets will be printed in hard copy and bound as well distributed as an electronic spreadsheet.

Upon completion of the budgets you meet with Jim to provide an overview of the information contained within the budgets, the budget notes and recommendations regarding the internal controls to prepare him for the meetings with the senior managers. To clarify his understanding of the information, Jim asks you a series of questions (listed below, which you will complete written or orally as agreed with your assessor).

Prompt questions

Based on the information provided in the case study answer the following questions in the space provided below:

1. Identify the current statutory requirements for tax compliance and list and calculate the tax liabilities for Houzit Pty Ltd under taxation legislation.

2. Identify the current compliance requirements and liabilities for this organisation under the *Corporations Act 2001*.

3. Review commercially available financial management software to select the most suitable software for Houzit Pty Ltd.

Ensure you diagnose software options by comparing two commercially available software titles against the capabilities of the existing technology for the organisation and against the prioritised requirements, and outline the reasons that lead you to this recommendation.

6. List the critical dates and initiatives that will require or generate resources for Houzit Pty Ltd in the next financial cycle.

7. List the items you would recommend for inclusion in the budgets for Houzit Pty Ltd.

8. List the new or modified internal controls that could improve risk management for Houzit Pty Ltd including the maintenance of audit trails.

Develop change management strategy

Submission details

Candidate's name		Phone no.	
Assessor's name		Phone no.	
Assessment site			
Assessment date/s		Time/s	

The assessment task is due on the date specified by your assessor. Any variations to this arrangement must be approved in writing by your assessor.

Submit this document with any required evidence attached. See specifications below for details.

Performance objective

You will demonstrate the skills and knowledge required to develop a change management strategy.

Assessment description

Using the scenario information supplied, you will undertake a cost-benefit analysis for high-priority change requirements, undertake a risk analysis, identify barriers, and develop mitigation strategies. You will develop a change management project plan, assign resources and develop a reporting process. You will then present your analysis and project plan to management for approval.

Procedure

1. Review the simulated workplace information for Fast Track Couriers.
2. Develop a change management strategy for Fast Track, which you will present to management (your assessor) for approval, by following steps 3–8 below.
3. Identify change goals and specify:
 - a. who/what is impacted
 - b. how they are impacted
 - c. when the impacts will be realised.
4. Identify the change goals you have identified are related to the organisation's strategic goals.

5. Undertake a cost-benefit analysis of the change requirements. Include:
 - a. the change requirements
 - b. the costs of changes
 - c. risks
 - d. the possible benefits of each change
 - e. assessment of the benefits against the costs and risks
 - f. categorised changes:
 - i. feasible (F)
 - ii. maybe feasible (MF)
 - iii. not feasible (NF).
6. Undertake a risk analysis of the change requirements:
 - a. identify the risks and barriers
 - b. analyse and evaluate the risks and barriers
 - c. identify mitigation strategy.
7. Develop a change management project plan. In order to justify your plan, include a brief explanation of the change management theory/methodology followed to embed change. Your plan must reflect theory and you must be prepared to explain to management how key elements of your plan, such as stakeholder management, communication, and education/training plans, show elements of a particular theory.
8. Include the following components in your plan.
 - a. Stakeholder management.
 - i. Identify key stakeholders and roles.
 - ii. Identify commitment level.
 - iii. Identify concerns/issues (and how these will be addressed).
 - iv. Develop consultation methods for engaging identified stakeholders.
 - b. Communication plan:
 - i. audience
 - ii. message
 - iii. when this communication will occur
 - iv. how the message will be communicated (e.g. email, face to face, newsletter)
 - v. person responsible.
 - c. Education/training plan:
 - i. participants
 - ii. the skills the training will provide
 - iii. when the training will occur

- iv. how the training will be delivered (e.g. classroom, online, on-the-job)
 - v. person responsible.
9. Your project plan should also include a measuring/reporting strategy. Measurement and reporting strategy should include:
 - a. how you will measure success
 - b. how you have reached agreement for reporting protocols with managers including:
 - i. who the relevant managers are
 - ii. who will submit information for reporting
 - iii. who will produce the report
 - c. how you will report success including:
 - i. format of reports
 - ii. when reports will be produced (weekly, fortnightly, monthly)
 - iii. who will receive a copy of the report.
10. Finally, your project plan should also include a list of resources (tools, supplies, etc.)
11. Deliver a formal presentation (using PowerPoint) to management (your assessor) to gain approval for your change management strategy. Your assessor will approve your strategy based on your completion of this assessment task and satisfaction of specifications below.
12. Ask for authorisation to implement strategy.
13. Submit all documents to your assessor as per the specifications below. Ensure you keep a copy of all work submitted for your records.

Specifications

You must present and then submit a copy of:

- one PowerPoint presentation containing analysis and change management project plan.

Your assessor will be looking for how you:

- explain the change management process or cycle and outline strategies for communicating and embedding that change
- explain components of the change management project plan
- explain specific organisational requirements
- outline potential barriers to change
- demonstrate leadership skills to gain acceptance of plan and gain trust
- demonstrate planning and organising skills

- utilise problem-solving skills to identify and respond to barriers to change and analyse risks
- use verbal communication skills to describe and promote change management plan.

Adjustment for distance-based learners

- No changes to the assessment procedure or specification are required.
- The presentation may be conducted via video or teleconferencing.
- Documentation may be submitted electronically.
- A follow-up interview may be required (at the discretion of the assessor).

Appendix

Task: Fast Track Couriers Pty Ltd

It is the end of the 2015 financial year. You are an external change management consultant employed by Fast Track Couriers. You have been asked by the General Manager to develop a change management strategy and present the strategy to management for approval.

Management has identified the following high-priority change requirements.

- Goal A: Implement PDA/GPS usage (productivity function) on truck fleet in the first quarter of the 2016 financial year.
- Goal B: Implement one person per truck policy using automatic lift gates in the first quarter of the financial year.

Achievement of these goals should increase net profit in the next financial year by \$200,000 due to increased efficiencies and increased business.

Goal A is essential to the business to ensure (in priority order):

1. most efficient use of resources to cover market needs. Management will look at more than the raw hours spent on job, and consider all factors such as job difficulty, traffic conditions, etc., in order to optimise fleet usage
2. job performance measurement for training needs
3. recognition of outstanding performance (bonuses for exceeding targets; advancement/leadership opportunities).

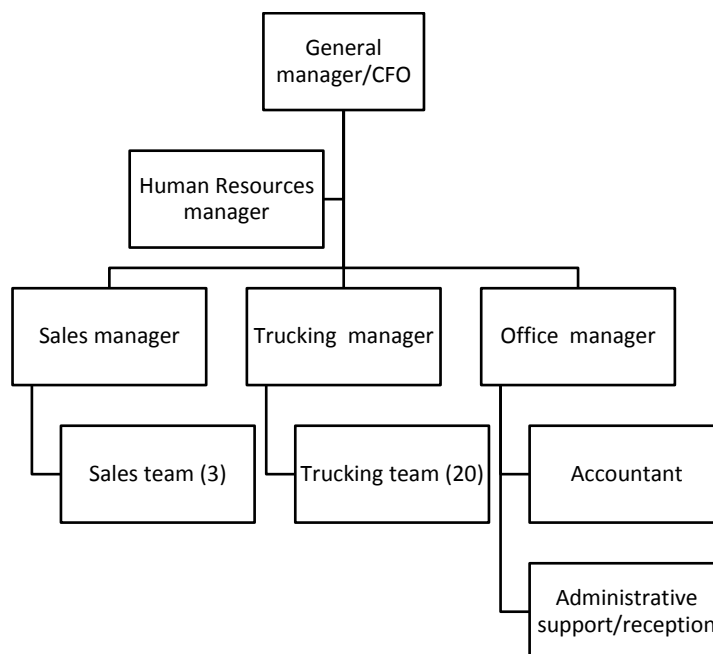
Goal B is essential to the business to ensure:

- most efficient use of resources to cover market needs
- reduced need to hire external truckers; use of present employees as much as possible
- reduced possibility of lifting injury.

The change management strategy, once approved by the General Manager, should be implemented immediately.

People/structure

Fast Track Couriers has implemented and recruited the people required to fill the roles in the following organisational structure:



Managerial duties/role description

General manager/CFO	Oversees company; approves major business decisions such as strategic goals, change management initiatives; reports to board of directors; prepares financial reports.
HR manager	Oversees and implements change management programs; collect feedback, assessment results, and all other data regarding change management; provides report to the General Manager on implementation of major changes; oversees recruitment.
Sales manager	Coordinates sales team; provides sales team training; manages performance of sales team.
Trucking/operations manager	Coordinates activities of trucking team; manages performance of trucking team; compiles productivity reports; manages operations, authorises purchasing of operational equipment, etc.
Office manager	Coordinates activities of accountant and administrative support. Authorises payroll.

Resourcing/budget

The budget for implementing the change strategy (excluding cost of new trucks, technology and lift gates, lost productivity from truckers) is \$25,000. Overruns must be approved by General Manager.

You will be employed for two weeks full-time (40 hrs/week) and 8 hours a week until end of the first quarter.

Resources:

The following resources are available for your use:

Resource	Cost	Availability
Project analyst/manager (you).	\$100/hour	Length of project, as needed
Trucking manager (Bob Rogers).	-	Length of project, as needed
Sales team member with high-level oral and written communication skills to assist new Human Resources manager (Jessica Smith).	-	Length of project, as needed
New Human Resources manager (Peggy Anderson).	-	
PDA/GPS trainer (Jack MacDonald).	\$150/hour	Length of project, as needed
Lift gates trainer (Erin Mitchell).	\$150/hour	Length of project, as needed
Head office training rooms equipped with training supplies for five participants.	-	2 nd week of July 2011 only
PDA/GPS device, based at office.	-	Length of project, as needed
One new truck with tailgate based at office	-	Length of project, as needed

Other resources must be requested for approval by General Manager.

Education/training

- Goal A: Implement PDA/GPS usage (productivity function) on truck fleet in the first quarter of the 2016 financial year. Requires a half-day training session.
- Goal B: Implement one person per truck policy using automatic lift gates in the first quarter of the financial year. Requires a half-day training session.

Project management reporting

The General Manager would like you to report to her on a daily basis in the initial week of the project, and then weekly until the end of the first quarter. The HR manager should receive a copy of this report.

Template

Fast Track Couriers policy mandates the use of the following project management template.

- Green: completed
- Amber: in progress
- Red: not completed.

Reporting element	Measures	Status
Change goal		
Project management	Delivery of project activities as per project plan for each stream	Overall status:
	- People	
	- Process	
	- Technology	
	- Structure	
Stakeholder management	Stakeholders engaged and comfortable with current position	
Communication	Communication plan activities on schedule	

Reporting element	Measures	Status
Education	Education plan activities on schedule	
Cost benefits	Project budget on track	
	Cost benefits on track to be realised	
Risk management	Risk management plan effectively managing risk	

Background information: Fast Track Couriers Pty Ltd

About Fast Track Couriers

Fast Track Couriers is a courier company that has been operating in New South Wales for the last 15 years. Its primary business function is delivering medium to large size packages across metropolitan Sydney.

Strategic plan goals

The organisation's strategic goals are:

- to expand business in the metropolitan area so that small to medium package deliveries market share increases by 7.5%.
- to expand the business to include small and medium package deliveries to regional NSW.
- to develop an integrated approach to distribution management utilising technology such as PDA devices and GPS.
- to develop and maintain a cohesive and well-motivated workforce.

Strategic goals are supported by the following operational and human resources goals.

Operational plan goals

- Testing of the distribution management system is to cease and allow implementation within the first quarter of the 2016 financial year.
- The truck fleet will need to be expanded by 8 trucks within the 2016 financial year.
- Small distribution hubs will be positioned at Maitland, Goulburn, Nowra and Bathurst, each manned by two employees within the next eighteen months.
- Fast Track Couriers will complete 20% of deliveries to regional locations in the next three years.

Human resources goals

- Incorporating a Human Resources function to facilitate the changes in workforce management in the first quarter of the 2016 financial year.
- Introducing professional development and training to achieve organisational goals and promote understanding of organisation's strategic goals in the first quarter of the financial year.
- Eliminating industrial relations problems in the financial year. Concluding negotiations with employees and union.
- Eliminating lifting injuries.

Employee profile (pre-changes)

Fast Track Couriers employs the following people:

- General manager (GM) – Generally on the road; never in office.
- Chief financial officer (CFO) – Reports to GM and keeps office hours; 9–5, Mon–Fri.
- Accountant – Reports to CFO and keeps office hours; 9–5, Mon–Fri.
- Truck drivers (x20) – Report to office.
- Office team manager – Reports to GM and keeps office hours; 9–5, Mon–Fri.
- Office team members (x5) – Perform administrative, sales, customer relationship management duties. Monitor truck drivers and handle enquiries. Report to office team manager.

Head office employees

- Covered under individual contracts.
- Salary range is \$32,000–\$75,000 annum.
- Small team of mainly female employees, ranging in age.
- Lots of opportunity to participate in learning and development programs due to management support; however little desire to participate.
- High employee engagement scores. Employees cite team work and opportunities as motivating factors affecting the business success.

Drivers

- Covered by an award.
- Salary \$45,000 per annum.
- Heavily unionised.
- Employee demographics are all male employees aged 25–65.
- Little opportunity to participate in learning and development programs due to being on the road; however, little to no interest in participating in development opportunities.
- Large number of workplace injuries due to heavy lifting.
- Low employee engagement scores. Drivers cite pay as an issue.
- Currently experiencing low turnover.
- History of industrial disputes regarding pay and previous change initiatives.

Background to workforce management and relations

The company communicates with employees via email for head office employees, and a printed monthly newsletter for drivers. The company provides information regarding

policies and procedures through documented manuals that are held in each truck as an employee manual. Office-based staff can access copies of these manuals at the office.

All trucks are fitted with a GPS system to assist drivers with navigating to each pick-up and drop-off location. Trucks are also assigned a PDA that provides drivers with the details of each pick-up and drop-off and records when a job starts and finishes. The data from this device is sent back to head office to monitor job progress but is not used to complete productivity reporting. When this device was introduced, drivers were not happy, as they felt the organisation was saying that it did not trust the drivers to manually record the time spent on each job. Many of the drivers also resented having to learn how to use the device and thought it was a waste of time.

Head office employees work very closely together and are a very cohesive and motivated team. They are positive about the organisation's direction and respond well to change.

Drivers have historically reacted negatively to change. Change implemented in the past has met with resistance and was therefore difficult to implement. Drivers have in the past done their best to block any changes from being implemented, even going to the lengths of threatening strike action and having the union involved to assist with resolving the issue.

Fast Track Couriers currently allocates two drivers per truck to ensure that drivers are able to load and unload heavy packages. The strategy going forward is to remove the need for having two drivers per truck by installing an automatic lift gate on the back of each gate at a cost of \$10,000 per truck. This will mean that only one driver is needed per truck as no heavy lifting will be required.

It is Fast Track Couriers' intention to use these surplus drivers to drive the new trucks that will be purchased to enable the company to extend its services to regional NSW.

Drivers are currently happy with the work environment, as they enjoy working as part of a two-man team. The organisation typically leaves the drivers alone and lets them do their job as this is what seems to make them happy. Management has tried in the past to have drivers participate in organisational activities. These activities were not received positively and the drivers complained and asked not to be involved. The drivers' view is that their preferred team is their two-man driver team and they only see the benefits of that specific working arrangement. There is a high value placed on communication with trucking team members.

Prepare and present a marketing plan

Submission details

Candidate's name		Phone no.	
Assessor's name		Phone no.	
Assessment site			
Assessment date/s		Time/s	

The assessment task is due on the date specified by your assessor. Any variations to this arrangement must be approved in writing by your assessor.

Submit this document with any required evidence attached. See specifications below for details.

Performance objective

In this assessment task, you are required to develop a presentation and written report describing your marketing strategies and activities, including clear descriptions of how your strategies reflect organisational objectives.

Assessment description

In this assessment task, you are required to review the strategies and tactics you devised in Assessment Task 1 and describe how they meet the requirements for the organisation. You also need to develop a presentation of your marketing strategies that outlines the strategies, your approaches and your reasoning for developing these. Your presentation should incorporate feedback from key stakeholders.

Procedure

1. For the organisation outlined in the case study materials from Assessment Task 1, and using the strategies and tactics developed in Assessment Task 1, you will need to prepare a marketing plan using the headings below.
 - a. **Executive summary** – Provide an overview of the organisation and the plan, which simply states what is to be achieved.
 - b. **SWOT analysis** – Submit an overview of the organisation’s strengths, weaknesses, opportunities and threats (analysed in Assessment Task 1).
 - c. **Marketing objectives** – Include the objectives of the organisation (discussed in Assessment Task 1).
 - d. **Strategies** – Outline the marketing opportunity selected and strategies developed in Assessment Task 1.

Include your reasoning for the marketing mix decisions that you made and the strategies you selected, referring to the SWOT, risk and gap analyses undertaken.
 - e. **Implementation** – Provide an outline of the tactics devised for implementation in Assessment Task 1. You need to provide your reasoning for choosing these tactics, and outline the process for reviewing performance.
2. When you have finished writing your marketing plan, you need to:
 - a. liaise with your supervisor (your assessor) to arrange a suitable time and format for presentation
 - b. present the plan to key stakeholders (a group assembled by your supervisor) in the format specified by the assessor and at an agreed time
 - c. allow for feedback on the plan from stakeholders within your presentation.
3. During your presentation, you will need to ensure you demonstrate:
 - a. the appropriate communication skills to relate to a diverse range of people
 - b. the leadership skills to gain the trust and support of stakeholders for the plan you present.
4. After you have presented your report and incorporated feedback from key stakeholders, you need to revise and send your final written report to your supervisor (your assessor).

Specifications

This assessment task can be completed in your own time as you work through the related topics in either the Student Workbook or under the guidance of the assessor.

The assessment will be due at the completion of Section 3 of the Student Workbook, unless otherwise advised by the assessor.

You must:

- submit and present a marketing plan that follows the instructions as set out in the procedure above.

Your assessor will be looking for whether you have:

- followed the instructions to develop a detailed marketing plan
- structured your plan according to the headings listed above
- sufficiently justified your selection of marketing strategies and implementation tactics
- allowed an opportunity to receive feedback during your presentation to key stakeholders
- demonstrated the communication skills to convey your message succinctly.

Adjustment for distance-based learners:

The presentation can be adjusted for distance learning. The presentation for this task can take place with an online video conferencing tool, such as Skype.

Distance learning option 1: Assessor as observer

The learner can conduct the presentation as specified in the assessment task, but may need to adjust the way that the report is presented and how feedback is incorporated.

- The presentation can be varied to take place by Skype conference. If this is possible, the process followed does not need to be varied greatly.
- The student should email presentation material (PowerPoint slides) to the assessor prior to the presentation.
- Additional evidence (documents, photos and videos) may be required and can be sent electronically, but must conform to the format guidelines provided to student.

Distance learning option 2: Tape the presentation

The presentation may involve skills that are too active or complex for video conferencing. This might involve skills or demonstrations of complex tasks.

In this case, the candidate may be able to video the presentation and send it to the assessor.

The student should send presentation material (PowerPoint presentation) and any additional evidence together with the presentation to the assessor.

Implementation and presentation

Submission details

Candidate's name		Phone no.	
Assessor's name		Phone no.	
Assessment site			
Assessment date/s		Time/s	

The Assessment Task is due on the date specified by your assessor. Any variations to this arrangement must be approved in writing by your assessor.

Submit this document with any required evidence attached. See specifications below for details.

Performance objective

Using the Sydney Opera House corporate documents as well as additional information provided, you will develop an implementation plan and monitoring strategy to achieve targets.

For this assessment you will also communicate sustainability requirements to Sydney Opera House employees (other learners acting as employees) by developing and delivering a presentation or training session.

Assessment description

For this assessment task, you will review corporate information available from the Sydney Opera House and use the targets provided to develop an implementation plan and monitoring strategy to meet those targets.

Then, using your implementation plan, the Sydney Opera House Environmental Sustainability Policy, and other Sydney Opera House documentation, develop a 10–15 minute presentation or training session to deliver to internal employees of the Sydney Opera House. You should outline the Sustainability Policy and what it means to Opera House staff. As part of this presentation, you must describe how the revised processes will be implemented and managed.

You will need to promote the policy and its expected outcomes and explain how the outcomes affect key stakeholders.

You will also need to assign and outline responsibilities for using recording systems to track sustainability improvements.

Procedure

Part A

You will develop an implementation plan and monitoring strategy to meet Sydney Opera House targets provided.

1. Review the Sydney Opera House vision, mission, goals and policies, especially the Environmental Sustainability Policy. These documents are available from the Corporate Information page at: http://www.sydneyoperahouse.com/About/CorporateInformation_Summary.aspx.
2. Complete a sustainability implementation plan (using the template provided in Appendix 2) to implement the Sydney Opera House sustainability policy and meet the sustainability targets set out in Appendix 1. In the implementation plan, include:
 - a. two or more actions for each target (listed in Appendix 1)
 - b. at least one action that involves staff training
 - c. at least one action that involves communication to staff through a presentation.
3. Develop a monitoring strategy (using the template provided in Appendix 3) for meeting the targets that includes:
 - a. key outcomes expected for each action and person
 - b. metrics/key performance indicators for each action
 - c. a method of gathering and recording data on sustainability performance.
4. Arrange a meeting with your assessor to explain the actions you've chosen and gain approval for actions from your assessor. You and your assessor will also need to discuss and agree upon a method of recording audience feedback to your presentation or training delivered in Part B of this task.
5. Submit the implementation plan and monitoring strategy to your assessor. Ensure you keep copies for your records. You will need to refer to this implementation plan in Part B of this task as well as in Assessment Task 3.

Part B

Using your implementation plan, you will develop a presentation or training session for Sydney Opera House employees. Your aim is to use the presentation or training to improve resource efficiency at the Sydney Opera House.

