

Pearson SRF BTEC Level 6 Professional Diploma in Business Innovation Management (18772)

Specification

Customised qualification on Pearson's
Self-regulated Framework

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Issue 3

Edexcel, BTEC and LCCI qualifications

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Pearson's Self-regulated Framework is designed for qualifications that have been customised to meet the needs of a particular range of learners and stakeholders.

These qualifications are not accredited or regulated by any UK regulatory body. For further information please see Pearson's Self-regulated Framework policy on our website.

This specification is Issue 3. Key changes have been side-lined. We will inform centres of any changes to this issue.

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1 Purpose of this specification

All customised qualifications on Pearson's Self-regulated Framework have a specification developed by Pearson.

The purpose of this specification is to set out:

- the aim/objective of the qualification
- the structure and rule of combination of the qualification
- the resources required by the centre to offer the qualification
- the knowledge, skills and understanding which will be assessed as part of the qualification
- the method of assessment and any associated requirements relating to it
- the criteria against which learners' level of attainment will be measured (for example assessment criteria).

This specification must be used for delivery and teaching. It will be used by Pearson to externally verify and certificate the approved qualification.

If you need any guidance or support related to customised qualifications you should contact your Pearson representative, who will be happy to provide advice.

2 Qualification summary

Key information

Pearson SRF BTEC Level 6 Professional Diploma in Business Innovation Management	
Minimum total Notional Learning Hours (NLH)	1200
Minimum qualification value (NLH/10)	120
European Credit Transfer and Accumulation System (ECTS)	60 ECTS credits*
Assessment	This qualification is assessed via centre-devised assessment (internal assessment)
Unit grading information	Pass
Overall qualification grading information	Pass

*The ECTS credit value is calculated on the basis that one credit represents 20 NLH. The recognition of ECTS credit is at the discretion of higher education institutions, and will depend on the relevance of the prior learning and associated learning outcomes.

Aim of the qualification

The Pearson SRF BTEC Level 6 Professional Diploma in Business Innovation Management is for learners who work in, or want to work in, business management.

It gives learners the opportunity to implement business innovations by initiating and delivering projects. Learners will make business decisions in complex and unpredictable contexts, identifying innovative and viable solutions to problems.

Learners will apply their knowledge and practical skills in the workplace. Full-time learners have the opportunity to do this through formal work placements and part-time learners through their employment experience.

Learners will be workplace ready and have academic progression opportunities (to Level 7 qualifications) for lifelong learning. This qualification enables learners to become effective and competent business unit managers across the entire value chain. Learners will gain knowledge and skills that can be applied across a variety of sectors and to businesses of all sizes. This qualification will provide equal benefit for self-employed learners or start-up owners.

3 Centre resource requirements

As part of the approval process, the centre must make sure that the resource requirements below are in place before offering the qualification.

- The centre must have appropriate physical resources (for example equipment, IT, learning materials, teaching rooms) to support the delivery and assessment.
- Staff involved in the assessment process must have relevant expertise and occupational experience.
- There must be systems in place to make sure that there is continuing professional development for staff delivering the qualification.
- The centre must have appropriate policies in place relating to the delivery of the qualification.
- The centre must deliver the qualification in accordance with current equality legislation.

4 Qualification structure

Pearson SRF BTEC Level 6 Professional Diploma in Business Innovation Management

The Pearson SRF BTEC Level 6 Professional Diploma in Business Innovation Management qualification is a minimum of 1200 Notional Learning Hours (NLH).

Learners must achieve all eight mandatory units to the value of 120 to achieve the qualification.

Mandatory units (all units must be taken)				
Unit	Unit title	Level	Notional Learning Hours	Value (NLH/10)
1	Financial Principles and Techniques for Non-specialists	6	150	15
2	Strategic Management	6	150	15
3	Innovation and Creativity in Business	6	150	15
4	Supply Chain Management	6	150	15
5	Management and Leadership	6	150	15
6	Entrepreneurship in Business	6	150	15
7	Change Management	6	150	15
8	Contemporary Issues in Business	6	150	15

Learners may choose to study additional units if they want to specialise in lean business operations and/or project management in the engineering sector, to meet their employer's needs and/or progress to further study.

Additional units must not replace any of the mandatory units.

Additional units				
Unit	Unit title	Level	Notional Learning Hours	Value (NLH/10)
9	Applying Lean Principles to Business Operations	6	150	15
10	Project Management for Business	6	150	15

5 Assessment

All units in this qualification are internally assessed.

Assessment is a process of measuring learners' work reliably against criteria, to produce results that are a valid interpretation of knowledge or performance.

To avoid over-assessment, the centre is encouraged to link delivery and assessment across units, where appropriate.

Each unit has specified outcomes of learning and assessment criteria. To pass a unit, learners must meet all the outcomes of learning.

The centre will need to devise a range of assessment methods to allow learners the opportunity to meet the outcomes of learning and assessment criteria.

6 Centre and qualification approval

The centre must be approved before delivering and assessing customised qualifications on Pearson's Self-regulated Framework. Centres that have not previously been approved will need to apply for, and be granted, centre recognition as part of the process for approval to offer this qualification.

Before you offer this qualification you must meet both centre and qualification approval requirements.

Please refer to the centre approval guidance on our website.

All centres are required to enter into an approval agreement that is a formal commitment by the head or principal of a centre to meet all requirements. If the centre does not comply with the agreement this could result in the suspension of certification or withdrawal of approval.

7 Quality assurance

Quality assurance is at the heart of customised qualifications on Pearson's Self-regulated Framework. The centre internally assesses this customised qualification and is responsible for making sure that all assessors and Internal Verifiers adhere to their internal verification processes, to ensure consistency and validity of the assessment process.

Pearson uses quality assurance to check that all centres are working to the agreed standard. It gives us the opportunity to identify and provide support, if needed, to safeguard certification.

For guidance, please refer to the *Pearson's Self-regulated Framework (SRF) Quality Assurance Handbook* on our website.

8 Programme delivery

The centre is free to offer this qualification using any mode of delivery (for example full-time, part-time, evening only, distance learning) that meets their learners' needs. Please refer to the policy pages on our website.

Whichever mode of delivery is used, the centre must make sure that learners have access to the required resources, outlined in the specification, and to the subject specialists delivering the units. Centres must give due regard to Pearson's policies that may apply to different modes of delivery.

For this qualification, delivery methods include:

- face-to-face, tutor-led classes for full-time learners
- work-based learning for part-time learners.

9 Access and recruitment

Pearson is committed to providing qualifications with no artificial barriers. A full statement, included in our *Equality Policy*, can be found on our website.

Equality and fairness are central to our work. We are committed to making sure that qualifications do not discriminate and all learners achieve the recognition they deserve from undertaking a qualification and that this achievement can be compared fairly to the achievement of their peers.

Restrictions on learner entry

Centres should review potential learners' prior qualifications and/or experience, considering whether this profile shows that they have the potential to achieve the qualification.

This qualification is suitable for learners aged 18 and above. Centres must give due regard to Pearson policies that apply to the fair and equal recruitment of learners to all Pearson qualifications.