1. Using your implementation plan, choose to either design and deliver a presentation (according to the action that involves communication to staff through a presentation) or a training session (according to the action that involves staff training) to Sydney Opera House staff.
2. Review the organisational structure (see Appendix 4) to determine the appropriate audience for the presentation or training session.

3. Develop a 10–15 minute presentation or training session in accordance with your implementation plan. Design the presentation or training to improve resource efficiency in some area (e.g. how to use new waste systems in the cafe) and include a short procedure to help achieve targets in the implementation plan.
4. During either your presentation or training you will need to include:
 - a. a brief description of the Sydney Opera House Environmental Sustainability Policy and its expected outcomes for stakeholder groups (you can access the Environmental Sustainability Policy from http://www.sydneyoperahouse.com/environment/greening_the_house.aspx)
 - b. an outline of Sydney Opera House systems and procedures that relate to sustainability
 - c. information for staff as to what their responsibilities are, what activities they are to carry out and what outcomes are expected
 - d. additional time (5–10 minutes) for questions and comments from staff.
5. Distribute feedback questionnaires (if this is your method of measuring your audience's understanding and engagement) and collect these at the completion of your presentation/training. Ensure you keep copies of questionnaires or other form of measuring audience feedback for use in Assessment Task 3.

Specifications

You must:

- submit an implementation plan
- submit a monitoring strategy
- submit a short procedure
- deliver a presentation/training session to employees (other learners acting as employees)
- address comments and questions from employees (other learners acting as employees)
- submit notes, PowerPoint presentation slides, handouts and any other materials used to support the presentation
- collect feedback from audience members (other learners acting as employees).

Your assessor will be looking for:

- reading skills to interpret and evaluate Sydney Opera House organisational documents
- writing skills to prepare documentation appropriate to context and audience
- oral communication skills to present information and seek advice using questioning and listening skills

- work skills to:
 - monitor organisational policies and procedures
 - use appropriate conventions and protocols when communicating with stakeholders
 - sequence and schedule activities, monitor implementation and manage communication
- knowledge of Sydney Opera House sustainability systems and procedures
- knowledge of typical barriers to implementing policies and procedures and possible strategies to address them.

Adjustment for distance-based learners

As per specifications outlined above, except that the presentation may be:

- through a live video medium (such as a social networking site) to a virtual group meeting the criteria outlined above. This would need to be organised in advance with the assessor.
- through a video-recorded presentation to a group of local (to the candidate) business investors:
 - the video recording must include the presentation session and question time
 - the recording should be submitted in agreement with assessor, by DVD or uploaded to a video-sharing site and the link sent to the assessor. It is the responsibility of the learner to ensure that confidentiality agreements are not breached, and that the file is available online for a period of at least two weeks to allow the assessor adequate time to review the presentation.

Appendix 1 – Sustainability targets

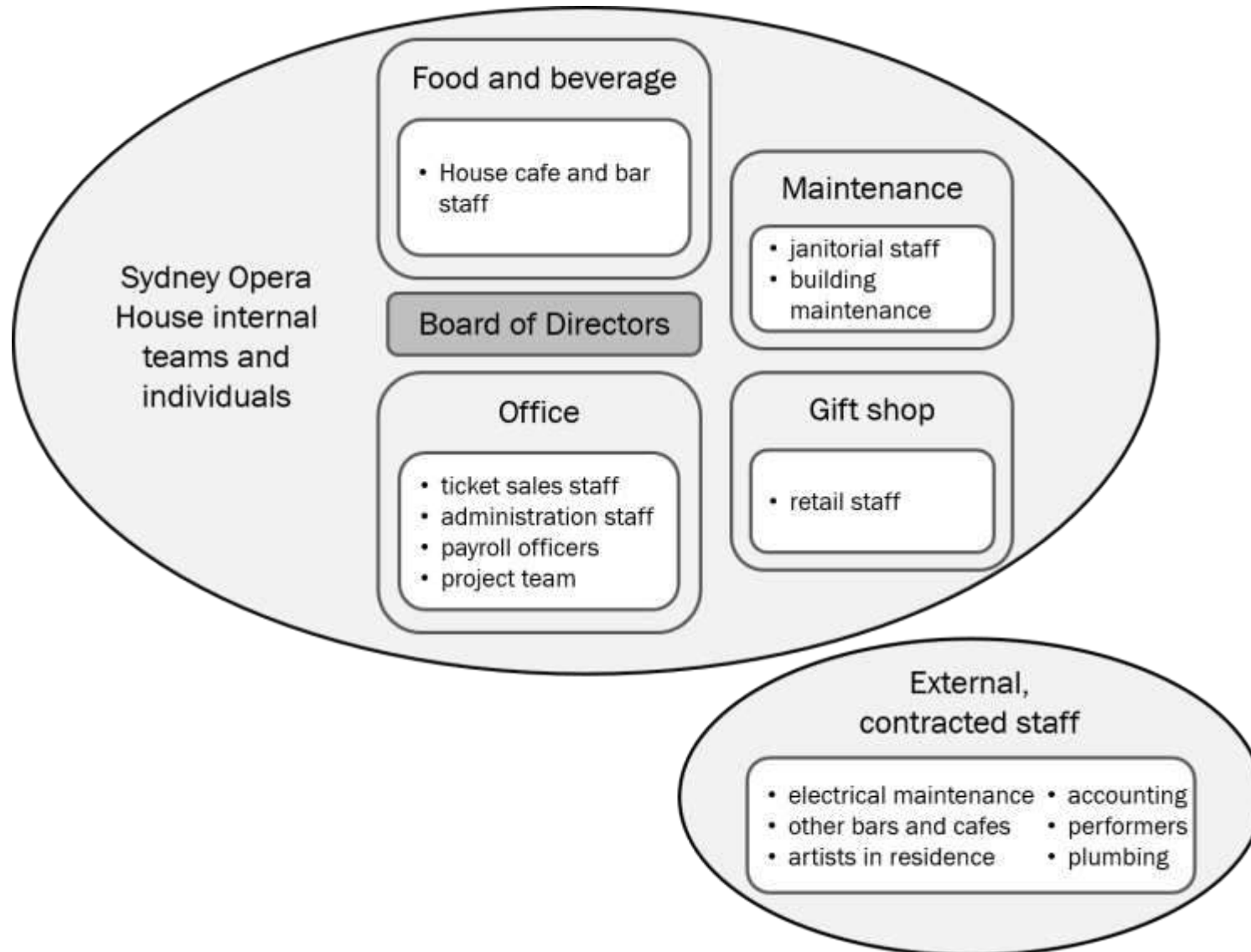
Objective: Reduce energy use
Reduce electricity use by 2% per annum (using FY06/07 as initial benchmark).
Reduce gas use by 4% per annum (using FY06/07 as initial benchmark).
Objective: Embed environmental sustainability in everything we do
Reduce landfill waste and increase reuse and recycling.
Reduce the use of toxic or environmentally harmful products and materials.
Reduce water use by 2% per annum (using FY06/07 as initial benchmark).
Objective: Engage and inspire
Engage staff in supporting sustainability targets.
Present information and training to employees in plain English.
Inspire audiences to consider sustainability in their everyday choices.
Objective: Keep accurate records
Record resource use on a monthly basis.

Appendix 2 – Implementation plan

Implementation Plan	
Objectives	

Action Required	Associated target	Resources	Timeline	Accountability

Appendix 4 – Organisational structure



Analyse and treat risk

Submission details

Candidate's name		Phone no.	
Assessor's name		Phone no.	
Assessment site			
Assessment date/s		Time/s	

The assessment task is due on the date specified by your assessor. Any variations to this arrangement must be approved in writing by your assessor.

Submit this document with any required evidence attached. See specifications below for details.

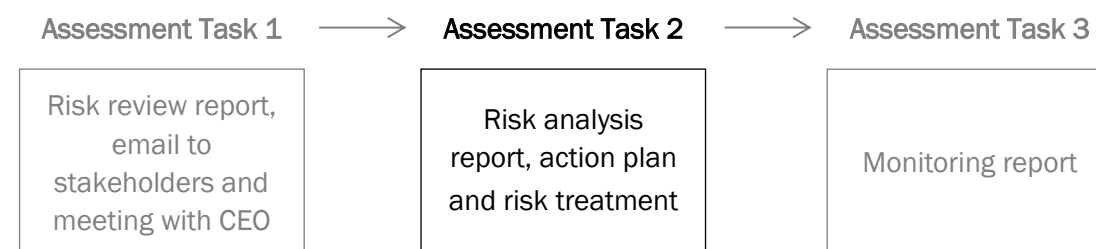
Performance objective

For this task you are to analyse the risks you identified in the simulated business scenario to assess the likelihood and consequence of risks, evaluate and prioritise risks, and determine options for treatment. You are also required to develop a risk management action plan for the treatment of risks and communicate it to relevant stakeholders.

Assessment description

For the MacVile Pty Ltd simulated business scenario provided, you are required to assume the role of Brisbane store Assistant Manager, Ash, who has just been promoted to be Manager of a new store. Ash has been tasked with conducting a risk management analysis of this new venture.

There are three stages to this project: (1) review, (2) analyse and plan, and (3) monitor. This project is divided into three assessment tasks as follows:



For this task, you are to use the information you gathered in Assessment Task 1, along with the simulated business information provided, to examine the likelihood and consequence of identified risks, prioritise the risks and determine options for treatment of each risk. Using this information you are required to develop a risk management action plan for implementing risk treatment, document the plan as required, and communicate the risk management plan to relevant parties.

Procedure

Part A

1. Review the MacVille simulated business scenario information and documentation provided in the Appendices of this task and in Assessment Task 1.
2. Develop a report for the CEO (your assessor) that includes the following:
 - a. For each risk (i.e. the four identified in the scenario for this task), assess the likelihood of the risk occurring.
 - b. For each risk, assess the consequence of the risk occurring.
 - c. Develop a risk matrix to assist in prioritising the treatment of the identified risks, including numerical values (e.g. risk matrix in the Student Workbook).
 - d. Once you have prioritised the risks, for each, outline at least two suitable options for treatment.
 - e. Include an explanation of the process you used to identify risks and assess likelihood, consequence and priority. Also include an explanation of why the options you have suggested for treating the risks are:
 - i. likely to be effective
 - ii. feasible for the organisation.

Note: Ensure your report is written in a style appropriate to your stakeholder audience, for example, using appropriate language and including appropriate illustrative material (such as checklists, diagrams or flow charts) and attachments to support your findings and process.

3. Develop an action plan (you may use the Risk Management Action Plan template provided in Appendix 3 of this task) for implementing risk treatment and attach it to your report.
4. Communicate your analysis to the Board of Directors by submitting your risk analysis report, along with your risk management plan, to the CEO (your assessor) for internal distribution.

Part B

1. Implement your risk management treatment of one key risk, such as decreased brand recognition, in accordance with the requirements provided to you by the CEO (your assessor). You will need to discuss and agree with your assessor how to provide evidence of your implementation.
2. Submit the required documents for assessment as per the specifications below. Be sure to keep a copy for your records.

Specifications

You must:

- submit a risk analysis report, including a risk matrix
- submit a completed risk management action plan
- implement one risk treatment and submit evidence as agreed with your assessor.

Your assessor will be looking for evidence of:

- reading skills to gather, review, interpret and analyse text-based business information from a range of sources in order to evaluate risk
- written skills to organise and deliver information to effectively communicate risk management analysis and plan to a range of stakeholders
- numeracy skills to interpret mathematical data when reviewing and analysing scenario business information and evaluating risks and treatment options
- ability to work independently to evaluate risks and make decisions about treatment options
- ability to interact with others using appropriate conventions when communicating to, and consulting with, stakeholders
- ability to sequence and schedule activities and manage communication
- ability to analyse relevant information to identify and evaluate treatment options
- ability to use familiar digital technology to access information, document findings and communicate them to stakeholders.

Adjustment for distance-based learners

- No variation of the task is required.
- A follow-up interview may be required (at the discretion of the assessor).
- Documentation can be submitted electronically or posted in the mail.

Appendix 1: Scenario – MacVille Pty Ltd simulated business

Background

The MacVille Board has reviewed the previous report you developed, and has requested further information for four of the identified risks, including options for reducing the risk levels. These risks are as follows:

- Banking risk – theft of cash left on premises.
- Manager’s travel risk – physical injury.
- By-law compliance risk – reputation/brand loss and fines
- Loss of brand recognition risk – brand non-compliance of staff not wearing the MacVille uniform, or altering MacVille processes and service expectations.

Timelines to consider are based on risk priority levels and include the following:

- Pre-settlement – date of legal transfer of the business.
- Opening week – first week of company operations.
- Within three months – after the opening week.
- Within six months – after the opening week.

Responsibilities for actions include the following.

- Financial, insurance and banking issues – Financial Controller.
- Legal issues – Goldsmith Partners.
- Expenditure >\$5,000 – MacVille Board of Directors.
- New policy – CEO with MacVille Board of Directors.
- On-site management, training – Store Manager.
- Changes to MacVille Café Queensland operations – CEO.
- External audits – CEO with MacVille Board of Directors.

Develop a report for the Board of Directors that examines these risks and describes ways that each can be treated, and forward a copy of your report to the CEO to table at the next Board meeting.

Appendix 2: Revised notes from previous meetings

Site visit – New Toowoomba store (the existing Hurley’s Café)

Meeting with James Mansfield

You revise your notes from the meeting with James Mansfield and identify the following points.

- In the context of MacVille’s investment here, \$4,000 would be considered to be of minor consequence if it were burgled from the closed premises overnight.
- One or two of the staff at Hurley’s pride themselves on being on-trend and well-dressed; they are going to struggle with being required to wear a MacVille uniform. It will be difficult to make them comply with the uniform requirement. The rest of the staff are generally very responsive to employment requirements. The consequence of initial non-compliance would be minor.

Meeting with Ron Langford

You revise your notes from the meeting with Ron Langford and identify the following points.

- He also said that the Toowoomba Council water patrols meant that it is likely that stores not complying with the by-law would be discovered.

Senior management team meeting

You go back over your notes compiled with the senior management team and note the following.

- Further feedback from Paula included that the water compliance risk was one where significant time and resources would be required and the Board would view it having moderate consequences for MacVille’s cafés in Queensland. She also indicated that while the Board views the risk of a serious accident unlikely, any potential risk that could result in the death of an employee would have a catastrophic consequence.

Brainstorming ideas

Looking at the hierarchy of control, the senior management team were able to give you some good brainstorming ideas to pursue. These include the following.

- Installing native plants to cut down water use.
- Making it a company policy to bank every day and eliminate the need to carry overnight.
- Install a teleconferencing system.
- Install a water tank and reduce dependence on council water.
- Change banks to the nearer one to avoid the long walk.
- Install dual-flush toilets.
- Insure overnight cash holdings.
- Finish management meetings at 3.00 pm.
- Introduce new processes on water use and conservation.
- Change assistant manager training times to the morning.
- Write new policy and procedures for water use in Toowoomba.
- Install a water-usage graph in the staff room.
- Give the manager an excusal letter allowing them to leave any meeting at no later than 3.00 pm every day.
- Replace the dishwasher with one that has a 5–6 star (WELS) rating.
- Have Goldsmith Partners apply for time to 'make good'.

Appendix 3: Risk management action plan template

Risk	Assess risk (score)	Controls	Monitoring	Action priority (1-5)	Timelines	Responsible

Risk	Assess risk (score)	Controls	Monitoring	Action priority (1-5)	Timelines	Responsible

Monitor and review budget

Submission details

Candidate's name		Phone no.	
Assessor's name		Phone no.	
Assessment site			
Assessment date/s		Time/s	

The assessment task is due on the date specified by your assessor. Any variations to this arrangement must be approved in writing by your assessor.

Submit this document with any required evidence attached. See specifications below for details.

Performance objective

This assessment task requires you to monitor the implementation of a budget and report on the variances, trends and performance of the established budget for a fictional business and provide recommendations for ongoing financial viability.

Assessment description

You will need to review the provided current case study information and compare it to the budget you established in Assessment Task 1. After evaluating these you will need to report on the following:

- significant issues
- variances from budget
- comparative performances
- recommendations for ongoing financial viability
- evaluation of financial management processes.

Procedure

1. Read the case study.
2. Develop a variance report based on the format and template provided by Houzit.
3. Complete a cash flow analysis on the average length of time it takes Houzit to collect funds from its debtors to determine the trend based on the financial reports in Assessment Task 1.
4. Examine the sales budget, profit budget, cash flow budget and debtor ageing summary to identify the following in a report:
 - a. Issues:
 - i. Identify, describe and prioritise significant issues that are evidenced in the provided case study information and describe reasons or causes of these issues. Include in this issues of financial probity that you have identified or considered when monitoring these budgets.
 - b. Variances:
 - i. Complete an actual-to-budget variance report, using the template provided in the case study.
 - ii. Identify variances by comparing actual results with the established budget, and provide reasons why these variances may have occurred.
 - c. Performance:
 - i. Compare financial performance of the organisation (according to financial information provided) to industry benchmarks for this organisation in line with the retail trade sector.
 - ii. Respond to the performance questions provided by the CEO, as provided by the board of Houzit,
 - iii. Determine a trend of the average debtor days and the impact to the cash flow of Houzit.
 - d. Recommendations:
 - i. Outline your recommendations for ongoing financial viability for the organisation, based on your assessment of the issues, reasons for variances and organisational performance you have identified (Steps 1–3).
 - ii. Include in this section your plans for a revised budget, effectively managing contingencies and issues that have been identified in feedback and monitoring of the budgets.
 - e. Evaluation:
 - i. Provide a summary review of the financial management processes in place for the organisation, in light of your assessment of the issues, reasons for variances and organisational performance you have identified. Include in this section any recommendations you have for modifying management processes.

5. Prepare for and undertake the role-play presentation:
 - a. Arrange a time with Jim Schnieder, CEO of Houzit Pty Ltd (your assessor), to present an oral explanation of your variance report. Ensure that your assessor has copies of or access to documents you will be referring to.
 - b. Deliver the presentation of your variance report
 - i. Summarise your findings (issues, variances, financial performance)
 - ii. Prioritise and present your recommendations.
 - c. Ask for questions, either during or at the end of the presentation, to:
 - i. demonstrate your oral communication skills
 - ii. use questioning and listening techniques
 - iii. demonstrate competent exchange of information
 - iv. use appropriate conventions and protocols
 - v. ensure the manager/CEO is clear about budgets
 - d. Seek approval (or discuss as required) of your recommendations in the report.

Specifications

You must submit:

- a complete actual-to-budget variance report
- a completed report detailing the issues, variances, performance, recommendations and evaluations identified from the financial information for Houzit Pty Ltd.

Your assessor will be looking for:

- Evidence that you reviewed the provided case study information to develop an evaluative report concerning the progress of the budget.

Adjustment for distance-based learners

- No changes to the task are required.

Case study: Houzit Pty Ltd

Soon after the end of the first quarter, Jim Schneider the CEO of Houzit, asked you to follow up with Celina Patel, Houzit's accountant, to see how the actual results compared with the budget you had prepared three months ago. You explained that you had a meeting with Celina that afternoon to get the results and that you would report back as soon as you had done some analysis.

The key questions that the board was most interested to have answered from the budgets and the variance reports were:

- 'To what extent do the reports support the view of the board that Houzit is financially viable?'
- 'Will we be able to maintain our gross profit margins in the predicted downturn?'

Jim and you both agreed that it had been a tough quarter with the economy still in recession and the impact this was having on the retail sector. Banks are raising interest rates in line with the increased upward international pressure and Houzit has a significant part of their loan funds on a variable interest rate which changes directly with market conditions. Jim was pleased that the sales seem to be holding up reasonably well as first quarter results are generally impacted by factors relating to public and school holidays but he was concerned about the discounts that had to be given to generate these sales.

'That's going to hurt us at some point' Jim said. 'Just a pity we could not get into some national magazines this quarter to promote the store offers. I'm sure that would have helped us exceed the budgets you set. I guess we will just have to spend that advertising money in the next quarter' Jim said. 'I still think we are running our wages and salaries a bit high. The industry benchmark for wages and salaries is close to 11% of sales'

Jim went on to explain, 'One of our contingency plans in a slowing economy is to reduce our exposure to debt by applying our profits to the repayment of the long term debt. This will help reduce the interest burden on the business and take some pressure off the diminishing profits. It would also be of interest to determine the impact that our debtors has on the cash flow of the business from 2010/11.'

You are a beneficiary of the company's profit bonus scheme that is based on the profitability of the company's financial reports which you are required to prepare. You also prepare the departmental reports that form the basis of the performance review of the managers. You are the manager of the finance/administration and prepare this department's report as well.

You met that afternoon with Celina and she provided you with the following report on the actual results for the quarter ended 30 September 2011.

Houzit Pty Ltd	
Actual Results	Qtr 1
Revenue	
Sales	3,371,200
- Cost Of Goods Sold	1,955,296
Gross Profit	1,415,904
Gross Profit %	42%
Expenses	
- Accounting Fees	2,500
- Interest Expense	28,150
- Bank Charges	380
- Depreciation	42,500
- Insurance	3,348
- Store Supplies	790
- Advertising	150,000
- Cleaning	3,325
- Repairs & Maintenance	16,150
- Rent	660,127
- Telephone	3,100
- Electricity Expense	5,245
- Luxury Car Tax	12,000
- Fringe Benefits Tax	7,000
- Superannuation	37,404
- Wages & Salaries	410,500
- Payroll Tax	19,741
- Workers' Compensation	8,312
Total Expenses	1,410,572
Net Profit (before tax)	5,333
Income Tax	1,600
Net Profit	3,733

GST cash flow – Actual

Cash flow analysis – GST	Qtr 1
GST Collected	337,120
Less GST Paid	279,988
GST Payable	57,132

Aged debtors – Actual

AGED DEBTORS BUDGET	Qtr 1
Sales	3,371,200
% Debtors Sales	22%
Total Debtors	741,664
Current	585,915
30 days	111,250
60 days	37,083
90 days	7,417
Total Debtors	741,664

Budget variance report template

According to the organisational policy and procedures, the following format is to be used when preparing a budget variance report.

Houzit Pty Ltd					
Variance to Budget					
xxx Quarter ended mmm-yyyy					
Actual Results	Budget-Qx	Actual-Qx	\$ Variance	% Variance	F or U
Sales	x,xxx	x,xxx	x,xxx	x%	F or U
– Cost Of Goods Sold	x,xxx	x,xxx	x,xxx	x%	F or U
Gross Profit	Calculation	Calculation	Calculation	x%	F or U
Gross Profit %	%	%	%	x%	F or U
Expenses					
– Accounting Fees	x,xxx	x,xxx	x,xxx	x%	F or U
– Interest Expense	x,xxx	x,xxx	x,xxx	x%	F or U
– Bank Charges	x,xxx	x,xxx	x,xxx	x%	F or U
– Depreciation	x,xxx	x,xxx	x,xxx	x%	F or U
– Insurance	x,xxx	x,xxx	x,xxx	x%	F or U
– Store Supplies	x,xxx	x,xxx	x,xxx	x%	F or U
– Advertising	x,xxx	x,xxx	x,xxx	x%	F or U
– Cleaning	x,xxx	x,xxx	x,xxx	x%	F or U
– Repairs & Maintenance	x,xxx	x,xxx	x,xxx	x%	F or U
– Rent	x,xxx	x,xxx	x,xxx	x%	F or U
– Telephone	x,xxx	x,xxx	x,xxx	x%	F or U
– Electricity Expense	x,xxx	x,xxx	x,xxx	x%	F or U
– Luxury Car Tax	x,xxx	x,xxx	x,xxx	x%	F or U
– Fringe Benefits Tax	x,xxx	x,xxx	x,xxx	x%	F or U
– Superannuation	x,xxx	x,xxx	x,xxx	x%	F or U
– Wages & Salaries	x,xxx	x,xxx	x,xxx	x%	F or U
– Payroll Tax	x,xxx	x,xxx	x,xxx	x%	F or U
– Workers' Compensation	x,xxx	x,xxx	x,xxx	x%	F or U
Total Expenses	Calculation	Calculation	x,xxx	x%	F or U
Net Profit (Before Tax)	Calculation	Calculation	x,xxx	x%	F or U
Income Tax	Calculation	Calculation	x,xxx	x%	F or U
Net Profit	Calculation	Calculation	x,xxx	x%	F or U

Note: F = Favourable, U = Unfavourable

Debtor ageing ratio template

	2009/10	2010/11	2011/12
Trade Debtors			
Sales			
Debtor Days			

Anticipate that the trade debtors for the 2011/12 financial period maintain the same growth as that which took place between 2009/10 to 2010/11.

Implement change management strategy

Submission details

Candidate's name		Phone no.	
Assessor's name		Phone no.	
Assessment site			
Assessment date/s		Time/s	

The assessment task is due on the date specified by your assessor. Any variations to this arrangement must be approved in writing by your assessor.

Submit this document with any required evidence attached. See specifications below for details.

Performance objective

You will demonstrate the skills and knowledge required to implement change management strategy.

Assessment description

Using the scenario information supplied, you will conduct an implementation review. You will then consult with a union representative and General Manager to receive input and develop a revised communication plan. You will action the revised plan by delivering a 15–20 minute information session to employees. Finally, you will consider making final revisions to the communications plan and overall project plan and seek approval from the General Manager.

Procedure

1. Review the simulated workplace information for Fast Track Couriers.
2. Following the communications plan provided in Appendix 4, develop a survey to gather feedback from employees.
3. Meet with a union representative (your assessor) to receive and discuss the results of the survey. Anticipate possible resistance by this stakeholder and promote your plans to gain acceptance. Ask for additional input to help you revise your change management communications strategy.

4. Draft revised communications plan and overall project plan (from Assessment Task 2) in consideration of barriers identified through consultation process (with your assessor acting as a union representative) and those identified in risk analysis provided in Appendix 3. Highlight strategic elements in your plan that you will deploy to gain trust and acceptance of change. Ensure you consider the needs of all stakeholders to gain support for planned changes.
5. Meet with General Manager (assessor) to discuss ideas for revised communications plan and overall project plan based on feedback.
 - a. Discuss the needs of all stakeholders.
 - b. Discuss creative technique, activity or tactic you will use to gain trust and acceptance in the 15–20 minute information session you will deliver.
 - c. Ensure you anticipate possible resistance by this stakeholder and promote your plans to gain acceptance.
6. Develop a plan for a 15–20 minute information session for truckers. Include an outline of what activities you will be doing, how long you will be doing them, and how the activity will achieve the goal of employee acceptance of change process. Ensure you anticipate possible resistance from these stakeholders and plan to overcome resistance.
7. Deliver session to employees (your assessor/other people enlisted by the assessor to perform in the role of employees). Ensure you take a consultative approach to the session and invite participation, questions, input, etc. and ensure you incorporate a creative technique, activity or tactic in the session.
8. Make final revisions to your communications and overall project plans based on feedback and consultation (save these as separate documents to previous drafts). You may need to consider changes to communication activities, training activities, and rollout of changes. Consult with GM (assessor) to ensure changes are approved.
9. Submit all documents to your assessor as per the specifications below. Ensure you keep a copy of all work submitted for your records.

Specifications

You must submit copies of:

- one survey
- drafts of communications and overall project plans to indicate review of plans (including highlighted strategic element/s)
- planning and support documents for your 15–20 minute information session (such as a plan for the session, PowerPoint presentation, handouts, and a creative activity for gaining trust and acceptance of change process).

Your assessor will be looking for how you:

- explain the change management process
- outline components of the change management project plan
- demonstrate knowledge of specific organisational requirements from the scenario
- outline potential barriers to change from the scenario
- describe a range of techniques for embedding change and gaining trust
- demonstrate leadership skills to gain acceptance of plan and gain trust
- provide innovation skills to develop creative ways of getting people to accept change
- demonstrate planning and organising skills
- demonstrate problem-solving skills to respond to barriers to change
- develop project management skills to implement change management strategy
- demonstrate teamwork skills to consult with relevant groups for input
- use verbal communication skills to describe and promote change management plan.

Adjustment for distance-based learners

- No changes to the assessment procedure or specification are required.
- The consultation and presentation may be conducted via video or teleconferencing.
- Documentation may be submitted electronically.
- A follow-up interview may be required (at the discretion of the assessor).

Appendices

Appendix 1: Task – Fast Track Couriers Pty Ltd

It is the end of the 2015 financial year and one month into the implementation of a change management strategy. You are hearing that the implementation has not achieved the employee's trust, understanding and support that you expected, which is essential for success, particularly among truck drivers.

You are an external change management consultant employed by Fast Track Couriers to revise the communications strategy. You have been asked by the General Manager to develop and deliver an innovative and more effective communications plan.

Following the communications plan (provided in Appendix 4), you will need to evaluate the management of truck drivers through the change management process. Develop a survey to gauge trucker opinion on the following ten dimensions of employee satisfaction.

Dimension	Description
Training	Is it adequate for role?
Role clarity	Are roles and responsibilities clear?
Trust	Do employees trust the change management (CM) process and management?
Evaluation	Is performance fairly measured?
Leadership	Is leadership adequate and does it inspire confidence?
Communication	Is communication clear and two-way?
Procedures	Are there clear and effective procedures to follow?
Recognition	Is performance recognised?
Diversity	Are individual differences valued and appreciated by Fast Track Couriers?
Teamwork	Is teamwork encouraged and promoted?

Once you have completed the survey, meet with the union representative (assessor) to discuss results and get additional input.

Draft a revised communications plan to conform to the identified risks in the risk management analysis.

After you have gathered input, meet with the General Manager (assessor) to discuss your suggested revision of the communications plan.

You will then need to implement the revised plan. Part of the revised communications plan will include a 15–20 minute information session that you will deliver to the employees.

Goals

FTC has the following goals for the Change Management strategy:

- Goal A: Implement PDA/GPS usage (productivity function) on truck fleet in the first quarter of the 2016 financial year.
- Goal B: Implement one person per truck policy using automatic lift gates in the first quarter of the financial year.

Achievement of these goals should increase net profit in the next financial year by \$200,000 due to increased efficiencies and increased business.

Goal A is essential to the business to ensure (in the following order of importance):

1. most efficient use of resources to cover market needs. Management will look at more than the raw hours spent on job and consider all factors such as job difficulty, traffic conditions, etc., in order to optimise fleet usage
2. job performance measurement for training needs
3. recognition of outstanding performance (bonuses for exceeding targets; advancement/leadership opportunities).

Goal B is essential to the business to ensure:

- most efficient use of resources to cover market needs
- reduced need to hire external truckers; use of present employees as much as possible
- reduced possibility of lifting injury.

Appendix 2: Progress of implementation

The project manager has prepared the following progress report.

Green: completed

Amber: in progress

Red: not completed

Reporting element	Measures	Status
Change goal	Goal A: Implement PDA/GPS usage (productivity function) on truck fleet in the first quarter of the 2016 financial year.	RED
Project management	Delivery of project activities as per project plan for each stream	Overall status:
	People	GREEN
	Process	GREEN
	Technology	GREEN
Structure.	GREEN	
Stakeholder management	Stakeholders engaged and comfortable with current position.	RED
Communication	Communication plan activities on schedule.	GREEN
Education	Education plan activities on schedule.	RED
Cost benefits	Project budget on track.	RED
	Cost benefits on track to be realised.	RED
Risk management	Risk management plan effectively managing risk.	RED

Appendix 3: Risk management analysis

Risk/Barriers	Impact	Likelihood	Strategies for mitigating risk
Lack of trust regarding use of productivity data. Refusal to implement.	High impact	Medium	Communications and training to outline business need. 'Tracking productivity helps improve the efficiency of operations, where and when resources are deployed; it is not a tool to performance manage or penalise individuals.' Address employee concerns.
Perceived threat to job security. Resistance to implementation.	High impact	High	Explain connection between business expansion plans and: <ul style="list-style-type: none"> increased job security: because of the need for drivers to support expansion; because overall profitability and health of the business reduces risk to everyone benefit of training and consequent increase in employability due to new skills.
Industrial action.	High impact	Medium	Address employee concerns. Gain trust and acceptance.

Appendix 4: Communications plan

Audience	Message (with strategic elements)	When	Communication method	Person responsible
HR manager	Change management strategy – duties of HR manager.	9 am–10 am, 1 July 2016.	Email (invite with agenda). Face-to-face (office training room).	CM consultant
Trucking/operational manager	Change management strategy – duties of trucking manager.	11.30 am–12.30 pm, 1 July 2016.	Email (invite with agenda). Face-to-face (office training room).	HR manager
Management team	Change management strategy – duties of HR manager.	2 pm–3 pm, 1 July 2016.	Email (invite with agenda). Face-to-face (office training room).	HR manager
Trucking team	Change management strategy impacts to trucking team. Duties of truckers – provide an explanation of what will be required. Business need – gain support by emphasising possible negative effects on jobs if change does not happen. Training schedule – emphasise mandatory nature and threaten performance review consequences for non-compliance.	9 am–10 am, 4 July 2016.	Email.	HR manager (assistant may draft)

Audience	Message (with strategic elements)	When	Communication method	Person responsible
Sales team	Change management strategy summary. Benefits to organisation.	11 am–11.30 am, 4 July 2016.	Face-to-face (office training room).	Sales manager to run team meeting.
Office team: Accountant; Administrative support person	Change management strategy summary. Benefits to organisation.	11.30 am–12 pm, 4 July 2016.	Face-to-face (office training room).	Office manager to run team meeting.
Truckers (All other employees to receive brief summary only)	Request for feedback.	Three weeks post-training.	Feedback survey on ten dimensions of employee satisfaction.	New CM consultant to design and implement. HR manager to research benchmarking.

Appendix 5: Background information: Fast Track Couriers Pty Ltd

About Fast Track Couriers

Fast Track Couriers is a courier company that has been operating in New South Wales for the last 15 years. Its primary business function is delivering medium to large size packages across metropolitan Sydney.

Strategic plan goals

The organisation's strategic goals are:

- to expand business in the metropolitan area so that small to medium package deliveries market share increases by 7.5%.
- to expand the business to include small and medium package deliveries to regional NSW.
- to develop an integrated approach to distribution management utilising technology such as PDA devices and GPS.
- to develop and maintain a cohesive and well-motivated workforce.

Strategic goals are supported by the following operational and human resources goals.

Operational plan goals

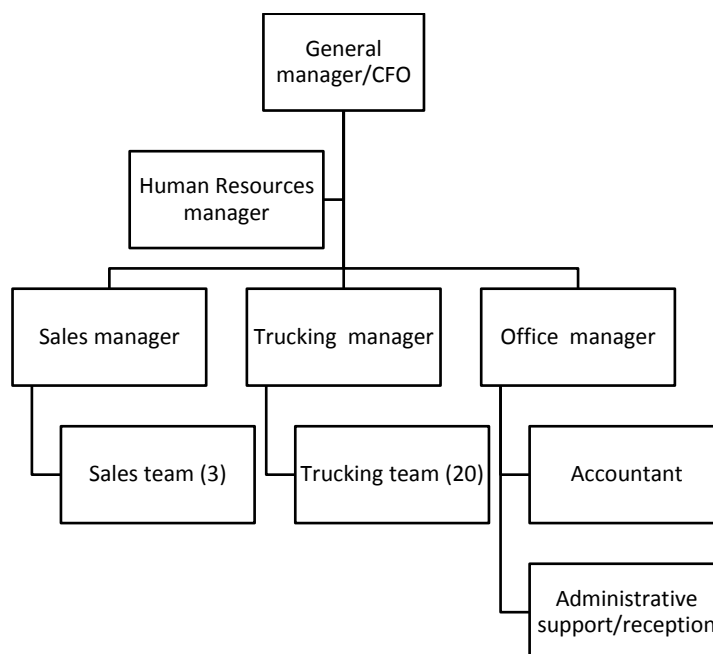
- Testing of the distribution management system is to cease and allow implementation within the first quarter of the 2016 financial year.
- The truck fleet will need to be expanded by 8 trucks within the 2016 financial year.
- Small distribution hubs will be positioned at Maitland, Goulburn, Nowra and Bathurst, each manned by two employees within the next eighteen months.
- Fast Track Couriers will complete 20% of deliveries to regional locations in the next three years.

Human resources goals

- Incorporating a Human Resources function to facilitate the changes in workforce management in the first quarter of the 2016 financial year.
- Introducing professional development and training to achieve organisational goals and promote understanding of organisation's strategic goals in the first quarter of the financial year.
- Eliminating industrial relations problems in the financial year. Concluding negotiations with employees and union.
- Eliminating lifting injuries.

People/structure

Fast Track Couriers has implemented and recruited the people required to fill the roles in the following organisational structure.



Managerial duties/role description

General manager/CFO	Oversees company; approves major business decisions such as strategic goals, change management initiatives; reports to board of directors; prepares financial reports.
HR manager	Oversees and implements change management programs; collect feedback, assessment results, and all other data regarding change management; provides report to GM on implementation of major changes; oversees recruitment.
Sales manager	Coordinates sales team; provides sales team training; manages performance of sales team.
Trucking/operations manager	Coordinates activities of trucking team; manages performance of trucking team; compiles productivity reports; manages operations, authorises purchasing of operational equipment, etc.
Office manager	Coordinates activities of accountant and administrative support. Authorises payroll.

Background to workforce management and relations

The company communicates with employees via email for head office employees, and a printed monthly newsletter for drivers. The company provides information regarding policies and procedures through documented manuals that are held in each truck as an employee manual. Office-based staff can access copies of these manuals at the office.

All trucks are fitted with a GPS system to assist drivers with navigating to each pick-up and drop-off location. Trucks are also assigned a PDA that provides drivers with the details of each pick-up and drop-off and records when a job starts and finishes. The data from this device is sent back to head office to monitor job progress but is not used to complete productivity reporting. When this device was introduced, drivers were not happy, as they felt the organisation was saying that it did not trust the drivers to manually record the time spent on each job. Many of the drivers also resented having to learn how to use the device and thought it was a waste of time.

Head office employees work very closely together and are a very cohesive and motivated team. They are positive about the organisation's direction and respond well to change.

Drivers have historically reacted negatively to change. Change implemented in the past has met with resistance and was therefore difficult to implement. Drivers have in the past done their best to block any changes from being implemented, even going to the lengths of threatening strike action and having the union involved to assist with resolving the issue.

Fast Track Couriers currently allocates two drivers per truck to ensure that drivers are able to load and unload heavy packages. The strategy going forward is to remove the need for having two drivers per truck by installing an automatic lift gate on the back of each gate at a cost of \$10,000 per truck. This will mean that only one driver is needed per truck as no heavy lifting will be required.

It is Fast Track Couriers' intention to use these surplus drivers to drive the new trucks that will be purchased to enable the company to extend its services to regional NSW.

Drivers are currently happy with the work environment, as they enjoy working as part of a two-man team. The organisation typically leaves the drivers alone and lets them do their job as this is what seems to make them happy. Management has tried in the past to have drivers participate in organisational activities. These activities were not received positively and the drivers complained and asked not to be involved. The drivers' view is that their preferred team is their two-man driver team and they only see the benefits of that specific working arrangement. There is a high value placed on communication with trucking team members.

Implementation review

Submission details

Candidate's name		Phone no.	
Assessor's name		Phone no.	
Assessment site			
Assessment date/s		Time/s	

The Assessment Task is due on the date specified by your assessor. Any variations to this arrangement must be approved in writing by your assessor.

Submit this document with any required evidence attached. See specifications below for details.

Performance objective

For this assessment you are required to demonstrate the skills required to review the success or otherwise of the implementation of actions from your plan in Assessment Task 2. You will need to evaluate records to identify trends and determine the efficacy of policy and procedures. You will need to recommend changes to policy where performance improvement is required.

Assessment description

You are required to complete a review of the implementation of resource efficiency activities developed in Assessment Task 2. As part of the review process you are undertaking, you need to ensure that you:

- monitor and review records of implementation (provided to you by your assessor), and identify trends or apparent areas requiring ongoing action
- document the outcomes of the implementation strategy and evaluate the success or otherwise of the policy and sustainability management
- review audience feedback to your presentation/training from Assessment Task 2
- recommend modifications to the policy and management of sustainability.

Procedure

1. Review the reports that document resource use at the Sydney Opera House (provided by your assessor). Note that there are four spreadsheets available in the document provided. You can navigate between the records by selecting the tabs at the bottom of this Excel document.
2. Review the Sydney Opera House Environmental Sustainability Policy, Environmental Sustainability Plan, and other Sydney Opera House corporate information and policy documents at: <http://www.sydneyoperahouse.com/About/CorporateInformation_Summary.aspx>.
3. Review the audience feedback from Assessment Task 2.
4. Review the resource efficiency targets provided in Assessment Task 2 and the related actions you created for each target in your implementation plan. For the purposes of this assessment, assume that the actions you developed were implemented in FY 06/07 at the Sydney Opera House.
5. Using the data provided (in the spreadsheets given to you by your assessor) and the corporate information available to you, develop a written report that includes:
 - a. graphs or charts that could describe or summarise progress towards established targets
 - b. an evaluation of the graphs or charts to identify trends in data and analyse data targets identified in Assessment Task 2
 - c. a description of the success and/or shortfalls of the implementation of sustainability and communication targets based on:
 - i. trends in resource use
 - ii. audience feedback from Assessment Task 2
 - d. a description of trends that may require remedial action; include a plan that describes how these areas can be continuously improved in the future
 - e. a review of Sydney Opera House policies' coverage of measuring and analysing resource consumption to determine how the recording of resource consumption is currently addressed in policy
 - f. recommendations for improvements to policy, communication and management of sustainability based on data taken from analysis of records.
6. Submit your report to your assessor along with a list of the stakeholders who would need to receive your report.

Specifications

You must provide:

- a written report.

Your assessor will be looking for:

- reading skills to analyse and evaluate complex texts to determine trends
- writing skills to research plans and prepare documents appropriate to the context and audience
- numeracy skills to calculate numerical information
- work skills to:
 - use appropriate conventions when communicating with stakeholders
 - gather relevant information and evaluate outcomes
- knowledge of environmental or sustainability legislation applicable to the organisation
- knowledge of sources of information that can be used to plan and develop the organisation's sustainability policy.

Adjustments for distance-based learners

- No variation of the task is required.
- A follow-up interview may be required (at the discretion of the assessor).
- Documentation can be submitted electronically or posted in the mail.

Monitor risk and evaluate processes

Submission details

Candidate's name		Phone no.	
Assessor's name		Phone no.	
Assessment site			
Assessment date/s		Time/s	

The assessment task is due on the date specified by your assessor. Any variations to this arrangement must be approved in writing by your assessor.

Submit this document with any required evidence attached. See specifications below for details.

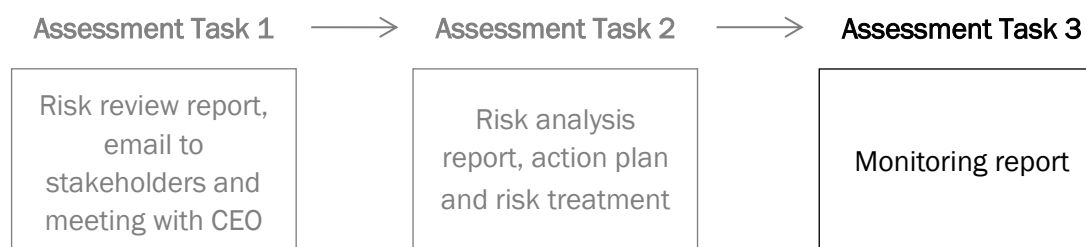
Performance objective

For this task you are required to review the implementation of the risk management action plan you developed in Assessment Task 2 and prepare a monitoring report.

Assessment description

For the MacVile Pty Ltd simulated business scenario provided, you are required to assume the role of Brisbane store Assistant Manager, Ash, who has just been promoted to be Manager of a new store. Ash has been tasked with conducting a risk management analysis of this new venture.