Full-time learners

Qualification requirement (one of the following):

- Pearson BTEC Level 5 HND Diploma in Business, or in another sector, for example Design/Engineering if the learner is actively self-employed or a start-up owner
OR
- European equivalent at EQF Level 5 (120 ECTS)
OR
- International equivalent at UK Level 5 (240 UK credits).

Note

Work experience is desirable for full-time learners entering this programme.

Part-time learners

Qualification or experience requirement (one of the following):

- Pearson BTEC Level 5 HND Diploma in Business, or in another sector, for example Design/Engineering if the learner is actively self-employed or a start-up owner
OR
- European equivalent at EQF Level 5 (120 ECTS)
OR
- international equivalent at UK Level 5 (240 UK credits)
OR
- one to three years' management experience.

Note

For part-time learners, the minimum age requirement is 18, however in most cases learners will be 25+.

Part-time learners should have confirmation that their current or prospective employer will support the work-based learning mode.

10 Understanding the units

All units in this qualification have the following sections.

Title

The title is a short description of the content of the unit.

Level

The level of the unit indicates the complexity and demand expected to achieve it. The level places the unit on a framework of comparability with other units and qualifications at that level.

Notional Learning Hours (NLH)

Notional Learning Hours (NLH) are the total amount of time a learner is expected to take, on average, to complete the unit to the required standard, including teaching, study and assessment time.

Unit value

The unit value is calculated by dividing the Notional Learning Hours (NLH) by 10.

SRF unit code

The unique approval code for the unit.

Unit aim

Says what the aims of the unit are in terms of what is covered and what the unit will enable learners to do.

Unit introduction

The introduction gives a short description of the unit and details the key knowledge, skills and understanding the learner will gain through studying the unit. This introduction highlights the focus of the unit and how it links to the vocational sector to which the qualification relates.

Outcomes of learning

Outcomes of learning state what a learner can be expected to know, understand or be able to do as a result of completing a programme of learning for the unit.

Assessment criteria

Assessment criteria specify the standard required by the learner to achieve each outcome of learning.

Unit content

In the unit content section, topics are listed as bullets to provide detail on what is required to design and deliver a programme of learning. Not all topics have to be covered for the learner to be able to meet the assessment criteria. Centres are able to select the topics they deliver, ensuring that learners produce evidence of sufficient depth and breadth to meet the assessment criteria.

Information for delivery staff

This section gives delivery staff information on delivery and assessment. It contains the following subsections.

Delivery guidance – offers guidance on possible approaches to delivery of the unit.

Assessment guidance – gives information about the evidence that learners must produce, together with any additional guidance if appropriate. This section should be read in conjunction with the assessment criteria.

Suggested resources – indicates resource materials that can be used to support the teaching of the unit, for example books and journals.

Units

Unit 1: Financial Principles and Techniques for Non-specialists

Level:	6
Notional Learning Hours:	150
Value (NLH/10):	15
SRF unit code:	20440E

This unit is internally assessed

Unit aim

This aim of the unit is to give learners an understanding of the principles of financial and managerial accounting and reporting. Learners will also gain associated skills that will enable them to examine business performance.

Unit introduction

All businesses require financial management to ensure that they operate efficiently and effectively, that they meet legal and regulatory requirements. Businesses have financial responsibilities to their owners, managers and other interested parties. Innovation in business is risky so there is particular pressure to be financially responsible.

You will learn that accounting standards and practices govern how financial records are kept and that different types of business, whether they are sole trading concerns or multinational businesses, adopt similar accounting techniques. Periodically, businesses will produce an income statement to show their profitability and a balance sheet to show their financial structure in terms of their assets, liabilities and capital. You will examine how the financial information presented can be analysed to measure the profitability and stability of businesses and to allow comparisons to be made between different years and between different businesses. You will consider the managerial aspects of accounting. You will learn how to prepare budgets, calculate business costs and manage cash to ensure that managers have financial control of a business' activities. You will also learn how to analyse and use financial information to support managerial decision making. This improves business performance and supports the achievement of business goals.

Outcomes of learning and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the outcomes of learning. The assessment criteria determine the standard required to achieve the unit.

Outcomes of learning		Assessment criteria	
1	Understand the principles of financial accounting and financial reporting	1.1	Explain the role of accounting standards in financial accounting
		1.2	Critically evaluate the impact on businesses of one set of accounting standards
		1.3	Analyse the differences in the accounts of different types of business
		1.4	Analyse the elements of the balance sheet and profit and loss account for a sole trader
		1.5	Describe the components of the balance sheet and income statement for a company
		1.6	Evaluate the importance and structure of a cash-flow statement for a business
2	Apply the principles of financial accounting and financial reporting	2.1	Prepare financial statements for a given business from incomplete records making any necessary adjustments
		2.2	Evaluate the importance of the constituent parts of a business' annual report
		2.3	Analyse the performance of a given business using financial ratios
		2.4	Explain the importance of the relationship between a company's external auditor and its directors
3	Apply the principles of management accounting to a given business	3.1	Calculate the unit costs of a given business using appropriate techniques
		3.2	Suggest improvements to reduce costs and enhance value in a given business
		3.3	Select appropriate budgeting methods for a given business that meet its needs
		3.4	Prepare a cash budget from information for a given business
		3.5	Calculate budget variances identifying possible causes and recommending corrective action
		3.6	Prepare a statement reconciling budgeted and actual results

Unit content

1 Understand the principles of financial accounting and financial reporting

Role of accounting standards:

- UK and international, comparability, harmonisation process

Entity financial statements:

- sole trader, partnership, limited company (public, private), not-for-profit organisations

Constituent elements of financial statements:

- balance sheet, income statement (profit/loss account)
- financial position and financial performance, assets, liabilities, equity, revenue, expenses, cash flows, accrual accounting

Cash-flow statement:

- cash flows from operating activities, financing activities and investing activities

2 Be able to apply the principles of financial accounting and financial reporting

Preparation of financial statements:

- recording of financial transactions
- preparation of statement of balance sheet, income statement or profit and loss account

Annual reports:

- financial statements, notes to accounts, auditors' report, chairman's statement

Financial ratio analysis:

- profitability, management performance, liquidity, gearing, efficiency, investor ratios
- comparisons with competitors and previous accounting periods

Role of external auditors:

- appointment, role, independence, agency theory

3 Be able to apply principles of management accounting to a given business

Unit cost measurement:

- cost types (materials, labour, overheads, direct and indirect, fixed, variable and semi-variable)
- measurement
- appropriate techniques
- improvements
- cost reduction
- value enhancement

The budgeting process:

- purpose
- benefits
- links with organisational objectives/strategy
- the budget manual
- budgets as planning, coordinating, motivation and control devices
- behavioural aspects

Budget preparation:

- limiting or key factors
- master, subsidiary and functional budgets
- cash budgets
- the preparation of sales budget, debtors' budgets, creditors' budgets, production costs, raw materials and finished goods budgets

Budgeting methods:

- incremental
- zero-based
- fixed and flexible

Variances:

- types
- analysis
- calculation
- flexed budget
- possible causes
- corrective action

Reporting:

- reconciliation of budgeted and actual results

Responsibility centres:

- relevance to budgeting
- identification of responsibility for variances

Information for tutors

Delivery guidance

For this unit, tuition for the outcomes of learning lends itself to flexible delivery. For outcome of learning 1, formal teaching sessions can include input from a tutor on identifying the theoretical material on the principles of financial and management accounting and reporting for different businesses. Tutors can illustrate points to show the impact of accounting standards and practices on producing financial information and the need to be compliant with the legal and regulatory frameworks. For outcomes of learning 2 and 3, tutor input will be needed for the specialist technical content.