There are three stages to this project: (1) review, (2) analyse and plan, and (3) monitor. This project is divided into three assessment tasks as follows:



For this task, you are to review the implementation of the risk management action plan you developed in Assessment Task 2 against the simulated business information provided in this task. Then, you will need to prepare a monitoring report evaluating the outcomes of the action plan and risk management process.

Procedure

1. Review the MacVille simulated business scenario information provided in the Appendix of this task.
2. Develop a report for the CEO (your assessor), which examines the ongoing implementation of the risk management action plan.
 - a. Ensure you include the following sections in your report:
 - i. Plan – a clear summary of the initial risk and the plan implemented to manage it.
 - ii. Implementation – a summary of all actions taken to date in attempting to manage identified risks.
 - iii. Outcomes – a clear statement identifying continued and/or reduced risks, with supporting information in tables or graphs where available.
 - iv. Evaluation – a clear analysis of the effectiveness of the risk management plan, including risk assessment (e.g. risk matrix), by comparing the implementation with the outcomes.

Note: Ensure your report is written in a style appropriate to your stakeholder audience, for example, using appropriate language and including appropriate illustrative material (such as checklists, diagrams or flow charts) and attachments to support your findings and process.

3. Submit the required documents for assessment as per the specifications below. Be sure to keep a copy for your records.

Specifications

You must provide:

- a monitoring report.

Your assessor will be looking for:

- reading skills to review, interpret and analyse text-based business information from a range of sources in order to evaluate effectiveness of risk management implementation
- written skills to organise and deliver information to effectively communicate evaluation of activities to stakeholders
- numeracy skills to interpret mathematical data when reviewing and evaluating scenario business information effectiveness of activities
- ability to work independently to analyse scenario information and evaluate effectiveness of activities
- ability to interact with others using appropriate conventions when communicating to, and consulting with, stakeholders
- ability to sequence and schedule activities and manage communication

- ability to analyse relevant information to identify and evaluate effectiveness of activities
- ability to use familiar digital technology to access information, document findings and communicate them to stakeholders.

Adjustment for distance-based learners

- No variation of the task is required.
- A follow-up interview may be required (at the discretion of the assessor).
- Documentation can be submitted electronically or posted in the mail.

Appendix: Scenario – MacVille Pty Ltd simulated business

Implementation information

It has now been six months since you delivered your risk management action plan.

In accordance with the action plan, an external audit was completed and has been presented to the MacVille Board. The audit investigated the status of the planned actions on the risks identified.

A summary of the findings

- The financial controller had taken out \$5,000 on insurance cover for cash held on the premises overnight from the launch week as planned.
- The company bank account that was planned to be opened in the first week was actually opened about four weeks after the café's launch at the bank two doors down the street. As it is not MacVille's regular bank, there are difficulties with getting the same level of service that MacVille stores receive in Brisbane.
- The teleconferencing system, planned for six months after launch, has not yet been installed, due in part to the delay in the rollout of the federal government's National Broadband Network.
- The weekly management meetings are finishing close to 3.00 pm as planned but sometimes the manager has to stay on at the request of the head office team. The manager has not yet been issued with an excusal letter by the CEO as agreed, and feels that they do not have the authority to just walk out at 3.00 pm.
- The assistant manager training has been shifted to the mornings, allowing the manager to leave before 1.00 pm as planned.
- The Board of Directors and CEO included a new policy regarding compliance with the Toowoomba by-law on water conservation as planned, but the specific procedure has not yet been written. However, it appears that compliance is being achieved.
- The plants have been changed to natives that require minimal water as planned. The installation of dual-flush toilets were planned for completion six months after settlement, and although the dual-flush toilets have been ordered and are in stock, they cannot be installed due to the backlog of work by district plumbers. The five-star rated (WELS) dishwasher was installed by the supplier within the six-month timetable as planned.
- The application to 'make good' by Goldsmith Partners on behalf of MacVille was accepted by the Toowoomba City Council; however, the grace period to comply with by-law ends in 14 days and the store is still above the acceptable benchmark for water use.
- The training on daily banking appears to have been successfully completed as planned. An audit of the bank deposit book shows that there is no banking entry for the day's sales on only two occasions in the past six months.

- There has been one internal audit arranged by the store and, as planned, there should have been a call every two months. The store manager cites the distance that auditors have to travel and their overloaded work with the Brisbane stores as the reason for this infrequency.
- Although the training on the water-saving processes, as directed by the policy, has been verbally explained and followed, the written procedure has not been completed as the assistant manager (James Mansfield) claims to be too busy.
- A water tank had been built in to the courtyard but the plumbing has not yet been connected. There is a weekly water-usage monitor in the staff room as planned but the information has not been updated for the past three weeks.
- All the original staff members are wearing the MacVille uniform. However, these original employees are now responsible for directly supervising new employees. The original staff members are not explaining the uniform requirements to new employees and are not delivering any warnings for uniform non-compliance. As a result, there has been an increase in uniform non-compliance.

Implement change management strategy

Submission details

Candidate's name		Phone no.	
Assessor's name		Phone no.	
Assessment site			
Assessment date/s		Time/s	

The assessment task is due on the date specified by your assessor. Any variations to this arrangement must be approved in writing by your assessor.

Submit this document with any required evidence attached. See specifications below for details.

Performance objective

You will demonstrate the skills and knowledge required to implement change management strategy.

Assessment description

Using the scenario information supplied, you will conduct an implementation review. You will then consult with a union representative and General Manager to receive input and develop a revised communication plan. You will action the revised plan by delivering a 15–20 minute information session to employees. Finally, you will consider making final revisions to the communications plan and overall project plan and seek approval from the General Manager.

Procedure

1. Review the simulated workplace information for Fast Track Couriers.
2. Following the communications plan provided in Appendix 4, develop a survey to gather feedback from employees.
3. Meet with a union representative (your assessor) to receive and discuss the results of the survey. Anticipate possible resistance by this stakeholder and promote your plans to gain acceptance. Ask for additional input to help you revise your change management communications strategy.

4. Draft revised communications plan and overall project plan (from Assessment Task 2) in consideration of barriers identified through consultation process (with your assessor acting as a union representative) and those identified in risk analysis provided in Appendix 3. Highlight strategic elements in your plan that you will deploy to gain trust and acceptance of change. Ensure you consider the needs of all stakeholders to gain support for planned changes.
5. Meet with General Manager (assessor) to discuss ideas for revised communications plan and overall project plan based on feedback.
 - a. Discuss the needs of all stakeholders.
 - b. Discuss creative technique, activity or tactic you will use to gain trust and acceptance in the 15–20 minute information session you will deliver.
 - c. Ensure you anticipate possible resistance by this stakeholder and promote your plans to gain acceptance.
6. Develop a plan for a 15–20 minute information session for truckers. Include an outline of what activities you will be doing, how long you will be doing them, and how the activity will achieve the goal of employee acceptance of change process. Ensure you anticipate possible resistance from these stakeholders and plan to overcome resistance.
7. Deliver session to employees (your assessor/other people enlisted by the assessor to perform in the role of employees). Ensure you take a consultative approach to the session and invite participation, questions, input, etc. and ensure you incorporate a creative technique, activity or tactic in the session.
8. Make final revisions to your communications and overall project plans based on feedback and consultation (save these as separate documents to previous drafts). You may need to consider changes to communication activities, training activities, and rollout of changes. Consult with GM (assessor) to ensure changes are approved.
9. Submit all documents to your assessor as per the specifications below. Ensure you keep a copy of all work submitted for your records.

Specifications

You must submit copies of:

- one survey
- drafts of communications and overall project plans to indicate review of plans (including highlighted strategic element/s)
- planning and support documents for your 15–20 minute information session (such as a plan for the session, PowerPoint presentation, handouts, and a creative activity for gaining trust and acceptance of change process).

Your assessor will be looking for how you:

- explain the change management process
- outline components of the change management project plan
- demonstrate knowledge of specific organisational requirements from the scenario
- outline potential barriers to change from the scenario
- describe a range of techniques for embedding change and gaining trust
- demonstrate leadership skills to gain acceptance of plan and gain trust
- provide innovation skills to develop creative ways of getting people to accept change
- demonstrate planning and organising skills
- demonstrate problem-solving skills to respond to barriers to change
- develop project management skills to implement change management strategy
- demonstrate teamwork skills to consult with relevant groups for input
- use verbal communication skills to describe and promote change management plan.

Adjustment for distance-based learners

- No changes to the assessment procedure or specification are required.
- The consultation and presentation may be conducted via video or teleconferencing.
- Documentation may be submitted electronically.
- A follow-up interview may be required (at the discretion of the assessor).

Appendices

Appendix 1: Task – Fast Track Couriers Pty Ltd

It is the end of the 2015 financial year and one month into the implementation of a change management strategy. You are hearing that the implementation has not achieved the employee's trust, understanding and support that you expected, which is essential for success, particularly among truck drivers.

You are an external change management consultant employed by Fast Track Couriers to revise the communications strategy. You have been asked by the General Manager to develop and deliver an innovative and more effective communications plan.

Following the communications plan (provided in Appendix 4), you will need to evaluate the management of truck drivers through the change management process. Develop a survey to gauge trucker opinion on the following ten dimensions of employee satisfaction.

Dimension	Description
Training	Is it adequate for role?
Role clarity	Are roles and responsibilities clear?
Trust	Do employees trust the change management (CM) process and management?
Evaluation	Is performance fairly measured?
Leadership	Is leadership adequate and does it inspire confidence?
Communication	Is communication clear and two-way?
Procedures	Are there clear and effective procedures to follow?
Recognition	Is performance recognised?
Diversity	Are individual differences valued and appreciated by Fast Track Couriers?
Teamwork	Is teamwork encouraged and promoted?

Once you have completed the survey, meet with the union representative (assessor) to discuss results and get additional input.

Draft a revised communications plan to conform to the identified risks in the risk management analysis.

After you have gathered input, meet with the General Manager (assessor) to discuss your suggested revision of the communications plan.

You will then need to implement the revised plan. Part of the revised communications plan will include a 15–20 minute information session that you will deliver to the employees.

Goals

FTC has the following goals for the Change Management strategy:

- Goal A: Implement PDA/GPS usage (productivity function) on truck fleet in the first quarter of the 2016 financial year.
- Goal B: Implement one person per truck policy using automatic lift gates in the first quarter of the financial year.

Achievement of these goals should increase net profit in the next financial year by \$200,000 due to increased efficiencies and increased business.

Goal A is essential to the business to ensure (in the following order of importance):

1. most efficient use of resources to cover market needs. Management will look at more than the raw hours spent on job and consider all factors such as job difficulty, traffic conditions, etc., in order to optimise fleet usage
2. job performance measurement for training needs
3. recognition of outstanding performance (bonuses for exceeding targets; advancement/leadership opportunities).

Goal B is essential to the business to ensure:

- most efficient use of resources to cover market needs
- reduced need to hire external truckers; use of present employees as much as possible
- reduced possibility of lifting injury.

Appendix 2: Progress of implementation

The project manager has prepared the following progress report.

Green: completed

Amber: in progress

Red: not completed

Reporting element	Measures	Status
Change goal	Goal A: Implement PDA/GPS usage (productivity function) on truck fleet in the first quarter of the 2016 financial year.	RED
Project management	Delivery of project activities as per project plan for each stream	Overall status:
	People	GREEN
	Process	GREEN
	Technology	GREEN
Structure.	GREEN	
Stakeholder management	Stakeholders engaged and comfortable with current position.	RED
Communication	Communication plan activities on schedule.	GREEN
Education	Education plan activities on schedule.	RED
Cost benefits	Project budget on track.	RED
	Cost benefits on track to be realised.	RED
Risk management	Risk management plan effectively managing risk.	RED

Appendix 3: Risk management analysis

Risk/Barriers	Impact	Likelihood	Strategies for mitigating risk
Lack of trust regarding use of productivity data. Refusal to implement.	High impact	Medium	Communications and training to outline business need. 'Tracking productivity helps improve the efficiency of operations, where and when resources are deployed; it is not a tool to performance manage or penalise individuals.' Address employee concerns.
Perceived threat to job security. Resistance to implementation.	High impact	High	Explain connection between business expansion plans and: <ul style="list-style-type: none"> increased job security: because of the need for drivers to support expansion; because overall profitability and health of the business reduces risk to everyone benefit of training and consequent increase in employability due to new skills.
Industrial action.	High impact	Medium	Address employee concerns. Gain trust and acceptance.

Appendix 4: Communications plan

Audience	Message (with strategic elements)	When	Communication method	Person responsible
HR manager	Change management strategy – duties of HR manager.	9 am–10 am, 1 July 2016.	Email (invite with agenda). Face-to-face (office training room).	CM consultant
Trucking/operational manager	Change management strategy – duties of trucking manager.	11.30 am–12.30 pm, 1 July 2016.	Email (invite with agenda). Face-to-face (office training room).	HR manager
Management team	Change management strategy – duties of HR manager.	2 pm–3 pm, 1 July 2016.	Email (invite with agenda). Face-to-face (office training room).	HR manager
Trucking team	Change management strategy impacts to trucking team. Duties of truckers – provide an explanation of what will be required. Business need – gain support by emphasising possible negative effects on jobs if change does not happen. Training schedule – emphasise mandatory nature and threaten performance review consequences for non-compliance.	9 am–10 am, 4 July 2016.	Email.	HR manager (assistant may draft)

Audience	Message (with strategic elements)	When	Communication method	Person responsible
Sales team	Change management strategy summary. Benefits to organisation.	11 am–11.30 am, 4 July 2016.	Face-to-face (office training room).	Sales manager to run team meeting.
Office team: Accountant; Administrative support person	Change management strategy summary. Benefits to organisation.	11.30 am–12 pm, 4 July 2016.	Face-to-face (office training room).	Office manager to run team meeting.
Truckers (All other employees to receive brief summary only)	Request for feedback.	Three weeks post-training.	Feedback survey on ten dimensions of employee satisfaction.	New CM consultant to design and implement. HR manager to research benchmarking.

Appendix 5: Background information: Fast Track Couriers Pty Ltd

About Fast Track Couriers

Fast Track Couriers is a courier company that has been operating in New South Wales for the last 15 years. Its primary business function is delivering medium to large size packages across metropolitan Sydney.

Strategic plan goals

The organisation's strategic goals are:

- to expand business in the metropolitan area so that small to medium package deliveries market share increases by 7.5%.
- to expand the business to include small and medium package deliveries to regional NSW.
- to develop an integrated approach to distribution management utilising technology such as PDA devices and GPS.
- to develop and maintain a cohesive and well-motivated workforce.

Strategic goals are supported by the following operational and human resources goals.

Operational plan goals

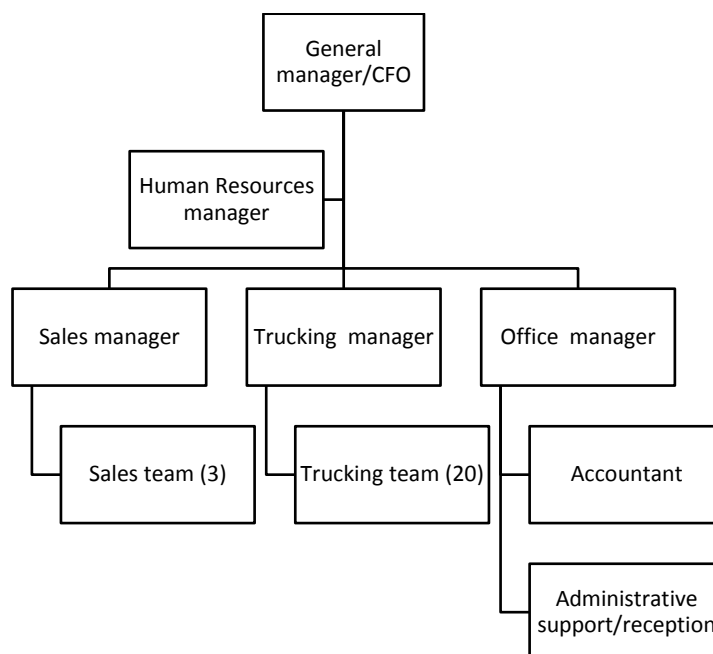
- Testing of the distribution management system is to cease and allow implementation within the first quarter of the 2016 financial year.
- The truck fleet will need to be expanded by 8 trucks within the 2016 financial year.
- Small distribution hubs will be positioned at Maitland, Goulburn, Nowra and Bathurst, each manned by two employees within the next eighteen months.
- Fast Track Couriers will complete 20% of deliveries to regional locations in the next three years.

Human resources goals

- Incorporating a Human Resources function to facilitate the changes in workforce management in the first quarter of the 2016 financial year.
- Introducing professional development and training to achieve organisational goals and promote understanding of organisation's strategic goals in the first quarter of the financial year.
- Eliminating industrial relations problems in the financial year. Concluding negotiations with employees and union.
- Eliminating lifting injuries.

People/structure

Fast Track Couriers has implemented and recruited the people required to fill the roles in the following organisational structure.



Managerial duties/role description

General manager/CFO	Oversees company; approves major business decisions such as strategic goals, change management initiatives; reports to board of directors; prepares financial reports.
HR manager	Oversees and implements change management programs; collect feedback, assessment results, and all other data regarding change management; provides report to GM on implementation of major changes; oversees recruitment.
Sales manager	Coordinates sales team; provides sales team training; manages performance of sales team.
Trucking/operations manager	Coordinates activities of trucking team; manages performance of trucking team; compiles productivity reports; manages operations, authorises purchasing of operational equipment, etc.
Office manager	Coordinates activities of accountant and administrative support. Authorises payroll.

Background to workforce management and relations

The company communicates with employees via email for head office employees, and a printed monthly newsletter for drivers. The company provides information regarding policies and procedures through documented manuals that are held in each truck as an employee manual. Office-based staff can access copies of these manuals at the office.

All trucks are fitted with a GPS system to assist drivers with navigating to each pick-up and drop-off location. Trucks are also assigned a PDA that provides drivers with the details of each pick-up and drop-off and records when a job starts and finishes. The data from this device is sent back to head office to monitor job progress but is not used to complete productivity reporting. When this device was introduced, drivers were not happy, as they felt the organisation was saying that it did not trust the drivers to manually record the time spent on each job. Many of the drivers also resented having to learn how to use the device and thought it was a waste of time.

Head office employees work very closely together and are a very cohesive and motivated team. They are positive about the organisation's direction and respond well to change.

Drivers have historically reacted negatively to change. Change implemented in the past has met with resistance and was therefore difficult to implement. Drivers have in the past done their best to block any changes from being implemented, even going to the lengths of threatening strike action and having the union involved to assist with resolving the issue.

Fast Track Couriers currently allocates two drivers per truck to ensure that drivers are able to load and unload heavy packages. The strategy going forward is to remove the need for having two drivers per truck by installing an automatic lift gate on the back of each gate at a cost of \$10,000 per truck. This will mean that only one driver is needed per truck as no heavy lifting will be required.

It is Fast Track Couriers' intention to use these surplus drivers to drive the new trucks that will be purchased to enable the company to extend its services to regional NSW.

Drivers are currently happy with the work environment, as they enjoy working as part of a two-man team. The organisation typically leaves the drivers alone and lets them do their job as this is what seems to make them happy. Management has tried in the past to have drivers participate in organisational activities. These activities were not received positively and the drivers complained and asked not to be involved. The drivers' view is that their preferred team is their two-man driver team and they only see the benefits of that specific working arrangement. There is a high value placed on communication with trucking team members.

Marketing plan management

Submission details

Candidate's Name		Phone No.	
Assessor's Name		Phone No.	
Assessment Site			
Assessment Date/s		Time/s	

The assessment task is due on the date specified by your assessor. Any variations to this arrangement must be approved in writing by your assessor.

Submit this document with any required evidence attached. See specifications below for details.

Performance objective

In this task you are required to develop a management plan for provided marketing information to monitor and review its progress after a period of time. You will also need to delegate roles to individuals within the organisation, establish and use KPIs to assess progress, and communicate information about marketing activities as required.

Assessment description

As part of this task, you will need to ensure that you understand the mission and strategic objectives of your organisation, in particular the marketing objectives and legislation requirements. Such legislation requirements would cover areas such as: copyright laws, privacy laws, Trades Practices Act, Direct Marketing Code of Practice and defamation laws. You will need to develop plans for managing the marketing activities for the organisation, with specific attention paid to the integration of marketing and sales activities and the delegation of roles and responsibilities to individuals and teams within the organisation. You will need to develop materials to communicate the marketing objectives and management processes for the marketing plan for a range of staff and stakeholders, and will need to monitor and review the progress of the marketing objectives over time. An understanding of relevant economic, social and industry directions, trends and practices will be required to assist completion of the assessment.

Procedure

Using the case study information provided, develop a management plan for the marketing activities being conducted within your organisation. This should include information under the following headings:

1. **Marketing activities:** Review proposed marketing activities and accompanying information to identify and describe three activities that show the potential for the organisation (within the established marketing objectives).
2. **Integration of organisational activities:** Discuss and prepare a brief summary describing how the range of marketing, promotional and sales activities (detailed in the provided case study information) can be integrated to ensure the achievement of the established marketing activities.
3. **Monitor progress:** Monitor the product, distribution, pricing and marketing communication policies in relation to market changes, marketing plan objectives and organisational requirements. Monitoring progress would also involve an evaluation of statistical and data techniques to measure marketing performance.
4. **Distributing and pricing:** Review the proposed models for distribution and pricing of product, and describe how this should be adjusted to allow for the market fluctuations (as identified in the case study). Provide a plan for how distribution and pricing can be monitored over time, in relation to market changes and adjustments in organisational requirements (as described in the case study), to create monitoring reports for your organisation.
5. **KPIs:** Provide a plan for how progress (using the metrics of *return-of-market-investment* and *market share*) can be measured against performance targets, to ensure that marketing requirements are being met.
6. **Delegation:** Develop draft staffing proposals for the delegation of roles and responsibilities for various marketing activities and efforts within your organisation.

Once you have provided the information above, you need to meet with the CEO (your assessor), and discuss with them the information you have gathered about the proposed marketing activities and your management plan. In particular you should discuss and agree on the proposed delegation of roles and responsibilities for marketing efforts described in your management plan.

With the CEO's approval, you should develop information to be shared with relevant personnel in your organisation, including all information provided under each heading above, as well as:

- **Communication:** Describing the communication strategies to be put in place to assist individuals in working together to achieve marketing objectives.

Specifications

You must provide:

- A management plan for the marketing activities, with clear strategies and actions for the achievement of marketing objectives [Steps 1–6]
- Summary notes from your meeting with your CEO.

Your assessor will be looking for:

- Evidence that you analysed and identified the needs of the case study, and reflected these in the management plan you have developed.

Adjustment for distance-based learners:

- Complete assessment as per instructions, except the meeting with your manager (the assessor) will be via phone or Skype or other live telephone or video medium.

Case study

You are the marketing manager for a chain of home-ware stores in Brisbane called Houzit. The marketing plan for the 15 Houzit stores was developed over 12 months ago and you are actively engaged in implementing the strategies to achieve the marketing objectives. Specifically, you are instigating those marketing activities that meet the marketing objectives of a 12% market share (up from 11%) and an increase in sales by 8.5% over last year's result. No expansion stores are planned during this phase of consolidation and on average the stores achieved \$24,680 per week for the year.

The next six months of the marketing plan calls for increased marketing to match the growth in seasonal demand that occurs during this period. In particular, you should focus on magazine advertising and PR, together with in-store promotions and web based promotions.

You are assisted in the marketing role by Marie and Tony. Marie manages the advertising/PR while Tony is a specialist search engine optimiser and webpage designer. You enjoy taking responsibility for the in-store promotions because it keeps you connected with the key personnel and the trends in merchandise category sales. Lamberts Consulting are also a preferred supplier of market research, marketing audits and marketing consultancy.

The market for home-wares in Brisbane is estimated last year at \$175 million per annum with an anticipated growth rate of ten percent in the coming year.

The next six-month campaign is designed to take advantage of the seasonal growth in bathroom fittings and mirror categories with linkages to the other two categories of Houzit: bedroom fittings and decorative items.

Some of the leading home-ware magazines are selling advertising space with the opportunity of a PR write up in their magazine and website. You see this as a key driver in achieving the marketing objectives because you are aware that your major competitor is slashing their advertising budget and putting what they have into sponsorships.

It is planned that the in-store displays will feature these advertising visuals and link the featured products with other areas in Houzit's assortment. At the same time, the company's web page will also carry the advertising visuals on the home page and will use the PR copy in article marketing on popular article content sites. The webpage will be targeted towards the key words found in the PR article and featured in the advertising of 'stylish bathroom' and 'exotic mirrors'. These keywords will also be secured via pay-per-click traffic directing.

All advertising, PR and in-store displays will carry the web address line of 'Find us at www.houzit.com'. To date, the webpage has simply been about company and product information with no opportunity for customers to order and pay online. This is one area that Lamberts Consulting has recommended to the board as an area that should be considered in the distribution channel options. You have been asked to fit this into the plans over the next six months.

Lamberts has also alerted the company to the fact that the strong Australian dollar was making their imports cheaper to buy, putting pressure on the local suppliers to match prices. As a result, some of your competitors have signalled a drop in the retail price of their quality imported home-wares. Imports were usually an area of high margins for the company and any loss there could be a serious issue. Monitoring both the Australian dollar and competitor prices has been set as a priority for the coming six months.

The board has set a benchmark of 15% of new sales generated as an appropriate customer acquisition cost. This is a KPI that the board wants monitored along with the market share percentage.

Staffing support plan

Submission details

Candidate's Name		Phone No.	
Assessor's Name		Phone No.	
Assessment Site			
Assessment Date/s		Time/s	

The assessment task is due on the date specified by your assessor. Any variations to this arrangement must be approved in writing by your assessor.

Submit this document with any required evidence attached. See specifications below for details.

Performance objective

In this task you are required to develop a plan for the coaching and mentoring of staff involved in the marketing activities. Included in your plan will need to be descriptions of how you intend to provide feedback and instigate corrective actions to staff who are working with you to fulfil marketing objectives.

Assessment description

As part of this task, you will need to ensure that you understand the mission and strategic objectives of your organisation, in particular any guidance given by these or other policy and procedure documents on staff interactions and staff training. Your plan will need to establish strategies for coaching and mentoring staff, providing feedback and when necessary, instigating corrective actions to ensure that marketing objectives are being met. Legislation requirements will also need to be addressed. Such legislation requirements would cover areas such as: copyright laws, privacy laws, Trades Practices Act, Direct Marketing Code of Practice and defamation laws

Procedure

Develop a staffing support plan for supporting through individuals and work teams with delegated roles and responsibilities within your organisation. This should include information under the following headings:

1. **Strategies:** specific strategies for mentoring and coaching of staff throughout the period of the proposed marketing activities
2. **Resources:** models for assessing use of resources provided to attain required marketing outcomes

3. **Feedback:** a model and mechanism for providing feedback to staff throughout the process
4. **Performance:** a process to be used for identifying weaknesses in individual and team performance (in meeting the requirements of the marketing objectives for the delegated marketing activities) and instigate corrective actions when required.

Using this information, review the two scenarios provided:

- **Scenario 1:** Describe how you would provide one-on-one coaching to the individual identified in the scenario to assist them in achieving the required marketing outcomes
- **Scenario 2:** Describe the performance to-date of the individual, and describe the corrective actions you could take to ensure that marketing outcomes continue to be achieved.

Specifications

You must provide:

- staffing support plan [*Steps 1-4*]
- responses to each provided scenario [*Steps 5-6*].

Your assessor will be looking for:

- Evidence that you analysed and identified the needs of the case study, and reflected these in the staffing support outline you have developed.

Adjustment for distance-based learners

- No variation of the task is required.

Case study

You know from experience that the marketing and promotional activities you have planned for Houzit are going to put pressure on your team. However, you accept this as the nature of the business, and you have developed strategies to help the team achieve the marketing objectives in the most efficient and effective way. Both your key personnel in this plan, Marie (Advertising/PR) and Tony (Website) have expressed ambitions to pursue a career in company management. You agree to help them by providing coaching and mentoring when you see attitudes, skills or knowledge levels that could help them achieve their ambitions.

You have also set up a formal weekly meeting to discuss the KPI results generated from the accounting information system and their individual reports. You also use this meeting to emphasise the concept of team achievement and that financial resources should be allocated to the greatest need. You also address where they can achieve the greatest return that is in line with the marketing objectives.

You make a habit of taking them on store visits so their role does not isolate them from personnel and products on the front line of the business. Another strategy you employ is to cc them on all emails that affect the whole marketing group, apart from the private and confidential correspondence.

Scenario 1: Coaching and mentoring

Marie achieved outstanding results in her university degree. However, her lack of 'real world' experience makes her uncertain and she lacks confidence to make decisions. You have agreed to be her coach and mentor. She has come to you recently for help and discussed with you a significant range of issues she wanted help with.

She has often commented that having you as a coach has given her a safe place to off load some issues that bothered her and a place where she can get unbiased, confidential support. She is also appreciative of you when you provide her with opportunities to further develop skills she already has particularly in areas of advertising. She is a keen learner and wants to learn new skills as they relate to marketing. She has especially asked for more knowledge in web design and web marketing but every approach to Tony has been rejected flatly, sometimes with what seems like disdain.

One of the most important aspects of the coaching and mentoring for Marie is the opportunity to get a fresh perspective on ideas and to seek out advice, suggestions and options from an experienced person like you. This is particularly important for her in how she gets PR happening in the most effectively way.

She often comments that another thing she gets out of your coaching and mentoring is that she gets to know her boss better which promotes a more team based approach to problems.

Scenario 2: Tony

Tony's approach to the job is quite different to Marie. He is not a keen learner of other forms of marketing apart from internet marketing which he often calls 'the future of marketing'. He sees his knowledge as his own intellectual capital and is never keen to share it with anyone. His teaching method is full of jargon and he shares knowledge at a speed that makes learning even more difficult.

He often presents ideas for internet market that would certainly boost traffic to the site but which you believe are unethical under the company's ethical standards. So, you don't approve them.

This rejection of some of his ideas sees him less keen to participate on more general marketing activities like store visits. In your mind, Tony needs to correct his attitude if he is to perform his job effectively.

It has recently come to your attention via a Lambert Consultant consultation, that the company's website has links to a home business that Tony's friend operates in providing installation services for company purchased products. You have not given Tony approval to make this link, and decide to take corrective action on this and other issues related to Tony.

Marketing performance report

Submission details

Candidate's Name		Phone No.	
Assessor's Name		Phone No.	
Assessment Site			
Assessment Date/s		Time/s	

The assessment task is due on the date specified by your assessor. Any variations to this arrangement must be approved in writing by your assessor.

Submit this document with any required evidence attached. See specifications below for details.

Performance objective

In this task you are required to review the implementation and progress of a marketing plan, based on the established plan and metrics.

Assessment description

Read the case study and understand the marketing objectives for the organisation. You will need to analyse and measure progress of the plan against established KPIS, and review targets for the next phase of the marketing plan. Data evaluation techniques to measure marketing performance should be demonstrated by the learner.

Learners will need to have read case study material contained within the previous two assessments to assist development of Assessment Task 3 answers.

Procedure

Using the case study provided, detail the outcomes of ongoing marketing activities to develop a marketing performance report. The report should follow the three headings below:

1. **Analysis:** analyse the marketing outcomes, changes in marketing and calculated marketing metrics (ROMI and market share). Describe the changes required to meet strategic objectives.

2. **KPIs:** Explain any success or performance gaps in the case study as measured against the KPIs mentioned earlier. Identify what you believe are the causes and effects of any successes or gaps. Describe marketing outcomes and how you could improve strategic performance.
3. **Targets:** for any identified over-performances (against targets), describe the trends and reasons for these, and set new targets for the next 12–18 months.

Specifications

You must provide:

- A marketing performance report [*Steps 1–3*].

Your assessor will be looking for:

- Evidence that you analysed and identified the needs of the case study, and reflected these in the strategic presentation you have developed.

Adjustment for distance-based learners:

- Complete assessment as per instructions, except the meeting with your manager (the assessor) will be via phone, a social networking site or other live telephone or video medium.

Case study

Lamberts Consulting provides you with a report on the home-wares market in Brisbane six months later. Their latest estimate is that the market for home-wares in the Brisbane market is \$199 million per annum up from \$175 million per annum last year. The predicted growth was 10% for this year. Lamberts said that the large increase in interstate migration was increasing the building activity and consequently the home-wares sector. Lamberts expects this trend to continue for at least the next five years.

You print a copy of the latest store averages and note that the average weekly sale for the 15 Brisbane stores has grown to \$28,200 per week per store. Expectation was 8.5% growth on \$24,680 per week per store. Market share was targeted at 12%.

You also check the latest market expenditure report to see the amount of money invested in marketing activities to get the stores to this new level. You note the following expenditure over the past six months

Advertising \$250,000, PR \$30,000, in-store promotions \$60,000, internet marketing \$100,000.

You believed that the extra expenditure in web marketing was justified in preparation for the on-line merchandise sales that will be included in the next marketing period. You also believe that there is a need for the company to shift more of its marketing budget into web marketing activities in line with the industry trends.

With a growing market you believe that by maintaining market share the company will get solid and controllable growth. Pushing for increased market share in a growing market could cause customer service and management issues.

Develop market research plan

Submission details

Candidate's Name		Phone No.	
Assessor's Name		Phone No.	
Assessment Site			
Assessment Date/s		Time/s	

The assessment task is due on the date specified by your assessor. Any variations to this arrangement must be approved in writing by your assessor.

Submit this document with any required evidence attached. See specifications below for details.

Performance objective

In this assessment you are required to establish guidelines for researching and gathering information and work with your staff to gather and evaluate the data.

Assessment description

You need to review existing policy and procedure documents (in the appendices of your Student Workbook) and develop guidelines for managing the process of gathering research information. You also need to identify and plan to acquire all resources necessary for supporting the project.

Procedure

From the case study provided you are required to complete the following steps:

1. Develop guidelines reflecting organisational policy and procedures to be used for conducting research. These guidelines for research must provide information and guidance under the following headings:
 - OHS
 - Data privacy
 - Staff involvement
 - KPIs
 - Quality of data.

2. Meet with and commission a staff member (your assessor) to develop detailed work plans for how research will be undertaken, using the guidelines you have established. Make sure you agree on the format of the materials (print/electronic/oral, etc.) and a date for the provision of these materials.

When the staff member returns the plans to you, you will need to review the plans to identify the following and providing a written Work Plan Summary (document) – the steps below should be the main sections of your summary:

1. **Resources:** Identify all required resources to support the implementation of the plans by:
 - a. creating a list of all required resources
 - b. completing the Resource requisition/acquisition form provided for each resource.
2. **Consultants:** Identify preferred consultants by:
 - a. describing requirements for external consultants within the project plan
 - b. detailing selection criteria for selection of external consultants
 - c. identifying which consultant/s from the preapproved list is/are suitable.
3. **Providers and suppliers:** Identify preferred providers and suppliers by:
 - describing requirements for goods and services within the project plan
 - detailing selection criteria for selection of providers and suppliers
 - identifying which providers and suppliers from the preapproved list is/are suitable.

Adjustment for distance-based learners:

No variation of the task is required.

Specifications

You must provide:

A written Organisational Guidelines for Conducting Research (Step 1)

A brief written summary of your meeting with the staff member you commissioned for research (Step 2)

A written Work Plan Summary (Steps 3-5) with completed acquisition forms.

Your assessor will be looking for:

- Evidence that you have examined the case study and reviewed organisational requirements to develop market research plans.

Distance-based learners:

- Complete assessment as per instructions, except the meeting with your staff member (the assessor) will be via phone or Skype or other live telephone or video medium.

Case study

You are the marketing manager for a 15 store chain of homeware stores in Brisbane called Houzit. The stores specialise in bathroom fittings, bedroom fittings, mirrors and decorative items. As part of the strategic plans of the business, the board want to broaden the store offer by including lighting fixtures in the assortment mix. The board identified the need to carry out market research to determine the market feasibility of adding the lighting fixtures category to Houzit's assortment. The board have requested that this work be undertaken by a specialist market research firm with extensive knowledge of the target market and who can undertake a wide variety of research methods and complete the process in a timely manner.

The CEO has asked you to manage the entire market research process for the board. You are asked to liaise with the general manager of store operations and the group buying manager. Initially you are required to develop the guidelines for conducting the market research which must adhere with Houzit's policy and procedures. The scope of research to be undertaken encompasses the greater Brisbane area.

The CEO explained that the market research report together with your summary must be ready to be presented to the board in 8 weeks time. You have been allocated a budget for the project of \$15,000 to cover external consultants and associated external material costs. You are required to stay within this budget. Houzit's policy and procedures requires that you submit a Resource Usage application for all resources required in the project both internal and external.

Your marketing team consists of Tony (search engine optimisation and website maintenance), Marie (advertising and public relations) and Joanne an administration officer. You have asked Tony to take responsibility for the operational aspects of the project and estimate that it will take up 50% of his time over the next 11 weeks. Joanne will also be involved for about 20% of her time in attending to administration matters. You estimate that you will need to allocate 30% of your time to manage the overall project.

According to Houzit's policy and procedures the following detailed Work Plan Summary needs to be undertaken:

Definition/scope phase

- Define research objectives
- Define research requirements
- Determine in-house resource
- Compile a list of preferred consultants/suppliers.

Consultant/supplier selection phase

- Define consultant/supplier selection criteria
- Develop consultant/supplier selection questionnaire
- Develop Statement of Work

- Evaluate proposals
- Select consultant/supplier.

Research phase

- Monitor milestone achievements
- Consultant/supplier performance management.

Reporting phase

- Review Market Research report with stakeholders
- Prepare summary report.

The CEO meets with you and you and Tony to discuss the plans. The CEO explained that it is Houzit's policy to always engage external consultants when deciding on major category changes because it provided some objectivity to the decision making process.

The three preferred consultants are:

1. Acworth Accounting: 27 Pitt Street, Hawthorne QLD, who prepared the business plan for Houzit but who don't have specialist market research staff
2. Lombard Consulting: 78 Queen Street, Brisbane QLD, who are a local specialist market research firm based in Brisbane specializing in home accessory products and markets.
3. Holt & Burrows: 58 Lonsdale Street, Melbourne Vic, a national marketing firm based in Melbourne who consult on all issues relating to branding and marketing for all industries. They specialise in fashion, cosmetics and consumables.

The CEO explained that there was extensive information available in the company archives concerning customer feedback and surveys that has been collected by the stores over the past few years. This could prove useful in the research. The CEO also explained that you would need to have a member from head office do the information extraction work and could take up to 20 hours to complete.

The CEO would like to see a report that covered five main areas:

1. industry overview
2. target category and market
3. business environment
4. competitors
5. conclusion.

Tony prepared a list of preferred suppliers together with the products and services that they supplied to help determine the materials needed in accordance with the CEO's directive that it be a credible source, within the budget and easily accessible. These materials could be included in the project if required and it is within budget:

Homeware Trade association has an Australian wide industry report for \$1,000

Australian Bureau of Statistics has Census data for the target area the is mostly free but will costs about \$250 in search fees

IBIS market report covers each major market in Australia including the greater Brisbane area - \$1,200

Australian Chamber of Commerce has Australia wide surveys on industries \$1,450

Homeware Magazines and Publications is an international magazine covering innovations in home wares \$250 per quarter

Newspaper subscriptions covering local issues \$100 per quarter.

Resource usage application

Resource description	Resource quantity	Internal or external	External resource costs

You and Tony meet with each of the consultants identified by the CEO and explain to the need to meet the time frame set by the board. You know that the Definition/Scope Phase together with the Consultant/Supplier Selection Phase will take 2 weeks. You also realise that you will need a week at the end to prepare your reports.

Tony explains that there is an expectation that they will be able to complete the following tasks in the time frame allowed:

- Develop market research information needs questionnaire
- Document information needs
- Identify information to be gathered in research
- Identify source of information
- Identify research participant
- Identify research technique
- Identify timing requirements and budget
- Conduct research
 - Primary Market Research including customer surveys, focus groups and interviews with Houzit staff/managers and customers.
 - Secondary Market Research including the materials provided by Houzit.
- Document research findings
- Develop research report.

A week and a half into the project you receive the following responses from the preferred consultants.

- Acworth Accounting quote: \$11,500. Will need to engage external research staff. Will need ten weeks to complete the report. Cannot do focus groups.
- Lombards quote: \$12,000. Have specialist staff available in the home-wares field. Can complete the work within eight weeks. Can apply all methods of research.

- Holt & Burrows quote: \$14,500. Will send research staff from Melbourne. Can complete the work within eight weeks. Can apply all methods of research.

Market research

Submission details

Candidate's Name		Phone No.	
Assessor's Name		Phone No.	
Assessment Site			
Assessment Date/s		Time/s	

The assessment task is due on the date specified by your assessor. Any variations to this arrangement must be approved in writing by your assessor.

Submit this document with any required evidence attached. See specifications below for details.

Performance objective

In this assessment you are required to contract and manage an external consultant to complete research for your organisation, and monitor work activities in regard to the research project.

Assessment description

You need to meet with a consultant and complete a contract to secure their services for the required research activities. You also need to monitor, manage and report on work activities, to ensure that the research project remains in alignment with the research plan.

Procedure

From the case study provided you are required to complete the following steps:

1. With the supplied generic external consultants contract, you need to meet with the identified consultant (your assessor) from the case study and revise the contract to suit your requirements as the manager of the market research.
2. Using the supplied work activity information, develop weekly monitoring reports that:
 - **Progress of project:** describes the progress of the market research project
 - **Adherence to plan:** describes the adherence of work activities to the research plan

- **Contractor performance:** describes whether performance of external contractors is in line with expectations and contractual requirements.

Specifications

You must provide:

- A revised signed contract for the identified consultant (Step 1)
- A series of written Weekly Monitoring Reports (Step 2)

Your assessor will be looking for:

- Evidence that you have examined the case study and have understood the requirements of contract research consultants for the organisation.

Distance-based learners:

- Complete assessment as per instructions, except the meeting with the consultant (the assessor) will be via phone or Skype or other live telephone or video medium.

Case study

The CEO has decided to use Lombards Consulting to carry out the market research work in relation to Houzit's plan to add the lighting fittings category to the assortment offer. Working from head office as 12 Clarence street Hendra Queensland, you organise to have a contract drawn up that covers all the areas of agreement in relation to the work including milestones.

The following activities occurred during the market research project.

- The phases Definition/Scope and Consultant/Supplier Selection were completed by the 2nd week of the project. 5% complete
- Develop market research information needs questionnaire – on time
- Document information needs – one week late – 10% complete
- Identify information to be gathered in research – one week late
- Identify source of information – one week late – 15% complete
- Consultant requests Houzit purchase all research materials – You approve everything except for the Australian Chambers of Commerce, Australia wide surveys costing \$1,450
- Identify research participant – on time
- Identify research technique – one week late
- Identify timing requirements and budget – two week late – 30% complete
- Consultant requests more time – You do not grant it.
- Primary Market Research including customer surveys, focus groups and interviews with Houzit staff/managers and customers. – Completed on time except for interviews with all Houzit managers and group buyer – 50% complete
- Consultant report difficulty working with store managers
- Secondary Market Research including the materials provided by Houzit.- Consultant requested internal customer data be taken off-site – You do not grant it - Completed on time – 70% complete
- Document research findings – on time
- Develop research report – two days late – 100% complete.

Sample contract

Contract for Supply of _____

This Contract is made on the Date ____ Month ____ Year ____, between

_____ (name) ,and _____ (ACN)

City of _____, State of _____,

and

_____ (name) ,and _____ (ACN)

City of _____, State of _____.

For valuable consideration, the parties agree as follows:

1. *(detail of Agreement is detailed here, _____)*
2. No modification of this Contract will be effective unless it is in writing and is signed by both parties.
3. This Contract binds and benefits both parties and any successors.
4. Time is of the essence of this contract.
5. This document, including any attachments, is the entire agreement between the parties.
6. This Contract is governed by the laws of the State of _____

Signatures

The parties have signed this Contract on the date specified at the beginning of this Contract.