Practical exercises, discussions, case studies, internet research and library resources can be used to examine how the principles of accounting and reporting are applied to produce a range of financial and managerial accounting information. An appropriate guest speaker can provide insight into the practicalities of the legal and regulatory requirements of the financial processes used in business.

Assessment guidance

The centre will devise and mark the assessment for this unit.

Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments (assignments) can be used, such as (but is not confined to) reports, presentations, displays, articles, diaries, discussions, verbal questioning, multiple-choice questioning, case studies, exercises, simulations, practical work and recognition of prior learning. All assessment methods are acceptable, provided that the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For the three outcomes of learning, covering all assessment criteria, a staged, integrated assignment could be used. The assignment could use a case study about a recently established technology business that had a set of financial data but which had not yet produced any reports. The senior managers need to focus on the finances of the business. The aim would be to inform senior managers about the importance of finance and to produce a set of reports showing how the business had performed. The outcomes could be presented in the form of a set of financial statements for managers, with a commentary on the principles of financial and managerial accounting and reporting.

Assessment can be for individual outcomes of learning and for combined outcomes of learning in the unit, it can also be combined with the assessment of outcomes and criteria from other units. The latter would require an assessment map to identify where outcomes of learning and assessment criteria are assessed.

When preparing for assessment, it is expected that learners within a cohort will have individually selected and researched the preparation and presentation of accounting reports.

Suggested resources

There are no special resource requirements for this unit but centres must give learners access to information on accounting and finance.

The following lists of resources give an indication of the type and level of teaching and learning materials that can be used.

Books

Atrill P and McLaney E – *Accounting and Finance for Non-specialists with MyAccountingLab, 7th Edition* (Financial Times/Prentice Hall, 2010)
ISBN 978-0273745969

Dyson J R – *Accounting for non-Accounting Students, 8th Edition*
(Financial Times/Prentice Hall, 2010) ISBN 978-0273722977

Journals

Accountancy (CCH)

Accountancy Age (Incisive Financial Planning Limited)

Websites

www.businesscasestudies.co.uk – business case studies

www.managementhelp.org – a free management library, searchable by subject

Podcasts

The British Broadcasting Corporation (BBC) produces podcasts in its two business series, *The Bottom Line* and *In Business*. The podcasts bring together current practitioners to discuss current business matters and many podcasts touch on topics relevant to the unit. They can be searched through and downloaded from:

www.bbc.co.uk/podcasts/series/bottomline/all

www.bbc.co.uk/programmes/p02nrwfk/episodes/downloads

Unit 2: Strategic Management

Level:	6
Notional Learning Hours:	150
Value (NLH/10):	15
SRF unit code:	20441E

This unit is internally assessed

Unit aim

This aim of the unit is to give learners an understanding of the role and importance of strategy in giving long-term direction to businesses, which informs managerial decision making at different levels.

Unit introduction

Businesses need strategic direction. An innovative business will want to offer new products and services to the market. Once the market becomes saturated then strategy will need to be re-assessed. Hardware businesses acquire content providers to complement the products they originally brought to market. So, for example, the Sony Corporation modified its strategy by acquiring film studios, record labels and music publishers.

You will learn how to identify the strategic purposes of businesses and how they develop their strategies by evaluating their strategic capability. You will examine the influence of business culture on strategy and how the analysis of business culture can shape, and be used to shape and support strategy. You will consider strategic choices about the future of a business. Strategic change may be needed and you will learn how to assess the strategic position of a business by carrying out an environmental analysis and diagnosing the situations that need change. For example, a business may decide that a strategic response may be to internationalise with all the associated issues that have then to be considered. You will look at how change is managed at a strategic level and why change is needed to ensure that a business continues to be successful in meeting its objectives.

Outcomes of learning and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the outcomes of learning. The assessment criteria determine the standard required to achieve the unit.

Outcomes of learning		Assessment criteria	
1	Understand how strategic choices are made in businesses	1.1	Analyse the different levels of strategy in an organisation
		1.2	Compare methods of strategy evaluation in businesses
2	Understand the importance of culture in strategic positioning in businesses	2.1	Assess the importance of culture in businesses
		2.2	Evaluate how culture influences strategy in a business
		2.3	Analyse the cultural web of a business
3	Understand the risks involved when a business decides to internationalise	3.1	Evaluate the drivers that encourage businesses to internationalise
		3.2	Critically evaluate national and international sources of advantage for a business
		3.3	Assess methods of market selection and entry for a business
4	Be able to assess the strategic position of a business	4.1	Carry out an environmental analysis for a selected business
		4.2	Evaluate the strategic capability of a business
		4.3	Develop a strategic purpose for a business
5	Understand the importance of change in strategic management	5.1	Explain the methods for diagnosing change situations
		5.2	Critically evaluate different change management styles and roles
		5.3	Evaluate the management of strategic change programmes in businesses

Unit content

1 Understand how strategic choices are made in businesses

Levels of strategy:

- business level strategy
- corporate level strategy
- Ansoff's Product/Market Growth Matrix
- international strategies

Strategy evaluation:

- suitability of the strategy
- threats, opportunities, weaknesses, strengths (SWOT (strengths, weaknesses, opportunities and threats) matrix)
- ranking strategic options
- decision trees
- scenarios
- acceptability
- returns
- analysis (financial, cost benefit, shareholder value, risk, ration, sensitivity)
- feasibility of the strategy
- financial resources
- deployment of resources

2 Understand the importance of culture in strategic positioning in businesses

Culture:

- national and regional cultures
- the organisational field
- sets of assumptions, norms and regimes
- organisational culture

Organisational culture and strategy:

- the management of culture
- culture as a driver of strategy
- development of strategy
- implementation of new strategies
- assessing corporate performance
- adopting a suitable paradigm

Cultural web:

- tool for analysing culture
- elements of the web
- paradigm

3 Understand the risks involved when a business decides to internationalise

Drivers to internationalise:

- Yip's drivers of globalisation

National and international sources of advantage:

- Porter's Diamond model
- the international value network
- international strategies
- simple export
- complex export
- multidomestic strategy
- global strategy

Market selection and entry:

- market characteristics
- political, economic, social, legal, competitive characteristics
- entry modes
- exporting
- joint ventures and alliances
- licensing
- foreign direct investment

4 Be able to assess the strategic position of an organisation

The business environment:

- macro environment
- industries and sectors
- competitors
- Porter's five forces framework
- industry life cycle
- strategic groups
- market segments
- opportunities and threats

Strategic capability:

- methods for evaluating strategic capability

Strategic purpose:

- corporate governance
- business ethics and corporate social responsibility
- stakeholder expectations
- stakeholder power
- organisational purpose, values, mission, vision, objectives

5 Understand the importance of change in strategic management

Methods for diagnosing change situations:

- types of strategic change
- big bang, incremental, realignment, transformational, cultural context
- force field analysis

Change management styles and roles:

- roles in managing change
- strategic leadership
- education, participation, intervention, direction, coercion

Management of strategic change programmes:

- strategic reconstruction
- turnaround strategy
- managing revolutionary and evolutionary strategic change

Information for tutors

Delivery guidance

For this unit, tuition for the outcomes of learning lends itself to flexible delivery. For outcomes of learning 1 to 3, formal teaching sessions can include input from a tutor in identifying the theoretical material on the principles of strategic management. Tutors can illustrate points to show the importance of strategic management and its impact on the long-term success of a business. To identify problems and how they might be avoided, it can be instructive to consider examples of what happens when there has been a failure to manage strategically. For outcomes of learning 4 and 5, tutor input will be needed for the specialist technical content in respect of environmental analysis and diagnosing situations that need change.