Signature

Name

Witness

Witness name

Signature

Name

Witness

Witness name

Research project evaluation

Submission details

Candidate's Name		Phone No.	
Assessor's Name		Phone No.	
Assessment Site			
Assessment Date/s		Time/s	

The assessment task is due on the date specified by your assessor. Any variations to this arrangement must be approved in writing by your assessor.

Submit this document with any required evidence attached. See specifications below for details.

Performance objective

This assessment task requires you to review the market research project and evaluate the findings that have been presented, as well as evaluating and recommending improvements to the research approaches and processes used.

Assessment description

You need to develop a report describing and evaluating the research undertaken and the findings presented. As part of this report you need to review the project performance against the initial research project plan, and review the process for future improvements.

Procedure

From the case study provided you are required to prepare a final report on the market research process including information under the following headings:

1. **Findings:** A review of the research report provided to you by the consultant including:
 - a brief summary of the report findings
 - a description of how you confirmed the validity of information and data included in the report
 - a statement assessing the relevance and usefulness of findings against research objectives.

2. **Performance:** assess the project performance against the research plan.
3. **Review:** A review of the feedback provided to you from various stakeholders, and any changes to the process required by this feedback. Also review all of the monitoring reports and monitoring activities completed throughout the project (in AT2) and make recommendations for changes or improvements to the research process.

With your completed report you also need to submit a revised set of research guidelines (from Assessment Task 1) incorporating the changes noted in your report for use in the next market research project.

Adjustment for distance-based learners:

- No variation of the task is required.

Specifications

You must provide:

- A written Final Report (Steps 1-3)
- Written revised Research Guidelines for the organisation.

Your assessor will be looking for:

- Evidence that you have examined the case study and have reviewed the market research process for the organisation.

Distance-based learners:

- Complete assessment as per instructions.

Case study

You receive a market research report from Lombards Consulting (see following pages).

You sent out the market research report as well as your variance summary of the marketing activities taken to key stakeholders and asked them to reply by email.

Later, in discussion with the principals of Lombards Consulting, you are made aware of the location and availability of source data on which the report was based. These include the original responses to the customer surveys, taped interviews and focus groups (with signed participant consent forms) and notes taken during conversations with staff, with Houzit staff/managers and customers. Copies of secondary data was also available, cross referenced and physically identified in the report and source document. Where possible Lombards Consulting used the scientific method of careful observation, formulation of hypotheses, prediction, and testing in their research. They also spoke of using multiple methods to ensure greater confidence in the findings.

When asked about the lack of time spent with the Houzit managers, Lombards consulting spoke about the healthy scepticism they have built toward assumptions made by managers about how the markets work. They also said that the intellectual divergences between the mental styles of line managers and marketing researchers often got in the way of productive relationships. The marketing researcher's report may seem abstract, complicated, and tentative, while the line manager wants concreteness, simplicity, and certainty. Lombards suggested they be involved in the earliest part of the planning process, in fact why not make them permanent feature in the marketing strategy team.

Emails from stakeholders

The general manager said in an email "I was disappointed that Lombards did not speak to the store managers more. They have real 'day to day' contact with customers and have much knowledge about what customers want. Perhaps next time they could be involved formally in the process"

The group buying manager said in an email "The report confirms what we thought about the new category. I would have liked to see more opinion from the consultants describing what they believed that the business environment data meant in terms of the business opportunity."

The CEO said that the "feedback from the board was to pass on their congratulations to you on a job well done given the short time frame." You replied that a research of that magnitude would normally require a 12-14 week turn around. The CEO agreed.

Market Research Report

Market Research Report

For: Houzit
Consulting

By: Lombards

Scope: Conduct market research to determine the market feasibility of adding the lighting fixtures category to Houzit's assortment.

The Industry

The specific category, 'lighting fixtures', is part of the home-wares market. Home-wares are linked to the domestic new dwelling and renovations industry.

Industry Size – The market for new dwellings and renovations is Australia wide with particular concentrations in demand in the high population growth states of Queensland and Western Australia. In Queensland there is significant demand in the South East corner of the state in which the greater Brisbane sector fits.

The value of new dwellings and renovations market in the greater Brisbane areas is estimated in 2009/10 at \$3 billion. The size of the home-wares business in that market is estimated in 2009/10 as \$130 million. The 'Lighting fixtures' category within the home-wares business is estimated in 2009/10 at \$22million. There are approximately 12 independent outlets currently supplying this category. Our research identifies that 89% of people that purchase home-wares are also in the market for lighting fixtures.

Industry Growth- The new dwelling and renovations markets industry in Australia is growing at 3.2% p.a. and has been holding a long term growth rate of 2.7% p.a. The greater Brisbane area is growing at 4.5% per year. Outlook for the coming years is that this industry will continue to grow at above national averages and remain ahead of the long term trend by at least one percentage point. The lighting fixtures category within this industry is estimated to follow the same trend lines.

Target Market Statistics

The target segment is the 'lighting fixtures' category. The target market for this category are Houzit's existing customers and new customers that share the same profile as the existing Houzit customers.

Target Market Size – All households that are engaged in constructing new dwellings and renovations in the greater Brisbane area are the target market for Houzit's 'lighting fixture' category. This equates to 45,000 households p.a. in the 2009/10 years. These numbers are expected to grow in the coming years in line with the growth in the new dwellings and renovations industry in the greater Brisbane area.

Income and Activity Rates – The Houzit customer profile is skewed towards 25-45 year of age, professionals and managers in employment with a combined household income averaging at \$110,000 per annum. Households spend on average \$560 per year on home-wares.

Education - The Houzit customer profile is skewed towards higher education featuring both vocational and university qualifications. As a group, those customers born overseas tend to spend 50% as much on home wares as customers born in Australia.

Economy: The economy is expansionary with a per annum growth in GDP of 3.2%. Average incomes have increased above the trend line for inflation. Unemployment is low at 4.1% and steady.

Social: The customers in the target area are concerned about environmental issues. They actively participate in recycling programs including the use of re-usable shopping bags. Research shows that the target area are not active church attendees, choosing to use their weekends in renovations and home maintenance.

Technological: Fast internet speeds are available for the target market. The shift in turning tradesmen equipment into Do-It-Yourself continues to gain ground.

Political: Governments are pushing for more medium density living in town-houses and units to cope with the growing population. The government is giving incentives for home wares that do reduce resource use or help minimize waste.

Competitive Factors

There are no chains offering lighting fixtures in the target market.

Direct Competition- There are 12 competitors in the target area which are each independently owned. They offer similar assortments as Houzit, although many offering laundry and kitchen equipment which is not in Houzit's offer. One national chain that does offer very similar products to Houzit (including lighting fixtures) does not have a store in Brisbane, choosing the north and south coast instead.

Porter's 5 Forces- The competitive environment does not represent a significant squeeze on Houzit's profits, however the power of suppliers is an area that has significant play in Houzit's target market.

Indirect Competition- Electricians will represent a potential competitor in the 'lighting fixtures' category. Often they have the opportunity to sell 'lighting fittings' to customers and so undercut retailers.

Conclusion

The market research supports the view that the 'lighting fixtures' would be a feasible category addition to Houzit's assortment, given the positive customer response, the growth in the market and the lack of organised competition.

Sources

Home-ware Trade association – Industry data

Delivery & Assessment Plan

Name of RTO	
Qualification Code	
Qualification Title	
Delivery Period	

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1. Delivery & Assessment Plan Outline

1.1 RTO & Course Title

Name of RTO	
Qualification Code	
Qualification Title	
Delivery Period	

1.2 Qualification Rules

Insert brief overview of qualification rules indicated in Training Package
 *(refer to the BSB07 Qualifications Framework for further information).

Total number of units = XX
 X core units plus
 X elective units

Specify any units that have prerequisites and list the prerequisite units.

1.3 The RTO Qualification Structure

Consistent with Qualification Rules and prerequisite requirements the qualification offered by the RTO comprises the following units of competence.

Unit of Competency		Core/Elective	Hours			
Code	Title		Classroom	Practical Area	Workplace	Unit Total Hours
Total Hours						

1.4 Purpose & Target Group

The purpose of this course is *[insert purpose]*

The Target participants for this course are *[insert target demographic]*

2. Delivery

2.1 Delivery Approach

Specify overall delivery approach including reference to number of hours per week and any periods/requirements of work place delivery.

2.2 Delivery of Clustered & Stand Alone Units

Specify units delivered in a cluster and/or units delivered as stand alone

2.3 Duration

Specify the overall duration from start to finish including any period of orientation and including holidays or breaks;

Note: For international programs this duration must be same as CRICOS.

2.4 Location and nature of facilities

List all locations for training and nature of facilities used at each location for this target group.

Example

- *Swanston St - classrooms/library/computer rooms*
- *Coventry St - Simulated office*

2.5 Resources

List resources available for training and assessment in each location

2.6 Simulated Workplace Environment

If providing a simulated workplace environment – explain how.

Example

The RTO ensures that the training delivered is to the standards of a real workplace environment. To meet this requirement The RTO has implemented a variety of assessment tools that will be implemented during the course of the qualification. These assessment tools assess various different elements of a real/actual workplace however in a simulated training environment.

The RTO meets the need for a real-time workplace simulation environment by:

- A dedicated computer lab to reflect a real-time work environment for all practical training components of the course.*
- The RTO's trainers represent the role of a real client and portray the workplace demands while working on projects. This includes role-play of difficult & diverse type customers.*
- Students prepare time lines, schedule milestones, communicate, prepare documentation, conduct training in accordance with the client (trainer)*
- Working as a team (group work/assignments), fulfilling responsibilities and expectations of the job and workplace.*

2.7 Reasonable Adjustment – Special learning needs

The RTO has policies that include reasonable adjustment and access and equity principles. Reasonable adjustment will be provided for participants with special learning needs (such as a disability or learning difficulty) according to the nature of the learning need. Evidence collection can be adjusted to suit individual student needs if required and will be endorsed by the Head of department, and student.

Reasonable adjustments are made to ensure that the participant is not presented with artificial barriers to demonstrating achievement in the program of study. Reasonable adjustments may include the use of adaptive technology, educational support, and alternative methods of assessment such as oral assessment.

The learning need that forms the basis of any adjustment to the training program will be identified and appropriate strategies will be agreed with the student. Any adjustments will be recorded in the student file and will not compromise the competency standard.

3. Entry Requirements & RPL

3.1 Entry Requirements

English Language/Literacy/Numeracy requirements.

List any specific English Language/Literacy/Numeracy requirements of the qualification

For international students specify IELTS or equivalent requirement.

Specific Course Entry Requirements

List any specific course requirements or conditions for entry.

3.2 Students at risk

The RTO has intervention strategies, including student support services available to enable students to complete qualification in expected time frame. Students at risk of not completing within this time frame are identified as early as possible.

For this qualification students failing to achieve a Competent result in the following units are automatically regarded as being “*students at risk*”, as these units have been determined as being of primary importance to success in the qualification.

List 2 early unit:

- *Unit x*
- *Unit y*

3.3 Recognition of Prior Learning (RPL)

The RTO has a simple but methodical RPL process which is outlined in detail on the Policy on Recognition of Prior Learning (RPL).

Prospective students will be made aware of the RPL policy and process prior to enrolment in to the program, via discussions and the Student Handbook and/or RTO website, and are encouraged to apply if they believe that they may be eligible.

Students are encouraged to apply for RPL prior to or immediately after formal enrolment but prior to the facilitated delivery of units to ensure that they do not miss any class/workshop opportunities offered should they be unsuccessful in the RPL process. Students are given an individual strategy document showing the units they need to complete and methods for undertaking learning and assessment in those units.

For international students any reduction in overall course duration is reported via PRISMS and an appropriate ECOE issued.

4. Assessment

4.1 Assessment Arrangements & Evidence Matrix

Evidence-gathering techniques

The following chart outlines the evidence collection methods that will be used to assess competence of the students in the program.

Evidence used for this qualification and target group is as follows

- A. Specify technique
- B. Specify technique
- C. Specify technique
- D. Specify technique
- E. Specify technique

Unit code	Unit title	A	B	C	D	E
	[Tick only applicable techniques]					
KEY:		A - Specify technique	B - Specify technique	C - Specify technique		
		D - Specify technique	E - Specify technique			

4.2 Delivery Schedule

Listed below is the planned delivery approach. The delivery schedule indicates the week that unit will be delivered, the learning materials available, theory/practical/workplace sessions are delivered the assessment that is expected and the staff members available for delivery and assessment.

Week number	Unit Code and Title	Delivery Mode	Hours	Resources available	Assessment distributed/ Undertaken	Staff members available
Week 1				<ul style="list-style-type: none"> • [list resource] • [list resource] 		
				<ul style="list-style-type: none"> • [list resource] • [list resource] 		
				<ul style="list-style-type: none"> • [list resource] • [list resource] 		
Week 2				<ul style="list-style-type: none"> • [list resource] • [list resource] 		
				<ul style="list-style-type: none"> • [list resource] • [list resource] 		

Week number	Unit Code and Title	Delivery Mode	Hours	Resources available	Assessment distributed/ Undertaken	Staff members available
				<ul style="list-style-type: none"> • [list resource] • [list resource] 		
Week 3				<ul style="list-style-type: none"> • [list resource] • [list resource] 		
				<ul style="list-style-type: none"> • [list resource] • [list resource] 		
				<ul style="list-style-type: none"> • [list resource] • [list resource] 		
etc				<ul style="list-style-type: none"> • [list resource] • [list resource] 		
				<ul style="list-style-type: none"> • [list resource] • [list resource] 		

5. Staff

5.1 Delivery & Assessment Staff & Units

As per AQTF standards, all Assessors/Trainers have completed the qualification TAA40104 Certificate IV in Training and Assessment (or equivalent competencies from the superseded Training Package). All trainers have also achieved the relevant qualification they are delivering or have achieved an equivalent or higher level qualification and have relevant current industry experience. All trainers with qualifications awarded overseas have formal evidence of equivalence from an approved Australian recognition authority

Name of staff member	Unit of competency <i>Title and code</i>	Qualifications possessed by the staff member that particularly relate to delivering or assessing this unit. <i>i.e. What qualifications does the staff member have in this field</i>		Vocational competencies or experience possessed by staff member that directly relate to delivering and assessing this unit. <i>i.e. Description of the appropriate skill or experience that the staff member has to deliver/assess this unit. This information must relate directly to the unit of competency and the answer would normally include the words in the title of the unit of competency. It would also normally include when, where and in what role the experience was gained</i>
		TAA/BSZ	Vocational qualifications <i>If not Australian qualifications then formal evidence of equivalence from an approved recognition authority required</i>	

5.2 Infrastructure Requirements

(A tick indicates that The RTO has the required infrastructure.)

Staff involved in the delivery and assessment of this qualification have access to:

- the present version of this qualification and Training Package as well as the units of competency, assessment guidelines and qualification structure
- trainer, assessor and student support materials and resources relating to the units of competency that are being delivered and assessed.
- sufficient resources to meet the requirements of students with special needs and has a process in place that includes reasonable adjustment procedures.
- the necessary facilities and equipment needed to conduct the program.

6. Industry Consultation

To undertake a thorough process in the development of this Learning and Assessment Strategy the RTO has consulted with a range of industry representatives focusing on the industries in which these programs are most likely to be offered to. The following industry representatives have been involved in the development of this Delivery and Assessment Plan and/or agree that it is in their opinion appropriate for the qualification and target group planned.

6.1 Record of Industry Consultation

Industry Representative	Nature of consultation	Nature of comment/contribution

7. Course Outcomes

7.1 Pathways

<p>Pathways for Students</p> <p>Participants are provided with advice on employment and training options throughout the delivery of the program.</p> <p><i>While The RTO may not offer all the qualifications indicated within the pathway, they identify relevant progression that may be attained:</i></p> <p>Training Pathway</p> <p><i>[Identify relationships to any Training Package(s), nationally endorsed Units of Competency, school, higher education, VET pathways]</i></p> <table border="1"> <thead> <tr> <th>Certificate III</th> <th>Certificate IV</th> <th>Diploma</th> <th>Advanced Diploma</th> </tr> </thead> <tbody> <tr> <td>No Prerequisites</td> <td>Course code and title</td> <td>Course code and title</td> <td>Course code and title</td> </tr> </tbody> </table> <p>Employment Pathway</p> <p>Employment outcomes resulting from the completion of this course may include the following roles:</p> <ul style="list-style-type: none"> • Job A • Job B • Job C 				Certificate III	Certificate IV	Diploma	Advanced Diploma	No Prerequisites	Course code and title	Course code and title	Course code and title
Certificate III	Certificate IV	Diploma	Advanced Diploma								
No Prerequisites	Course code and title	Course code and title	Course code and title								

7.2 Employability Skills Summary

The following table contains a summary of the Employability Skills required by industry for the qualification *[insert course code and title]*.

The Employability Skills facets described here are broad industry requirements that may vary depending on qualification packaging options.

Course Title:	
Employability Skill	Industry requirements for this qualification include
Communication:	•
Teamwork:	•
Problem solving:	•
Initiative and enterprise:	•
Planning and organising:	•
Self-management:	•
Learning:	•
Technology:	•

*Refer to the Training Package for an outline of relevant Employability Skills for the qualification.

8. Assessment Continuous Improvement

8.1 Assessment Validation and Moderation process

The RTO will hold a specific assessment validation and moderation meetings attended by the relevant program trainers/assessors.

Assessment validation meetings are conducted initially after receiving or developing new assessment tools to ensure that the assessment tools meet the training package requirements.

Assessment tools will be formally moderated at least annually.

The moderation process involves the review of samples of past assessments to confirm that the accepted standard of competency is still understood and is being implemented. Past RPL submissions will be examined to ensure that accepted processes and the standard of evidence is reliably acceptable.

The RTO has the following VET providers as our moderation partners:

- College x
- College y

Issues of concern with assessment tools will be tabled at the next The RTO management meeting,

Any agreed adjustments to the assessment tools and RPL documentation will be recorded in the minutes of the management meetings and the new/revised assessment tools and RPL documentation will be circulated to relevant staff.

Records of all assessment moderation meetings will be kept on file.

Assessment guidelines from the training package are used, as are the learning materials and assessment materials. Resources such as feedback forms and completed assessments are also utilised.

8.2 Assessment Feedback

Feedback and input from students and other stakeholders will be sought, analysed and acted upon, where necessary, on a regular basis. Information gained will form part of any validation and moderation processes.

8.3 Transition Arrangements

The Chief Executive Officer &/or Head of department will ensure that The RTO is subscribed to email updates from: insert e.g.

1. IBSA updates
2. Training Packages @ Work Email Updates.
3. [\[any other relevant bodies\]](#)

These email updates advise of changes to the Training Packages relevant to a specific industry.

On the occasion that there is a change in a relevant Training Package, the Head of department will examine the amendments that have been made and inform affected staff of these changes at the next management review meeting.

Members of the management review meeting will review the changes made and create an action plan to implement the new training package requirements.

The action plan and its implementation will be reviewed at each management review meeting until the changes have been successfully implemented.

Transition arrangements must be completed within 12 months of changes being notified.

9. Licensing, Legislative, Regulatory or Certification Considerations

[List any relevant licensing, legislative, regulatory or certification requirements of the course]

* Refer to the Training Package for an outline of relevant considerations.

10. Checklist & Endorsement

10.1 Document Checklist

The following is a summary list of the points the RTO should have considered when calibrating the RTO with this qualification.

(A tick indicates that the RTO has completed the task.)

1. Delivery and Assessment Plan Outline
2. Delivery
3. Entry requirements and RPL
4. Assessment
5. Staff
6. Industry Consultation
7. Course Outcomes
8. Assessment Continuous Improvement
9. Licensing, Legislative, Regulatory or Certification Considerations
10. Checklist & Endorsement

10.2 Program Manager's Endorsement

Name: _____

Position: _____

Signed: _____ Date: _____

10.3 Client/Industry Stakeholder Agreement

Organisation: _____

Representative: _____

Position: _____

Signed: _____ Date: _____

Simulated Business

Max Lionel Realty



Max Lionel Realty

The little company with the big roar!

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Outstanding Mixed-Use Business Site

Features

- Corner site with area of 2,441 m²
- 20 m ceiling height
- New construction 2007, zoned industrial
- Large warehouse area
- Office space
- Grand foyer entrance
- Insulated pre-cast concrete structure with rubber membrane roof
- Located next to market & railway station
- Short drive to airport, close access to Citylink.

Utilities

- Fibre-optic cable available
- Water, sewerage, gas and electricity
- Heating, cooling and telephone

Will complete 'build out to suit' as desired by tenant.

Favourable lease with option to purchase.

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Chapter 1 – Business plan (excerpt)

From Max Lionel Realty business plan FY 2013/14

About Max Lionel Realty

Max Lionel Realty was founded in 2008 by property developer Max Lionel. The company currently employs approximately 100 people, 80 of whom are licensed real estate agents.

Through its client agents, the organisation manages property sales and rentals (both residential and commercial) on behalf of a range of clients. The organisation also separately engages in investment activities, such as property and land development.

Max Lionel Realty has been a member of the Real Estate Institute of Victoria (REIV) since 2008 and proudly follows the REIV Code of Conduct.

Mission:

- to achieve the highest returns for our clients and to deliver a client experience that is second to none in the industry.

Vision:

- to establish, within five years, the MLR brand – the highest ethical standards with best-in-breed performance for clients.

Values:

- integrity
- client-focus
- active encouragement of excellence, innovation and continuous improvement
- teamwork
- recognition of the diversity and expertise of MLR employees and agents.

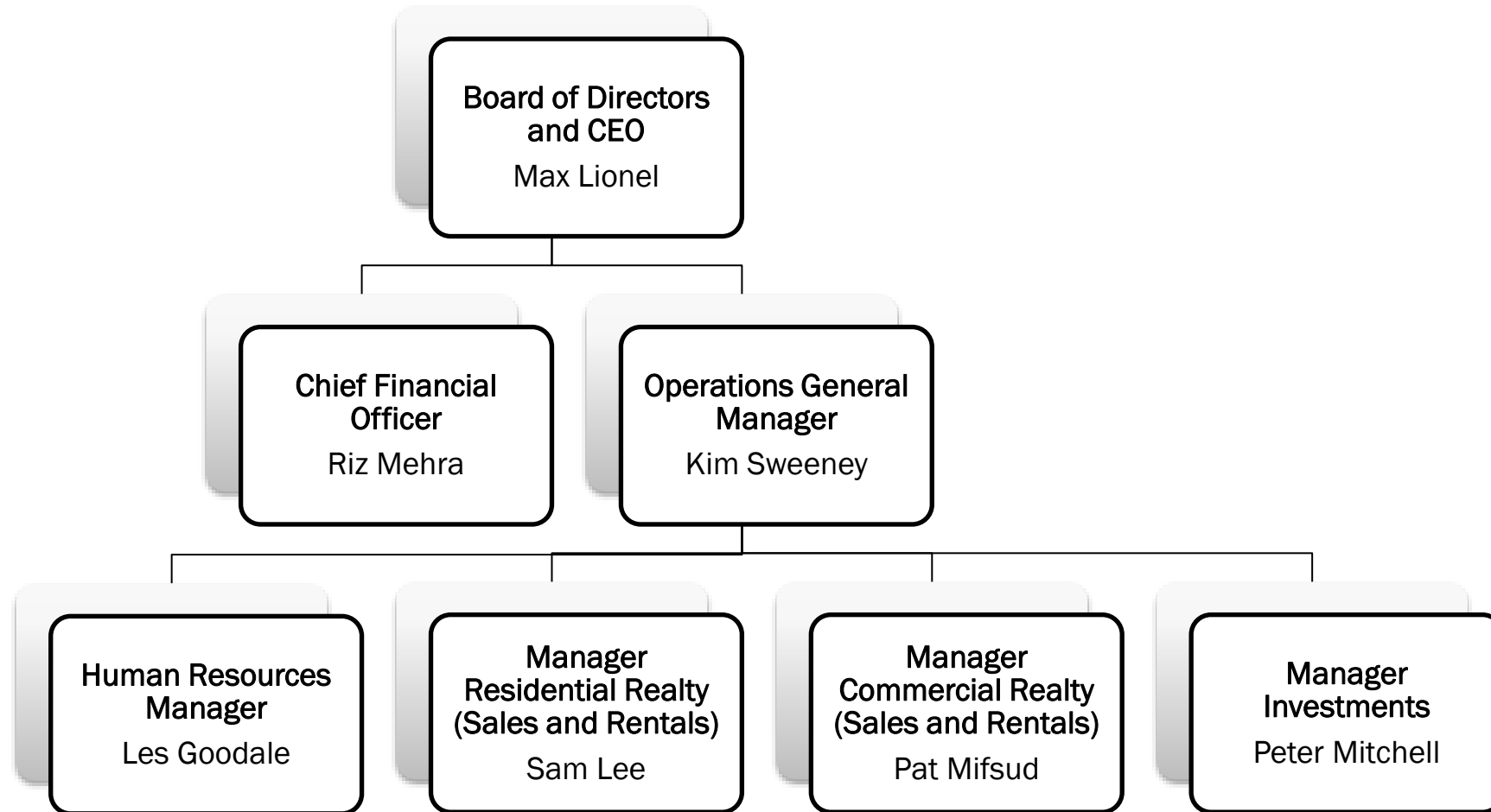
Strategic directions:

The strategic context in which Max Lionel Realty will achieve its mission and vision is through:

- engaging with customers and clients
- building goodwill and reputation for integrity
- supporting innovative thinking, management and leadership skills.
- creating a high-performing, highly profitable organisation.

Chapter 2 – Organisational chart and management profiles

Max Lionel Realty organisational chart



Chapter 3 – Management responsibilities

Max Lionel, CEO

Max is responsible for working with the Board of Directors to oversee the business, set overall strategic directions, manage risk, and authorise large financial transactions.

Riz Mehra, Chief Financial Officer

Riz is responsible for preparing quarterly financial statements and overall budgeting. Riz is also responsible for overseeing budgets for cost centres and individual projects. At the completion of financial quarters and at the end of projects, Riz is responsible for viewing budget variation reports and incorporating information into financial statements and financial projections.

Kim Sweeney, Operations General Manager

Kim is responsible for the day-to-day running of the company. Kim oversees the coordination, as well as the structural separation, of the Residential, Commercial, and Investments centres. Kim is responsible for sponsoring projects which affect operations of the organisation as a whole. Kim works with the Human Resources Manager to coordinate systems and projects in order to achieve company-wide synergy.

Les Goodale, Human Resources Manager

Les is responsible for the productive capacity and welfare of people at MLR. With the Operations General Manager, Kim works to coordinate projects and management systems such as performance management, recruitment, and induction. Kim will need to ensure aspects of the recently launched WHS management system, such as risk assessment, management, consulting, reporting and continuous improvement, are coordinated with all subsequent activities.

Sam Lee, Manager Residential Realty

Sam is responsible for the management of all aspects of residential realty. Sam manages the activities of residential agents.

Pat Misfud, Manager Commercial Realty

Pat is responsible for the management of all aspects commercial realty. Pat manages the activities of commercial agents.

Peter Mitchell, Manager Investments

Peter is responsible for the management of all aspects investment realty. Peter manages the activities of investment agents. Peter works with the Operations General Manager to ensure separation of investment from obligations to residential and commercial clients.

Chapter 4 – Budget summary

Max Lionel Realty 2013–2014 budget by activities to be undertaken

Income:		
Commissions, fees from clients	\$2,566,000	Commissions and agents' fees for the period.
Investment income	\$1,567,000	Real estate investment income.
COGS	\$150,413	Cost of provision of services.
Total Income	\$3,982,587	Gross profit.
Expenses:		
Wages, salaries and on costs	\$1,567,890	Wages, salaries, superannuation, work cover insurance, payroll tax.
Consultancy fees	\$50,000	Project management: WHS management system; AD awareness program.
Communication expenses	\$42,000	Telephone, ISP costs, IT support.
Staff travel, transport and accommodation.	\$55,500	Cost of staff travel and associated costs for sales, etc.
Premises expenses	\$250,000	Rent, electricity, maintenance, cleaning.
Capital expenditure	\$120,000	Purchase of new office equipment (90%), vehicles; purchase of properties, land.
Depreciation and amortisation	\$177,569	Computers and capital equipment that is depreciated.
Office supplies	\$65,068	Printing and stationery, postage, amenities.
Professional fees (consultants, legal and audit), insurances, taxes and charges, subscriptions and memberships.	\$62,187	Audit fees, external accounting costs, bank charges, insurance except workers compensation.
Total Expenses	\$2,390,214	
Surplus	\$1,592,373	Net income before tax.

Chapter 5 – Operational plan

Max Lionel Realty operational plan (summary) FY 2013 - 2014			
Objectives:	Performance measures	Tasks:	
1	<p>Engage with customers/build ethical profile:</p> <ul style="list-style-type: none"> ● raise organisational profile by 20% ● improve client satisfaction performance by 25%. 	<ul style="list-style-type: none"> ● Percentage of brand recognition in sought-after categories in periodic customer surveys. ● Percentage of customers with positive view of organisational responsiveness, innovation, quality. ● Number of client/tenant complaints. 	<ul style="list-style-type: none"> ● Project to raise awareness of anti-discrimination, WHS and other legislation/codes of conduct among agents, clients, tenants. ● Conduct of quarterly surveys: clients and tenants. ● Training needs analysis and training of agents. ● Ensure agents disclose potential conflict of interest to clients, tenants. ● Development of ethical charter, including principles all agents must follow.
2	<p>Increase revenues by 20% within the third quarter.</p>	<ul style="list-style-type: none"> ● Total income. ● Agent income. ● Investment income. 	<ul style="list-style-type: none"> ● Investigate resourcing needs: number of agents; personnel; office equipment, cars, etc. ● Fulfil resourcing needs in accordance with policies and procedures.
3	<p>Reduce direct and indirect costs of operations by 10%.</p>	<ul style="list-style-type: none"> ● General ledger accounts; financial statements: <ul style="list-style-type: none"> ○ wages ○ cost of agent services ○ consultancy fees ○ wastage and associated expenses. 	<ul style="list-style-type: none"> ● Renegotiate with suppliers. ● Research potential new suppliers. ● Management engagement with employees to achieve greater employee support of organisational goals. ● Include explanation of how activities work with organisational strategic goals in all communications to internal personnel. ● Greater use by managers of budgets to encourage restraint. ● Greater focus on budget restraint in management of projects.

Max Lionel Realty operational plan (summary) FY 2013 - 2014			
Objectives:		Performance measures	Tasks:
4	Engage workers with strategic goals of business and support professional development in line with strategic goals. (Targets to be set by individual managers.)	<ul style="list-style-type: none"> Percentage completion of performance plans and performance management process. Numbers of coaching sessions completed. Numbers of operational – related training programs completed. 	<ul style="list-style-type: none"> Management engagement with employees to achieve greater buy in of organisational goals. Include explanation of how activities work with organisational strategic goals in all communications to internal personnel. Regular coaching. Training needs analysis and training. Strategic goals included in induction program for estate agents. Employee incentives for performance in all areas relevant to operational and strategic goals.
5	Improve health of employees (range of specific areas).	<ul style="list-style-type: none"> Numbers of injuries (Target = 0). Numbers of absentees (Target = <3% of total hours). 	<ul style="list-style-type: none"> Training need analysis and training on WHS and implementation of recently launched MLR WHS management system. Research incentives for: safe work achievement and healthy lifestyle.

Chapter 6 – Operational risk register

Max Lionel Realty risk register FY 2012/2013				
Identified risk	Probability	Impact	Current controls	Future actions
Failure to recruit qualified real estate agents due to increased competition.	Medium	High	<ul style="list-style-type: none"> All office equipment regularly reviewed and updated as required; IT security monitored and maintained. Appropriate insurances held and coverage reviewed annually. Managers encouraged and incentivised to follow performance management policy. Employee performance plans align with business plan and six-monthly review process in place. Project to raise awareness of anti-discrimination, WHS and other legislation/codes of conduct among agents, clients, tenants Appropriate HR policies and procedures in place. WHS management system in place. 	<ul style="list-style-type: none"> Industry benchmarking in all areas of organisational performance Conduct periodic reviews of agent performance to ensure professional conduct Staff trained in use of technology as needed. Keep abreast of changes in potential liabilities. Review and develop HR related policies where required. Development of ethical charter, including principles all agents must follow
Failure to realise revenue gains due to recent slump in real estate prices.	High	High		
Inadequate insurance cover.	Low	High		
Non-compliance on anti-discrimination.	Medium	High		
Perception of discriminatory practice reducing client and tenant base.	Medium	High		
Poor organisational culture; low level of staff engagement and morale.	Medium	Medium		
Loss of knowledge and capability through departing staff.	Low	High		
Failure to meet occupational health and safety requirements.	Low	High		

Chapter 7 – Work Health and Safety (WHS) Policy

Max Lionel Realty WHS policy

Max Lionel Realty recognises its responsibility to provide a healthy and safe working environment for employees, contractors, clients and visitors. Max Lionel Realty is committed to the continued wellbeing of its employees and to ensuring that all employees are safe from injury and health risks whilst undertaking work-related duties, including home-based work.

Purpose	<p>The purpose of this policy is to ensure the acquisition of resources is carried out consistently, fairly and transparently and in accordance with organisational requirements.</p> <p>In order to ensure a healthy and safe working environment, Max Lionel Realty will (in accordance with the WHS management system):</p> <ul style="list-style-type: none">• undertake risk assessments and implement procedures to adequately manage any risks in the working environment• provide written procedures and instructions for safe working practices• ensure compliance with all relevant legislation• maintain safe systems of work including the work premises and environment• provide appropriate support, instruction, training and supervision to employees to ensure safe working practices.
Scope	<p>The scope of this policy covers employees and contractors of Max Lionel Realty (MLR).</p>
Resources	<p>Specific procedures for the implementation of this policy are available below and on the company intranet.</p>
Responsibility	<p>Max Lionel Realty management and employees are ultimately responsible for ensuring that safe systems of work are established, implemented and maintained.</p> <p>Management is responsible for:</p> <ul style="list-style-type: none">• the effective implementation and regular review of WHS procedures• consultation with employees regarding health and safety issues and changes to legislation and/or working practices which may affect the health, safety or welfare of employee• providing and maintaining a safe system of working practices

- providing support, training, and supervision to employees to ensure safe and healthy workplace practices are carried out, including relevant first aid training where appropriate
- the provision of adequate resources for employees to meet the WHS commitment, including an up-to-date first aid kit.

Individual employees are responsible for:

- following all WHS policies and procedures
- ensuring they report all potential and actual risks to partners or managers/supervisors
- taking care to protect their own health and safety and that of their colleagues at work
- ensuring their own or others health and safety is not adversely affected by the consumption of drugs or alcohol
- encouraging others to follow healthy and safe working practices in the workplace.

**Policy
Implementation
and Review**

This policy has been established and implemented through the human resource functions of the organisation and will be reviewed regularly in consultation with MLR management and employees to ensure compliance with legislation, industry standards and organisational changes.

**Relevant
legislation, etc.**

- *Privacy Act 1988* (Cwlth)
- *Estate Agents Act 1980* (Vic)
- *Equal Opportunity Act 2010* (Vic)
- *Occupational Health and Safety Act 2004*
- *Dangerous Goods Act 1985* (Vic)
- *AS/NZS 4804:2001 Occupational health and safety management systems – General guidelines on principles, systems and supporting techniques*

**Updated/
authorised**

10/2013 – Riz Mehra, CFO

Chapter 8 – Anti-discrimination policy

Max Lionel Realty Anti-discrimination Policy

Purpose	<p>The purpose of this policy is to ensure transactions with clients, tenants and other employees is handled fairly and transparently and in accordance with organisational and legal requirements. Generally it is unlawful to discriminate on the basis of the following 16 characteristics:</p> <ul style="list-style-type: none"> • sex • relationship status • pregnancy • parental status • breastfeeding • age • race • impairment • religious belief or religious activity • political belief or activity • trade union activity • lawful sexual activity • gender identity • sexuality • family responsibilities • association with, or relation to, a person identified on the basis of the above.
Scope	The scope of this policy covers all employees and contractors of Max Lionel Realty (MLR).
Resources	Specific procedures for the implementation of this policy are available below and on the company intranet.
Responsibility	Responsibility for the implementation of this policy rests with all employees, contractors and management of Max Lionel Realty.
Relevant legislation, etc.	<ul style="list-style-type: none"> • <i>Privacy Act 1988</i> (Cwlth) • <i>Equal Opportunity Act 2010</i> (Vic) • <i>Age Discrimination Act 2004</i> (Cwlth) • <i>Disability Discrimination Act 1992</i> (Cwlth) • <i>Racial Discrimination Act 1975</i> (Cwlth) • <i>Sex Discrimination Act 1984</i> (Cwlth) • <i>Estate Agents Act 1980</i> (Vic)
Updated/ authorised	10/2013 – Riz Mehra, CFO

Chapter 9 – Procurement policy and procedures

Max Lionel Realty procurement policy

Purpose	The purpose of this policy is to ensure the acquisition of resources is carried out consistently, fairly and transparently and in accordance with organisational requirements.
Scope	The scope of this policy covers the purchasing and acquisition of resources by employees and contractors of Max Lionel Realty (MLR).
Resources	Specific procedures for the implementation of this policy are available below and on the company intranet.
Responsibility	Responsibility for the implementation of this policy rests with employees and management of Max Lionel Realty with responsibility for purchasing resources.
Relevant legislation etc.	<ul style="list-style-type: none">• <i>Privacy Act 1988</i> (Cwlth)• <i>Estate Agents Act 1980</i> (Vic)• <i>Equal Opportunity Act 2010</i> (Vic)• <i>Corporations Act 2001</i> (Cwlth)• <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cwlth)• <i>Income Tax Assessment Act 1997</i> (Cwlth)• <i>Fair Work Act 2009</i> (Cwlth)• <i>Occupational Health and Safety Act 2004</i> (Vic)
Updated/ authorised	10/2013 – Riz Mehra, CFO

14 Principles governing the Max Lionel Realty procurement process

1. Probity and ethical behaviour

The principle of probity and ethical behaviour governs the conduct of all procurement activities. Employees who have authority to procure goods and services must comply with the standards of integrity, probity, professional conduct and ethical behaviour. Employees or directors must not seek to benefit from supplier practices that may be dishonest or unethical.

2. Value for money

Value for money is the core principle underpinning procurement. Contracted organisations must be cost effective and efficient in the use of resources whilst upholding the highest standards of probity and integrity. In general, a competitive process carried out in an open, objective and transparent manner can achieve the best value for money in procurement.

3. Non-discrimination

This procurement policy is non-discriminatory. All potential contracted suppliers should have the same opportunities to compete for business and must be treated equitably based on their suitability for the intended purpose.

4. Risk management

Risk management involves the systematic identification, analysis, treatment and, where possible, the implementation of appropriate risk-mitigation strategies. It is integral to efficiency and effectiveness to proactively identify, evaluate, and manage risks arising out of procurement related activities. The risks associated with procurement activity must be managed in accordance with the organisation's risk management policy.

5. Responsible financial management

The principle of responsible financial management must be applied to all procurement activities. Factors that must be considered include:

- the availability of funds within an existing approved budget
- staff approving the expenditure of funds strictly within their delegations
- measures to contain costs of the procurement without compromising any procurement principles.

6. Procurement planning

In order to achieve value for money, each procurement process must be well planned and conducted in accordance with the principles contained in this document and comply with all of the organisation's policies and relevant legal and regulatory requirements.

When planning appropriate procurement processes consideration should be given to adopting an approach that:

- encourages competition
- ensures that rules do not operate to limit competition by discriminating against particular suppliers
- recognises any industry regulation and licensing requirements

- secures and maintains contractual and related documentation for the procurement which best protects the organisation
- complies with the organisation's delegations policy.

7. Buy Australian Made/support for Australian industry

Employees who are involved in procurement activities must make a conscious effort to maximise opportunities for Australian manufacturers and suppliers to provide products where there is practicable and economic value. In making a value for money judgement between locally-made and overseas-sourced goods, employees are to take into account:

- whole-of-life costs associated with the good or service
- that the initial purchase price may not be a reliable indicator of value
- the quality of locally made products
- the record of performance and delivery of local suppliers
- the flexibility, convenience and capacity of local suppliers for follow on orders
- the scope for improvements to the goods and 'add-ons' from local industry.

8. Pre-registered list of preferred suppliers

Max Lionel Realty shall maintain a pre-registered list of preferred suppliers, following a request for expressions of interest and an evaluation of the submissions. Suppliers can request to be evaluated for inclusion on the existing pre-register list at any time.

All purchases under \$5,000 may be made from preferred suppliers without undertaking a competitive process. Purchases above \$5,000 where a preferred supplier exists should include a competitive process if practicable.

This list is reviewed at regular intervals with admission of interested parties on a rolling basis. Care should be taken to ensure that such lists are used in an open and non-discriminatory manner. Max Lionel Realty encourages new contractors to provide information on their experience, expertise, capabilities, pricing, fees, and current availability. It is in the interest of the organisation that the pool of potential suppliers is actively maintained and updated. Employees should be encouraged to provide reports of their experiences in working with each contractor/consultant to assist future decisions concerning commissioning suitable contractors and consultants.

9. Avoid conflict of interest

Employees and directors are required to be free of interests or relationships in all aspects of the procurement process. Employees and directors are not permitted to personally gain from any aspect of a procurement process.

Employees and directors shall ensure that to the best of their knowledge, information and belief, that at the date of engaging a contractor no conflict of interest exists or is likely to arise in the performance of the contractor's obligations under their contract.

Should employees or directors become aware of potential conflicts of interest during the contract period, they must advise the CEO and the Board of Directors immediately.

Prior to any situation arising with potential for a conflict of interest, complete disclosure shall be made to the CEO and the Board of Directors to allow sufficient time for a review.

10. Report collusive tendering

Employees should be aware of anti-competitive practices such as collusive tendering. Any evidence of suspected collusion in tendering should be brought to the attention of the CEO and the Board of Directors.

11. Competitive process

It is a basic principle of procurement that a competitive process should be used unless there are justifiable circumstances. For purchases under \$5,000, the list of preferred suppliers may be used. The type of competitive process can vary depending on the size and characteristics of the contract to be awarded.

12. Direct invitation (selective or restricted tendering)

A process of direct sourcing to tender may be used. This may involve:

- an invitation to organisations deemed appropriately qualified for a particular product or service (this may be appropriate for specialised requirements in markets where there is a limited number of suppliers or service providers)
- an invitation to tender to organisations on MLR's pre-registered list of preferred suppliers if applicable.

13. Evaluation and contract award

For projects being awarded, consideration will be given not only to the most economically advantageous tender, but also to the track record of the tender respondent and the degree of confidence that the panel has in the quality of the bid. It will be the normal practice to have the evaluation of tenders carried out by a team with the requisite competency.

14. Results of tendering process

All tender respondents should be informed in writing of the result of a tendering process immediately after a contract has been awarded.

Summary of procurement policy delegations

Authority	Purchase amount	Required number of quotes	Comment
CEO and one Director	Authority to sign contracts for products and services over \$75,000.	Two or more competitive quotes for contracts over \$75,000.	Detailed services contract required.
CEO	Authority to sign contracts for products and services up to \$75,000.	Two or more competitive quotes.	Detailed services contract required for contracts over \$20,000.
General Managers Delegated authority only through CEO	Authority to sign contracts for products and services under \$30,000.	One or more competitive quotes preferred.	Provided they are within the approved budget and consistent with business/operational and strategic planning.
Managers	Authority to sign contracts for products and services under \$10,000.	One or more competitive quotes preferred.	Follow MLR purchasing procedures.
Agents	Authority to sign contracts for products and services under \$5,000.	Must use preferred suppliers list.	Follow MLR purchasing procedures.
Contractors and external consultants	No authority.	One or more competitive quotes preferred. Must use preferred suppliers list.	Contractors and external consultants must follow MLR purchasing procedures and must seek approval for purchases from person holding relevant authority.