Case studies, practical exercises, discussions, internet research and library resources can be used to examine the nature and importance of strategic management. Business sections in newspapers and business magazines often include features on selected businesses and their senior managers, as well as more general discussions on the nature of strategic management. An appropriate visiting speaker can provide an insight into the practicalities and role of strategic management in a business.

Assessment guidance

The centre will devise and mark the assessment for this unit.

Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments (assignments) can be used such as (but is not confined to) reports, presentations, displays, articles, diaries, discussions, verbal questioning, multiple-choice questioning, case studies, exercises, simulations, practical work and recognition of prior learning. All assessment methods are acceptable provided that the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For outcomes of learning 1 to 3, covering all the associated assessment criteria, a case study could be used. The senior managers of a newly established innovative business have focused on the short-term success of their business but need to consider how to adopt a more strategic approach. A consultant has been brought in to brief senior managers to show them the issues and how important it is to consider them in strategic management. The outcomes could be presented in the form of a presentation with notes and slides. The presentation is optional but would give tutors an insight into how well learners have understood the issues and how well they can respond to questions on the subject.

For outcomes of learning 4 and 5, learners can complete a project that assesses the strategic position of a business and the importance of change in strategic management. The outcomes could be presented in the form of an article for a business publication from a business advisory service.

Assessment can be for individual outcomes of learning or for combined outcomes of learning in the unit, it can also be combined with the assessment of outcomes of learning and assessment criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

When preparing for assessment, it is expected that learners within a cohort will have individually selected and researched strategic management issues in business.

Suggested resources

There are no special resource requirements for this unit but centres must give learners access to information on strategic management.

The following lists of resources give an indication of the type and level of teaching and learning materials that can be used.

Books

Johnson G, Scholes K and Whittingham R – *Exploring Corporate Strategy* (Prentice Hall, 2008) ISBN 978-0273711926

Mintzberg H, Ahlstrand B and Lampel J – *Strategy Safari: A Guided Tour through the Wilds of Strategic Management* (Prentice Hall, 2001) ISBN 978-0273656364

Schwartz P – *The Art of the Long View* (Wiley, 1997) ISBN 978-0471977858

Journals

European Management Journal (Elsevier)

Journal of Business Strategy (Blackwell)

Strategy and Leadership (Emerald)

Websites

www.businesscasestudies.co.uk – business case studies

www.ft.com – *Financial Times* online (paywall)

www.managementhelp.org – free management library, searchable by subject

Podcasts

The British Broadcasting Corporation (BBC) produces podcasts in its two business series, *The Bottom Line* and *In Business*. The podcasts bring together current practitioners to discuss current business matters and many podcasts touch on topics relevant to the unit. They can be searched through and downloaded from:

www.bbc.co.uk/podcasts/series/bottomline/all

www.bbc.co.uk/programmes/p02nrwfk/episodes/downloads

Unit 3: Innovation and Creativity in Business

Level:	6
Notional Learning Hours:	150
Value (NLH/10):	15
SRF unit code:	20442E

This unit is internally assessed

Unit aim

This aim of the unit is to give learners an understanding of the importance of creativity and innovation to business competitiveness. Learners will develop the skills needed to influence others and overcome barriers to the implementation of innovation.

Unit introduction

Businesses need innovation as it is a major source of growth. Technical innovations have allowed firms such as Apple and Samsung to dominate mobile telephony. Lightweight materials have made the aircraft produced by Airbus and Boeing more efficient and more economic to operate.

You will learn that innovation is promoted by governments and businesses as a means of creating national and business prosperity. Expenditure on research and development helps create and refine innovative products and services. Sometimes, innovations happen by chance. A low-tack adhesive was invented accidentally by a scientist looking for a super-strong adhesive. A fellow scientist used it on non-slip, re-positional bookmarks and the Post-it Note was born. You will consider the work of theorists who seek to understand, encourage and develop the processes of creativity and innovation in individuals and groups. You will explore the types of motivation, culture, climate, leadership and innovation management processes in businesses. You will plan the development and implementation of an innovative idea. You will then identify and plan how to implement the idea and overcome any barriers, both internal and external, to the implementation of the innovation before evaluating whether the plan will lead to a successful innovation. You will learn that successful innovation helps to ensure that a business maintains its competitive advantage.

Outcomes of learning and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the outcomes of learning. The assessment criteria determine the standard required to achieve the unit.

Outcomes of learning		Assessment criteria	
1	Understand the importance of innovation to businesses	1.1	Explain the value of innovation to businesses
		1.2	Evaluate support for a recent innovation in a selected business
2	Understand how creativity can be fostered	2.1	Analyse key theoretical concepts about creativity in individuals
		2.2	Use analytical tools to identify potential creative ideas
		2.3	Critically evaluate key theoretical concepts about creativity
3	Understand how innovation can be fostered in a business	3.1	Analyse how to lead others in an organisation to positively embrace innovation
		3.2	Critically evaluate current processes for managing innovation within a selected business
4	Be able to influence others to effect innovative change in a business	4.1	Plan a creative idea to effect innovative change in a business
		4.2	Produce an appropriate rationale to persuade stakeholders of a business of the benefits of a creative idea
		4.3	Communicate the idea to effect innovative change in a business to stakeholders
		4.4	Critically evaluate the idea and its prospects of success
5	Plan to overcome barriers to implementation of creative and innovative ideas in a business	5.1	Assess the barriers to the implementation of a creative and innovative idea in a selected business
		5.2	Plan a strategy to overcome identified barriers to the implementation of a creative and innovative idea in a business
		5.3	Evaluate the extent to which the plan will increase the likelihood of success of an innovation within a business

Unit content

1 Understand the importance of innovation to business

Innovation in business:

- definitions of innovation
- formats of innovation
- level of change
- innovation space mapping

Importance to businesses:

- increasingly competitive trading environment
- building and maintaining competitive advantage
- types of competitive advantage

Support for innovation:

- government policies supporting innovation

2 Understand how creativity can be fostered

Key theoretical concepts:

- comparison of approaches
- forms of creativity
- creative process
- personality traits for innovation

Creativity tools and techniques:

- positive
- negative
- interesting (PNI)
- mind mapping
- visioning
- fishbone diagram
- problem-solving techniques

Analytical tools:

- SWOT (strengths, weaknesses, opportunities and threats)
- cost/benefit analysis
- Pareto analysis
- risk analysis
- value

Evaluation:

- criticisms of theoretical concepts and tools and techniques

3 Understand how innovation can be fostered in a business

Fostering innovation in businesses:

- theoretical approaches
- culture and climate encouraging innovation
- intrinsic versus extrinsic motivation
- impact of type of tasks

Leadership:

- climate
- reward
- work roles to support innovation

Innovation strategies:

- pioneering versus following
- leapfrog
- speed to market
- perfection
- market hedge
- product hedge
- outsource and alliance
- innovation protection strategies

Organisational processes:

- innovation strategies
- innovation process management development and models

4 Be able to influence others to effect innovative change in a business

Plan creative idea:

- identify problem/opportunity
- human resource, physical and technical requirements
- working environment
- idea generation

Rationale for stakeholders:

- identification of stakeholders
- analysis of stakeholder viewpoints and importance
- benefits of innovative idea

Communicate/evaluate idea:

- segmentation and targeting of stakeholders
- communications mix
- media selection
- stakeholder group interaction
- evaluation and selection processes
- financial measures
- market factors

5 Be able to plan to overcome barriers to implementation of creative and innovative ideas in a business

Internal/external barriers to innovation:

- business culture
- business climate
- resistance to change
- types of resistance to change
- legislation
- infrastructure
- lack of government support
- market reaction

Overcoming barriers:

- participation
- education
- involvement
- communication
- staff selection and rewards
- relocation
- lobbying
- adaptation

Evaluation/increasing success:

- measures of success
- factors enhancing success rates
- causes of failures

Information for tutors

Delivery guidance

For this unit, tuition for the outcomes of learning lends itself to flexible delivery. For outcomes of learning 1 to 3, formal teaching sessions can include input from a tutor on identifying the theoretical material on business innovation and creativity. Tutors can illustrate points to show the importance of innovation and creativity and its impact on the establishment and success of a business. Innovation is evident in start up businesses but also in established businesses as they look for competitive advantage.

For outcomes of learning 4 and 5, tutor input will be needed for some of the specialist technical content but tutors can run workshops in which learners can discuss ideas and plans for innovation and how to influence others to buy into change. In order to refine ideas, they can be tested and critiques offered.

Case studies, practical exercises, internet research and library resources can be used to examine the nature and importance of innovation in business. Business sections in newspapers and business magazines often include features on selected businesses, focusing on how innovation has enhanced their competitive advantage or how in some cases it has caused problems. An appropriate visiting speaker can provide insight into the practicalities and role of innovation in a business.

Assessment guidance

The centre will devise and mark the assessment for this unit.

Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments (assignments) can be used such as (but is not confined to) reports, presentations, displays, articles, diaries, discussions, verbal questioning, multiple-choice questioning, case studies, exercises, simulations, practical work and recognition of prior learning. All assessment methods are acceptable, provided that the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For outcomes of learning 1 to 3, covering all the associated assessment criteria, a case study could be used. The senior managers of a business facing competitive pressures need to examine the role of innovation as a way of ensuring the continuing existence of the business. An adviser has been contracted to produce a briefing paper to consider the importance of innovation and creativity to business success. The outcomes could be presented in the form of the briefing paper.

For the outcomes of learning 4 and 5, learners can complete a project that involves identifying an innovative or creative idea and then communicating the idea to stakeholders in ways that anticipate and try to overcome barriers to implementing the idea. The outcomes could be presented in the form of a 'YouTube' video with an associated rationale and evaluation of the approaches used.

Assessment can be for individual outcomes of learning or for combined outcomes of learning in the unit, it can also be combined with the assessment of outcomes of learning and assessment criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

When preparing for assessment, it is expected that learners within a cohort will have individually selected and researched innovation and creativity in business.

Suggested resources

There are no special resource requirements for this unit but centres must give learners access to information about innovation and creativity in business.

The following lists of resources give an indication of the type and level of teaching and learning materials that can be used.

Books

Ahmed P K and Shepherd C D – *Innovation Management: Context, Strategies, Systems and Processes* (Financial Times/Prentice Hall, 2010)
ISBN 978-0273683766

Drucker P F – *Innovation and Entrepreneurship* (Butterworth-Heinemann, 2007)
ISBN 978-0750685085

Govindarajan V – *The Three-Box Solution: A Strategy for Leading Innovation* (Harvard Business Review Press, 2016) ISBN 978-1633690141

Tidd J and Bessant J – *Managing Innovation: Integrating Technological, Market and Organizational Change, 4th Edition* (John Wiley and Sons, 2009)
ISBN 978-0470998106

Journal

Journal of Product Innovation Management (John Wiley and Sons)

Newspaper

Financial Times (The Financial Times Ltd)

Websites

www.businesscasestudies.co.uk – business case studies

www.cambridgeaudits.com – Cambridge Strategy Audits offers scoreable company self-audits on innovation and related topics

www.ft.com – *Financial Times*

www.managementhelp.org – a free management library, searchable by subject

Podcasts

The British Broadcasting Corporation (BBC) produces podcasts in its two business series, *The Bottom Line* and *In Business*. The podcasts bring together current practitioners to discuss current business matters and many podcasts touch on topics relevant to the unit. They can be searched through and downloaded from:

www.bbc.co.uk/podcasts/series/bottomline/all

www.bbc.co.uk/programmes/p02nrwfk/episodes/downloads

Unit 4: Supply Chain Management

Level:	6
Notional Learning Hours:	150
Value (NLH/10):	15
SRF unit code:	20443E

This unit is internally assessed

Unit aim

This aim of this unit is to give learners an understanding of the role and importance of supply chains in giving businesses sustainable competitive advantage. Learners will learn how to apply strategic supply chain management techniques and assess how technology affects supply chain operations.

Unit introduction

Ensuring that computer tablets arrive in stores in sufficient quantities to meet launch dates and to meet customer demand, even though they have been designed months previously and manufactured thousands of miles away, is a task that needs managing to ensure its success.

You will learn that businesses have complex supply chains and that supply chain management (SCM) is a dynamic strategic process that contributes to business efficiency. It took nearly a year for some business to re-establish supplies of computer components after the Japanese tsunami of 2011 destroyed productive capacity. Selection of suppliers always needs to be re-evaluated. You will consider how to align supply chain strategies with other business strategies using analytical tools such as the strategic wheel. You will learn how performance is measured in supply chain strategy and management and how inter-business relationships are integrated. You will look at strategic issues affecting supply chain management and operation such as environmental concerns, supplier involvement in product development and public procurement processes. You will then learn how technology ensures that supply chains are integrated and operated reliably and efficiently. Just-in-time control and real-time information ensure that supply chains are managed in a way that contributes to supply chain and other business objectives.

Outcomes of learning and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the outcomes of learning. The assessment criteria determine the standard required to achieve the unit.

Outcomes of learning		Assessment criteria	
1	Understand the supply decisions that have to be made in businesses	1.1	Analyse sourcing strategies that are used by businesses
		1.2	Critically evaluate how businesses strategically select suppliers
2	Understand how businesses develop supply strategy	2.1	Assess the importance of the strategic wheel in developing supply strategy
		2.2	Analyse how supply strategies are aligned to corporate/business strategies
3	Understand the role of performance management in developing supply strategy	3.1	Compare the different types of performance measurement used in developing supply strategy
		3.2	Assess the measurement of costs in developing supply strategy
		3.3	Review how inter-business relationships are managed
4	Be able to apply strategic issues in supply chain management	4.1	Examine the environmental issues in supply chain management which affect a given business
		4.2	Analyse the benefits of involving suppliers in new product development in a given business
		4.3	Assess the special nature of public procurement in a given business
5	Be able to assess the impact of technology on supply chain management	5.1	Analyse how information technology improves communication between supply chain partners
		5.2	Critically evaluate the advantages of different forms of electronic exchanges in supply chain management in a given business

Unit content

1 Understand the key supply decisions that have to be made in businesses

Sourcing strategies:

- Kraljic's product and service positioning
- Porter's five forces
- impact on business
- supply structure and design

Supplier selection:

- four stages of supplier selection

2 Understand how businesses develop supply strategy

The strategic wheel:

- three basic approaches to strategic supply
- interrelationships between each of the strategic elements of an organisation

Supply and corporate strategies:

- supply chain strategy supports and facilitates corporate strategy
- information sharing
- translation of competitive priorities into supply function objectives
- translating supply function objectives into supply chain practices

3 Understand the role of performance management in developing supply strategy

Performance measurement:

- methods

The measurement of costs:

- cost benefit analysis
- price versus cost
- total cost of ownership
- purchasing activities contributing to total cost of ownership
- management of purchasing function
- delivery administration
- service costs
- communication costs
- price negotiations
- quality costs

Inter-business relationships management:

- development of supply chain and relationship management
- Strategic Relationship Positioning Model (SRPM)

4 Be able to apply strategic issues in supply chain management

Environmental issues:

- from outside and inside a business's internal and external sources

Suppliers and new product development (NPD):

- current issues
- competitive advantage
- costs
- increasing product complexity
- reduced product life cycles
- managing technological change
- resources and knowledge required to innovate
- benefits of involvement

Public procurement:

- public scrutiny of sourcing decisions
- no competitive markets in which to operate
- regulation
- European Union (EU) procurement objectives

5 Be able to assess the impact of technology on supply chain management

Information technology and communication:

- electronic data interchange (EDI)
- development of Open Systems Integration (OSI)
- internet technologies

Electronic exchanges:

- marketplace in which goods and services are traded – global, connecting buyers and sellers, auctions, virtual private networks (VPNs), one to many, many to many, web marketplace, vortices, butterfly hubs
- advantages

Information for tutors

Delivery guidance

For this unit, tuition for the outcomes of learning lends itself to flexible delivery. For outcomes of learning 1 to 3, formal teaching sessions can include input from a tutor in identifying the theoretical material on supply chains and their management and operation. Tutors can illustrate points to show the importance and impact of an integrated, smoothly functioning supply chain, and how it contributes to business success and maintains competitive advantage. For outcomes of learning 4 and 5, tutor input will be needed for some of the specialist technical content but tutors can use case studies that provide the basis for examining the strategic issues in supply chain management and how technology has shaped supply chain management.

Practical exercises, discussions, internet research and library resources can be used to examine the nature and importance of managing supply chains at both a strategic and operational level. Business sections in newspapers and business magazines often include features on supply chain management and operations, showing their importance to selected businesses and the possible consequences of any supply chain failures. An appropriate visiting speaker can provide an insight into the practicalities and role of supply chain management.

Assessment guidance

The centre will devise and mark the assessment for this unit.

Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments (assignments) can be used such as (but is not confined to) reports, presentations, displays, articles, diaries, discussions, verbal questioning, multiple-choice questioning, case studies, exercises, simulations, practical work and recognition of prior learning. All assessment methods are acceptable, provided that the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For the outcomes of learning 1 to 5, covering all the associated assessment criteria, a case study could be used. A recently established business making and supplying stylish furniture wants to expand and is having to consider how best to do this but it is evident that it needs to develop a longer and more reliable supply chain. As the purchasing manager, you have been asked to draft a discussion paper for consideration by the board of directors. The outcomes could be presented in the form of the discussion paper.

Assessment can be for individual outcomes of learning or for combined outcomes of learning in the unit, it can also be combined with the assessment of outcomes of learning and assessment criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

When preparing for assessment, it is expected that learners within a cohort will have individually selected and researched supply chain management and operation in business.

Suggested resources

There are no special resource requirements for this unit but centres must give learners access to information on supply chain management and operation in business.

The following lists of resources give an indication of the type and level of teaching and learning materials that can be used.

Books

Chopra S and Meindl P – *Supply Chain Management: Strategy, Planning and Operation, 4th Edition* (Pearson Education, 2009) ISBN 978-0136094517

Christopher M – *Logistics and Supply Chain Management, 4th Edition* (Financial Times/Prentice Hall, 2010) ISBN 978-0273731122

Journals

European Journal of Purchasing and Supply Management (Elsevier)

The Journal of Supply Chain Management (Institute for Supply Management)

Websites

www.businesscasestudies.co.uk – business case studies

www.cips.org – The Chartered Institute of Purchasing and Supply

www.managementhelp.org – a free management library, searchable by subject

Podcasts

The British Broadcasting Corporation (BBC) produces podcasts in its two business series, *The Bottom Line* and *In Business*. The podcasts bring together current practitioners to discuss current business matters and many podcasts touch on topics relevant to the unit. They can be searched through and downloaded from:

www.bbc.co.uk/podcasts/series/bottomline/all

www.bbc.co.uk/programmes/p02nrwfk/episodes/downloads

Unit 5: Management and Leadership

Level:	6
Notional Learning Hours:	150
Value (NLH/10):	15
SRF unit code:	20444E

This unit is internally assessed

Unit aim

The aim of this unit is to give learners an understanding of the role and importance of leadership and management in giving businesses direction, ensuring that they operate efficiently to achieve their objectives.

Unit introduction

Does the success of a business depend on the quality of its leadership or its management? Are they the same thing? Every high-profile business leader, whether they have founded a low-cost airline or invented a bagless vacuum cleaner, needs able senior managers for activities such as finance and marketing.

You will learn about current thinking on leadership from a business perspective and examine the links between leadership and management. You will investigate their usefulness when applied to the management and leadership requirements of selected businesses. Leadership qualities vary between businesses depending on their circumstances and requirements. They vary at different levels of the organisation, in teams and in different settings. You will learn about the impact of management and leadership styles on business decisions in differing situations, through examining the skills and styles of successful managers and leaders. Applying management and leadership theories and models in particular contexts will enable you to assess the impact that different management and leadership styles can have on business direction. You will consider the styles of management and leadership that could be used in a selected business in order to ensure that it is managed in a way that allows it to achieve its objectives.

Outcomes of learning and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the outcomes of learning. The assessment criteria determine the standard required to achieve the unit.