Chapter 10 – Max Lionel Realty current tenants list



Current Tenants List

#	Street	Suburb	Property Type	# Beds	# Baths	OS Parking	LUG Y/N	BIRs Y/N	Garden	Floor Surface	Tenant 1 Name	Tenant 2 Name	Tenant 3 Name	Tenant 4 Name	Lease Commenced	Inspection Due	Rent P/W	Property Manager	PM Phone #
67	Miller Street	Preston	House	3	2	2	Y	Y	Y	Carpet	Grace Haines	David Haines			22/06/2011	22/12/2013	\$420.00	Susan Hunter	0411-222-333
33	Alexandra Avenue	Abbotsford	House	2	1	1	N	Y	Y	Carpet	Peter Hickman				19/07/2012	19/07/2013	\$310.00	Dominic Lazaro	0411-222-444
789	Carter Road	Collingwood	House	2	1	1	N	N	N	Polished	Priscilla Schwartz	Andrea Lewis			12/08/2012	12/08/2013	\$297.00	Susan Hunter	0411-222-333
45	Main Street	Epping	Townhouse	3	1	1	N	Y	N	Carpet	Phong Lai	Michael North	Xin Ling		5/03/2012	5/09/2013	\$207.00	Susan Hunter	0411-222-333
22b	Chestnut Street	Northcote	Apartment	1	1	0	N	Y	N	Polished	Wendy Stuart				7/01/2012	7/07/2013	\$159.00	Dominic Lazaro	0411-222-444
12-445	Commercial Road	South Preston	Flat	3	2	1	Y	Y	N	Carpet	Sarah Tatou	Sydney Kellett			17/12/2009	17/12/2013	\$238.00	Susan Hunter	0411-222-333
72	Hoddle Street	Collingwood	Apartment	1	1	0	N	Y	N	Carpet	Tom Casper	Amanda Casper			3/06/2010	3/12/2013	\$326.00	Dominic Lazaro	0411-222-444
18	Abbotsford Street	Westgarth	Apartment	2	1	0	N	Y	N	Polished	John Dean	Brett Elbs			23/04/2012	23/10/2013	\$350.00	Susan Hunter	0411-222-333
3	Rooney Court	Fitzroy	Townhouse	3	1	2	N	Y	Y	Carpet	James Rothfield	Maria Teasdale	Ben Dubois		15/01/2011	15/07/2013	\$389.00	Susan Hunter	0411-222-333
80	Kaola Street	Coburg	House	5	2	2	Y	N	Y	Polished	Nigel Cooper	Melissa O'Brien	Dan Di Donato	Elena Charles	28/02/2013	28/08/2013	\$332.00	Dominic Lazaro	0411-222-444
57	Rathdowne Street	Thornbury	House	4	2	2	Y	N	Y	Carpet	Joanne Evers	Craig Avery	Kip McNeil	Brendan Gorman	12/02/2013	12/08/2013	\$450.00	Susan Hunter	0411-222-333
1	Totzetti Court	Carlton	Flat	1	1	0	N	Y	Y	Polished	Tina Pullman				6/05/2012	6/11/2013	\$365.00	Susan Hunter	0411-222-333
22	Darling Street	South Preston	House	4	2	2	Y	N	N	Carpet	Maggie Stanton	Penny Victor			9/09/2012	9/09/2013	\$298.00	Dominic Lazaro	0411-222-444
13	Darebin Road	Northcote	House	2	1	1	N	Y	Y	Carpet	Reece Swan	Sarah Swan			27/07/2012	27/07/2013	\$284.00	Dominic Lazaro	0411-222-444
1-427	Lygon Street	Carlton	Apartment	2	1	0	N	Y	N	Polished	Anna Lomen	Kelly Cheetham			27/06/2012	27/12/2013	\$363.00	Susan Hunter	0411-222-333
39	Southhill Street	Preston	Townhouse	3	1	1	Y	Y	Y	Carpet	Louise Appleton	Gino Patony	Quan Tho		27/01/2013	27/07/2013	\$256.00	Susan Hunter	0411-222-333
14-64	Brownes Road	Thornbury	Apartment	3	2	2	Y	Y	N	Polished	Jack Morgan	Sadie Morgan			31/05/2013	1/12/2013	\$380.00	Susan Hunter	0411-222-333
58	Johnston Street	Northcote	Flat	2	1	0	N	Y	Y	Carpet	Jon Percy	Paul Percy			3/01/2013	3/07/2013	\$430.00	Susan Hunter	0411-222-333
20	St Georges Road	Brunswick	Apartment	1	1	1	Y	Y	N	Carpet	Owen Smythe				8/09/2012	8/09/2013	\$446.00	Dominic Lazaro	0411-222-444
74	Harrow Street	Fitzroy	Townhouse	3	2	2	N	Y	N	Polished	David D'Angelo	Carla D'Angelo			10/04/2013	10/10/2013	\$489.00	Susan Hunter	0411-222-333
502	Wilson Street	Preston	House	4	2	2	Y	N	Y	Carpet	Zita Nicholson	Andy Nicholson			11/05/2013	11/11/2013	\$465.00	Susan Hunter	0411-222-333
8	Moore Court	Coburg	House	3	2	2	Y	N	Y	Carpet	Cecelia Barton	Audrey Asber	Kate Kingsley		22/01/2013	22/07/2013	\$310.00	Dominic Lazaro	0411-222-444
4	Beattie Crescent	Westgarth	Townhouse	2	1	0	N	Y	Y	Polished	Julian Milliken	Geoff Katz			29/08/2012	29/08/2013	\$340.00	Dominic Lazaro	0411-222-444
39	Hunters Road	Preston	House	3	2	1	N	N	N	Carpet	Minh Chi	Lin Waan	Gracie Ju		27/01/2013	27/07/2013	\$410.00	Susan Hunter	0411-222-333
15	Waldron Ave	Brunswick	House	2	1	0	N	Y	Y	Carpet	Benjamin Drew	Bella Salera			7/11/2009	7/11/2013	\$389.00	Susan Hunter	0411-222-333
211	Gover Street	Thornbury	House	3	2	1	N	Y	N	Carpet	Taha Singh	Eashan Tendikar	Tajdar Deutskar		14/06/2010	14/12/2013	\$350.00	Dominic Lazaro	0411-222-444
41-27	Butler Street	Collingwood	Apartment	1	1	0	N	Y	N	Polished	Helena Swain				23/02/2011	23/08/2013	\$367.00	Susan Hunter	0411-222-333

Chapter 11 – List of pre-approved suppliers

Max Lionel Realty List of preferred suppliers and contractors

- Ace Consultants: Project managers, IT technicians, technical writers, marketers, subject matter experts for short or long term human resourcing needs.
- Innovative Travel: Business travel bookings
- Melbourne Car World: Fleet sales and service
- Ready Office Supplies: Computers, photocopiers, etc.
- Coffeerville: Business function catering
 - Catering menu: <<http://simulations.ibsa.org.au/coffeerville/menu.php>>.

Appendices

Appendix 1: J&T Bank simulated workplace

History

J&T Bank is a retail bank operating in all Australian states. The bank has been in operation for 18 years. It has 46 branches and a head office. All branches are staffed with a bank manager, teller supervisors, tellers, financial planners and loan officers.

The bank manages its operations across all branches consistently, with all branches following the exact same systems and processes.

Strategic Plan Goal

J&T Bank will be a leading provider of retail banking services in Australia. J&T Bank will increase its market share by 12 % in the next 3 years.

Operational Plan Goal

J&T Bank will improve its customer service people, procedures, technology, and structures to meet or exceed industry best practice to satisfy market demand in the next financial year.

Background

The strategic and operational plans were developed as a result of external market research indicating trends that customers were tiring of impersonal 'big banks' with high costs, hidden fees and impersonal service. Whilst customers enjoyed the technology offerings from the 'big banks', such as systems enabling fast transactions, readily available account data and online banking, they missed being valued as a customer.

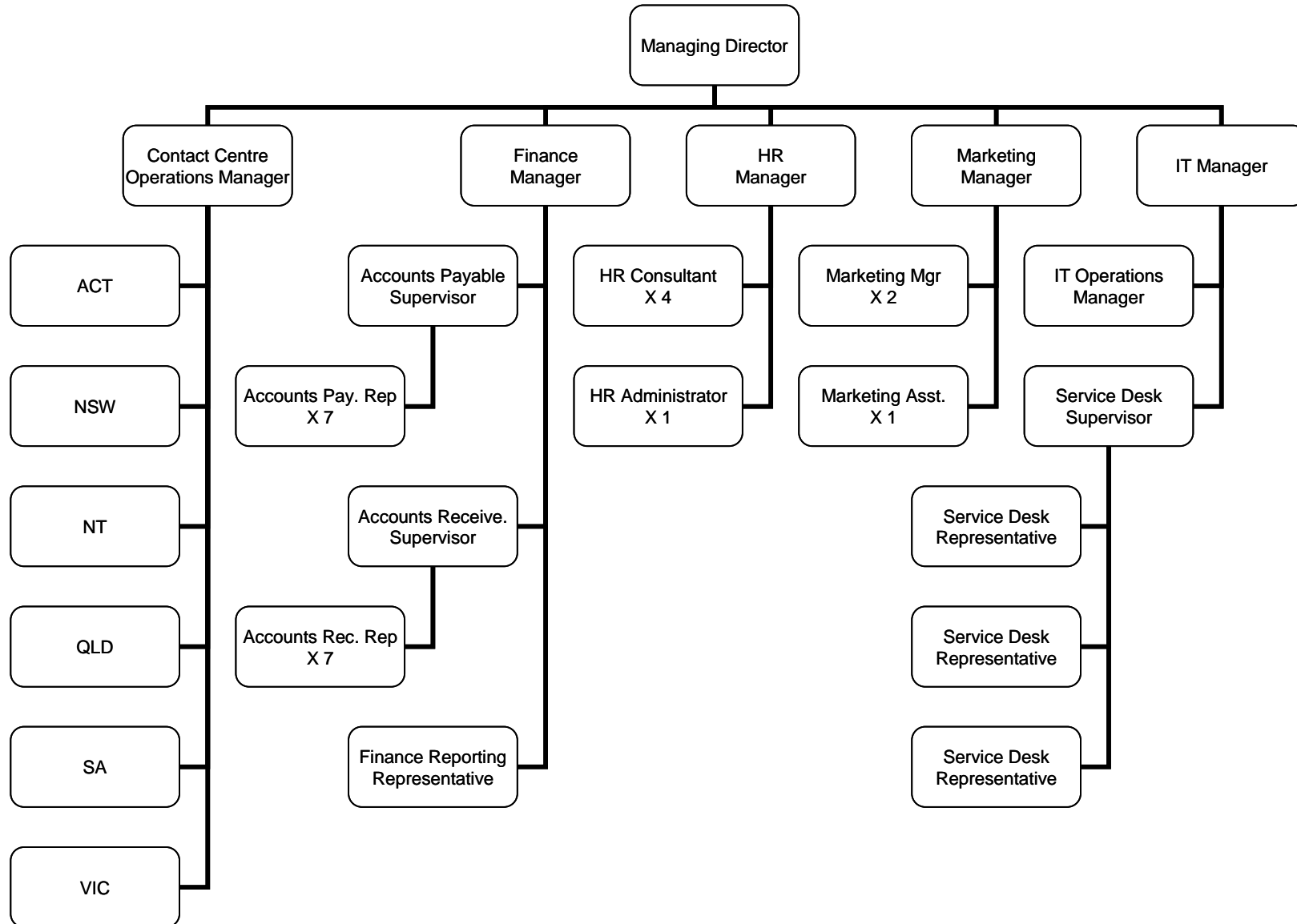
J&T Bank plans to take advantage of an opportunity in the market place to attract new customers with a personal, warm, friendly and transparent approach to banking; however, they know that they need to balance this with offering a competitive service. As part of this strategy the bank wants to:

- implement a customer service model that ensures the bank's service offering is a differentiator to its competitors. Currently teams are heavily focused on achieving productivity goals rather than customer service, and the bank believes that, whilst productivity goals are important, there needs to more of a focus on customer service.
- implement a new system for managing customer transactions. The current set-up requires tellers to work across multiple systems depending on the type of customer account. For example, personal accounts, business accounts and mortgages are managed in separate systems.

The new system will deliver:

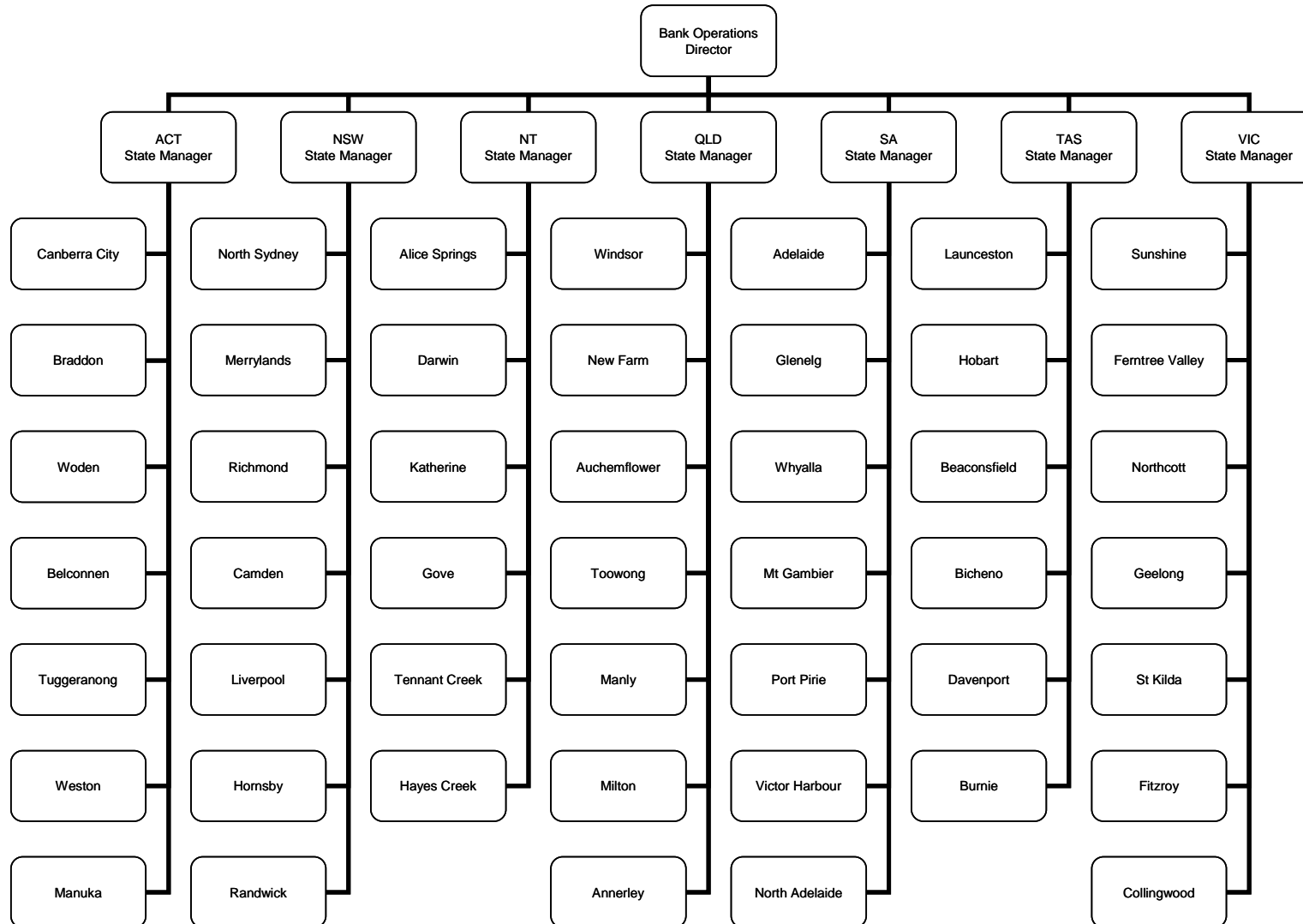
- Faster transaction processing times
- One system for managing customer accounts
- Ability for tellers to view a list of accounts and balances of all customer accounts on one screen.

Current structure

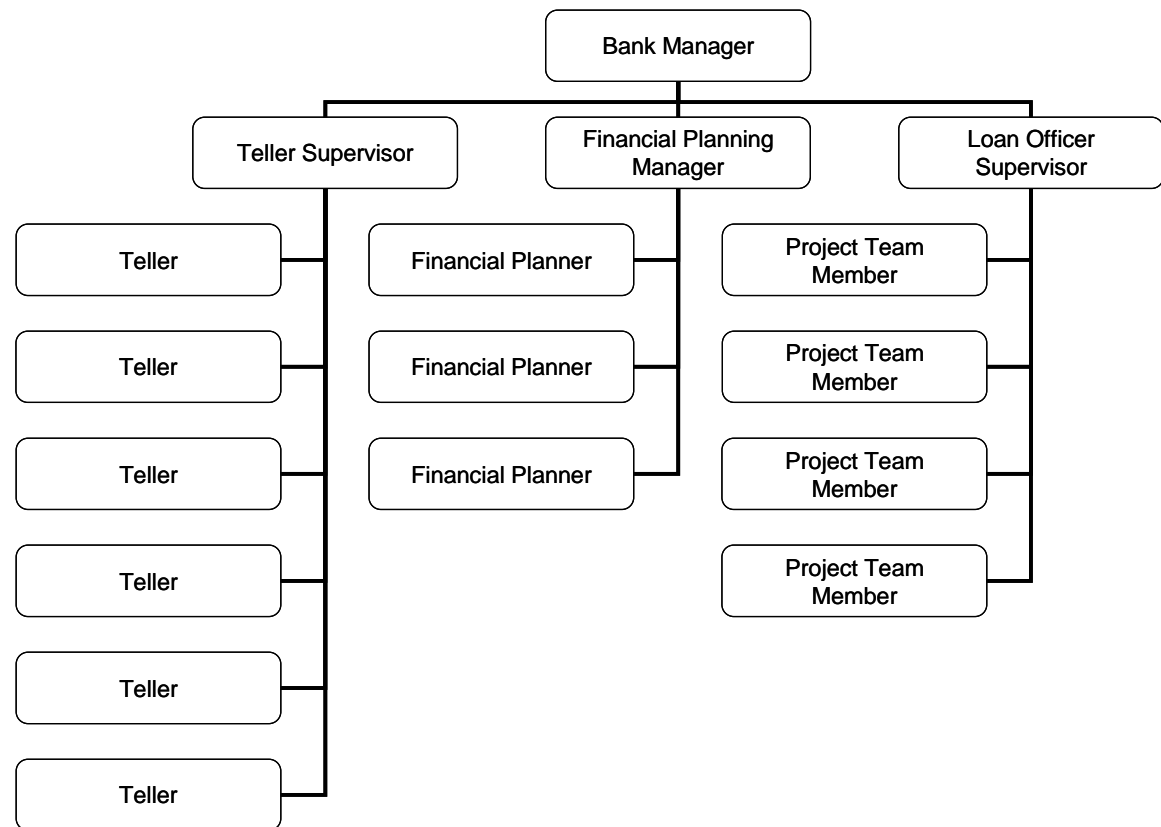


Organisational structure

National Branch Operations structure



Branch structure



Policies and procedures

The bank has documented policies and procedures that are held on the bank's intranet. All employees can access these from their desk with the exception of Tellers. Teller employees can have access to the bank's intranet on computers in their lunch room.

Systems

Only branch employees access the bank's system to manage customer transactions. Head Office employees (i.e. Finance, Marketing, HR and IT) do not have access to the transaction processing system. The Bank Manager is responsible for downloading reports and data from the system and providing these to head office teams.

Culture

Head office employees work very closely together and are a very coherent and motivated team. They are positive about the organisation's direction and respond well to change.

Branch employees generally feel like the 'poor cousins' of the head office employees. They feel as though no one at head office understands what it is like to face a customer and therefore they make unreasonable demands. The branches believe that they would be better off being left to determine the strategies that work best for their customers and that a one-size-fits-all approach that is handed down from head office just does not work. Branch employees do not trust that head office is in touch with their customers and therefore decisions made by the management teams miss the mark.

Branch employees are negative about change, as they believe that all changes implemented in the past have been mismanaged and caused more problems than benefit. Any announcement regarding change usually is greeted with a roll of the eyes by branch employees.

Summary of current employee populations

Head office employees

- Covered under individual contracts
- Broad employee demographics with a wide range of age and an even gender split
- Lots of opportunity to participate in learning and development programs due to management support
- High employee engagement scores citing team work and opportunities to grow and develop as real motivators

Tellers and Teller Supervisors

- Covered by an award
- Majority of employees are female aged 25–45.
- Little opportunity to participate in learning and development programs due to customer demands
- Large number of workplace injuries due to prolonged standing at customer counters
- Low employee engagement scores citing pay and opportunities to grow and develop as issues
- Currently experiencing high turnover
- A large number of vacant roles that line managers are failing to fill due to a lack of quality candidates

Loan Officers

- Covered under individual contacts
- Employee demographics are an even gender split with an age range 25–35.
- High participation in learning and development programs which have provided many promotional opportunities to move to Financial Advisor positions
- High levels of employee engagement; however very low employee engagement scores with regards to pay, as currently they do not receive incentives for loans business that they generate for the bank

Financial advisors

- Covered under individual contracts
- Narrow employee demographics with all advisors being male in the age range 40–50.
- Little desire to participate in learning and development programs outside of required industry certifications
- High number of advisors are currently under formal performance management due to failing to meet sales targets

Staff Turnover

- Head Office: 6% (3% below the industry average)
- Tellers: 24% (8% higher than industry average)
- Teller Supervisors: 37% (12% higher than industry average)
- Loan Officers: 32% (6% higher than industry average)

Financial Advisors: 40% (21% higher than industry average)