Outcomes of learning		Assessment criteria	
1	Understand the relationship between management and leadership	1.1	Discuss the similarities and differences between management and leadership
		1.2	Evaluate the impact of both management and leadership styles on staff in businesses
2	Understand the features that underpin effective leadership	2.1	Assess the relationship between leadership style and leadership behaviour
		2.2	Explain how leadership behaviour is linked with leadership qualities in effective leaders
		2.3	Evaluate the importance of context on leadership styles and qualities
3	Be able to apply theories of management and leadership in business contexts	3.1	Critically assess the impact of leadership in a selected business using appropriate theories
		3.2	Review the impact of selected theories of management and leadership on the direction of a selected business
4	Be able to advise on the management and leadership skills required for selected roles in a business	4.1	Propose methods to identify the skills required for leadership of a given role in a selected business
		4.2	Recommend a style of leadership that is suitable to the role and appropriate to the culture in a selected business
		4.3	Make justified evaluations of recommended leadership skills required for a selected role in a business

Unit content

1 Understand the relationship between management and leadership

Management and leadership:

- definitions of management
- perspectives on leadership

Management and leadership style:

- autocratic, charismatic, persuasive, participative
- influences on style
- emotional leadership styles
- differentiation between management and leadership styles in given situations
- Blake and Mouton's managerial/leadership grid

2 Understand the features that underpin effective leadership

Leadership behaviour:

- theories
- differences between management and leadership in terms of behaviours

Leadership qualities:

- honesty, enthusiasm, confidence, charisma, intelligence, knowledgeable, able, good communicator, respect, compassion, sensitivity, strong values

Context:

- organisational context
- situational context

3 Be able to apply theories of management and leadership in business contexts

Theories – current theories:

- types of power and authority
- great man theory

Universal theories:

- difference between transformational and transactional leadership
- charismatic leadership
- leaders who fulfil these definitions

Situational theories:

- Adair's Action Centred Leadership model
- Tannenbaum and Schmidt's continuum of leadership behaviour
- Handy's best-fit approach
- Hersey and Blanchard's leadership styles
- difference between situational and contingency theory, e.g. Fiedler

Impact of leadership:

- efficiency, reliability, innovation, adaptation and human resources in the organisation and sub-units, vision, cultural issues
- levels of leadership
- size and stage of development of organisation, e.g. business start-up versus established business
- turnaround leadership

4 Be able to advise on the management and leadership skills required for selected roles in a business

Development of management and leadership skills:

- different methods of developing leaders through formal learning
- different 'on the job' methods
- benefits of self-help activities
- developing leaders versus recruiting as needed
- creating a learning climate
- model for assessing future leadership requirements, e.g. Council for Excellence in Management and Leadership, diagnostic tools
- leadership competencies

Information for tutors

Delivery guidance

For this unit, tuition for the outcomes of learning lends itself to flexible delivery. For all outcomes of learning, formal teaching sessions can include input from a tutor identifying the theoretical material on management and leadership, and their role and relevance to business success and failure. Tutors can illustrate points to show the importance and impact of management and leadership by selecting examples from technology companies where there has been exponential growth and from retailing where 'bricks and mortar' businesses struggle with the impact of consumers changing buying preferences, for example customers buying over the internet.

Case studies, practical exercises, discussions, internet research and library resources can be used to examine the nature and importance of management and leadership at both strategic and operational level. Business sections in newspapers and business magazines include features on management and leadership, showing how important they are to selected, usually successful, businesses. An appropriate visiting speaker can provide insight into the effectiveness and practicalities of good and poor management and leadership.

Assessment guidance

The centre will devise and mark the assessment for this unit.

Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments (assignments) can be used such as (but is not confined to) reports, presentations, displays, articles, diaries, discussions, verbal questioning, multiple-choice questioning, case studies, exercises, simulations, practical work and recognition of prior learning. All assessment methods are acceptable, provided that the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For outcomes of learning 1 to 4, covering all the associated assessment criteria, a staged case study could be used. A microbrewery has a problem with a high turnover of staff who cite the management and leadership approach used in the business as the cause for their discontent. The business has not grown in the last two years and profits are down. As a writer for the business section of a newspaper, you are producing a two-part feature on the business. Part one looks at the general issues associated with management and leadership in business and part two considers the specific issues relating to the microbrewery.

The outcomes could be presented in the form of two feature articles for the newspaper.

Assessment can be for individual outcomes of learning or for combined outcomes of learning in the unit, it can also be combined with the assessment of outcomes of learning and assessment criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

When preparing for assessment, it is expected that learners within a cohort will have individually selected and researched management and leadership in business.

Suggested resources

There are no special resource requirements for this unit but centres must give learners access to information on management and leadership in business.

The following lists of resources give an indication of the type and level of teaching and learning materials that can be used.

Books

Adair J – *Effective Leadership: How to be a Successful Leader* (Pan, 2009)
ISBN 978-0330504195

Gold J, Thorpe R and Mumford A – *Leadership and Management Development*
(CIPD, 2010) ISBN 978-1843982449

Journals

Management Today (Haymarket Business Media)

Professional Manager (Chartered Management Institute)

Websites

www.leadershipnow.com articles and blogs on leadership challenges

www.managementhelp.org free management library for articles and blogs on leadership

Podcasts

The British Broadcasting Corporation (BBC) produces podcasts in its two business series, *The Bottom Line* and *In Business*. The podcasts bring together current practitioners to discuss current business matters and many podcasts touch on topics relevant to the unit. They can be searched through and downloaded from:

www.bbc.co.uk/podcasts/series/bottomline/all

www.bbc.co.uk/programmes/p02nrwfk/episodes/downloads

Unit 6: Entrepreneurship in Business

Level:	6
Notional Learning Hours:	150
Value (NLH/10):	15
SRF unit code:	20445E

This unit is internally assessed

Unit aim

The aim of this unit is to give learners an understanding of successful entrepreneurship and its economic importance. Learners will also understand how to develop and implement entrepreneurial ideas.

Unit introduction

Some of the biggest businesses are new and have grown quickly. EasyJet was founded in 1995 and 20 years later has a fleet of 240 aircraft and flies 800 routes. Flag-carrying airlines such as Sabena and Swissair struggled so badly that they failed. How did the low-cost airline idea catch on so well?

You will learn about the nature of entrepreneurship and consider how the entrepreneurial process is used to exploit business opportunities in new and established businesses. Some ideas arise by chance, for example the Slinky toy and Velcro, as entrepreneurs are in the right place at the right time. Other ideas, for example in pharmaceuticals and electronics, are generated systematically through research and development. You will look at the importance of developing a strategy to provide vision and direction for an entrepreneurial venture, which is essential for its success. You will look at ways that entrepreneurs develop a business idea. Through using market research methods you will have the opportunity to develop a business plan, taking account of the associated legal, financial, technical and ethical issues. You will consider growing the business venture and the importance of finance, marketing, resources, and personal skills development. Entrepreneurship in business is part of the process of creative destruction that sees new ideas and businesses take the place of old ones and so contribute to national economic wellbeing.

Outcomes of learning and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the outcomes of learning. The assessment criteria determine the standard required to achieve the unit.

Outcomes of learning		Assessment criteria	
1	Understand the scope for entrepreneurship in established businesses	1.1	Discuss how entrepreneurship can be encouraged within businesses
		1.2	Analyse what may limit entrepreneurship within businesses
		1.3	Evaluate how the entrepreneurial process contributes to the economy
2	Understand how to develop successful entrepreneurial business ideas	2.1	Explain how successful business entrepreneurs develop business ideas
		2.2	Explain the purpose of a feasibility analysis when developing business ideas
		2.3	Critically evaluate methods for exploring opportunities and generating business ideas
3	Be able to plan a strategy for an entrepreneurial business idea	3.1	Develop a strategy for a viable entrepreneurial business idea
		3.2	Conduct market research to inform a business plan for a viable business idea
		3.3	Prepare a detailed business plan for a viable business idea, taking account of any current legal, ethical and financial implications
4	Be able to plan the future growth of an entrepreneurial business idea	4.1	Assess own entrepreneurial skills and characteristics to meet future requirements of a business idea
		4.2	Analyse potential barriers to growth of an entrepreneurial business idea
		4.3	Recommend alternative strategies for the growth of a business idea

Unit content

1 Understand the scope for entrepreneurship in established businesses in today's economy

Encouraging entrepreneurship:

- definition of entrepreneur and entrepreneurship
- reasons for becoming entrepreneurs
- definition of corporate entrepreneurship or intrapreneurship
- benefits for intrapreneurial companies
- culture of corporate innovation
- levels of intrapreneurial activity
- how businesses can encourage
- advantages for self and others

Limitations for entrepreneurship in established businesses:

- resistance
- questioning change
- existing managers' comfort zone
- decision-making control
- sufficient rewards for the effective intrapreneur

Entrepreneurial process contribution to the economy:

- stages of process
- impact on both the economy and society

2 Understand how to develop successful entrepreneurial business ideas

Generating and developing ideas and opportunities:

- methods
- difference between an opportunity and an idea
- approaches used
- environmental trends
- creative process
- unique selling points
- protecting ideas

Feasibility analysis:

- definition
- importance
- analysis of industry/market
- analysis of product/service
- organisational analysis
- primary and secondary research
- concept test
- industry attractiveness
- obstacles to overcome

3 Be able to plan a strategy for an entrepreneurial business idea

Developing a strategy:

- articulating the vision
- achieving aims
- focus
- taking calculated risks

Market research:

- purpose
- primary research methods
- secondary research

Business plan:

- purpose
- full analysis of the situation
- medium for communication with stakeholders
- objectives of the business
- summary of the proposition
- physical and financial resources
- marketing and promotion

Risk management:

- assessing implications
- legal requirements and constraints
- ethical considerations
- financial risks

4 Be able to plan the future growth of an entrepreneurial business idea

Assessing own entrepreneurial skills:

- skills audit
- development planning
- setting goals
- producing development plan

Barriers to growth:

- expansion strategy consistent with the capabilities of the venture
- resources
- risk
- overcoming barriers to growth
- procurement
- availability of essential supplies
- availability of skilled workforce

Strategies for growth:

- internal growth
- external growth
- franchising
- advantages and disadvantages of internal and external growth strategies

Information for tutors

Delivery guidance

For this unit, tuition for the outcomes of learning lends itself to flexible delivery. For outcomes of learning 1 and 2, formal teaching sessions can include input from a tutor on identifying theoretical material on enterprise and its role and relevance to business growth and success. Tutors can illustrate points to show the importance and impact of enterprise by selecting examples from business that have been established and grown through entrepreneurial activity by bringing new products and approaches to the market for goods and services. For outcomes of learning 3 and 4, tutor input will be needed for some of the specialist technical content but tutors can run workshops in which learners discuss ideas and plans for entrepreneurial strategy, and the associated future growth of a business. To refine ideas and plans, ideas can be tested and critiques can be offered. Case studies, practical exercises, discussions, internet research and library resources can be used to examine the nature and importance of enterprise in business as a means of developing and maintaining competitive advantage. Business sections in newspapers and business magazines often include features on entrepreneurial business activities that show their importance to developing and growing businesses. An appropriate visiting speaker can provide insight into the importance, effectiveness and practicalities of enterprise in business.

Assessment guidance

The centre will devise and mark the assessment for this unit.

Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments (assignments) can be used such as (but is not confined to) reports, presentations, displays, articles, diaries, discussions, verbal questioning, multiple-choice questioning, case studies, exercises, simulations, practical work and recognition of prior learning. All assessment methods are acceptable, provided that the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For outcomes of learning 1 and 2, covering all the associated assessment criteria, a formal time-constrained assessment could be used in which learners respond to pre-seen material before responding to questions on the scope for business entrepreneurship and how to develop successful entrepreneurial business ideas.

For outcomes of learning 3 and 4, a project could be used in which learners take an entrepreneurial idea and devise a strategy for its implementation, together with a plan for developing the idea and growing the product/service in the marketplace.

The outcomes could be presented in the form of a plan for growing the entrepreneurial idea. The plan must be supported by a statement of strategy for developing the idea, the relevant market research data, and an assessment of the learner's own entrepreneurial skills. The plan must also identify the barriers to growth and possible alternative growth strategies.

Assessment can be for individual learning outcomes of learning or for combined outcomes of learning in the unit, it can also be combined with the assessment of outcomes of learning and assessment criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

When preparing for assessment, it is expected that learners within a cohort will have individually selected and researched ideas about entrepreneurship for business.

Suggested resources

There are no special resource requirements for this unit but centres must give learners access to information on entrepreneurship and its importance in business.

The following lists of resources give an indication of the type and level of teaching and learning materials that can be used.

Books

Barringer B and Ireland R D – *Entrepreneurship – Successfully Launching New Ventures* (Pearson 3rd Edition, 2010) ISBN 978-0138158088

Robson C – *Confessions of an Entrepreneur – The Highs and Lows of Starting Up* (Pearson Education, 2010) ISBN 978-0273721482

Journals

The Economist (The Economist Group)

International and Entrepreneurship Management Journal (Springer)

Newspaper

The Financial Times (Financial Times Ltd)

Websites

www.businesslink.gov.uk business link site for guidance on skills, planning and legislation for entrepreneurs

www.businesscasestudies.co.uk – business case studies

www.sfedl.co.uk UK Sector Skills Body for Enterprise

Podcasts

The British Broadcasting Corporation (BBC) produces podcasts in its two business series, *The Bottom Line* and *In Business*. The podcasts bring together current practitioners to discuss current business matters and many podcasts touch on topics relevant to the unit. They can be searched through and downloaded from:

www.bbc.co.uk/podcasts/series/bottomline/all

www.bbc.co.uk/programmes/p02nrwfk/episodes/downloads

Unit 7: Change Management

Level:	6
Notional Learning Hours:	150
Value (NLH/10):	15
SRF unit code:	20446E

This unit is internally assessed

Unit aim

The aim of this unit is to give learners an understanding of the management of change in businesses. The unit also aims to give learners the skills they need to be able to propose business change.

Unit introduction

What business changes will there be over the next 25 years? Twenty-five years ago, internet shopping was unknown. Perhaps in 25 years' time, driverless cars will be common. Businesses must manage changes like these if they are to compete and grow.

You will learn that businesses are fluid, changing their focus, expanding or contracting their activities and rethinking their products and services. Business change can be prompted by external pressures such as vigorous competition from emerging nations, for example China and India, or by regulatory changes such as fewer rules governing airline routes. You will consider why and how businesses change through adapting and evolving. You will discover that successful businesses respond to regional, national and global pressures. Economic climate, political trends, changes in consumer demands, management policy, business structure, employment levels and financial resources are all influential factors. Unchanging businesses may fail. You will present proposals for change, having identified an issue that requires change and you will use appropriate tools and techniques to develop a model for change. You will learn that managers have to gain the commitment of people and that this involves managing resistance to change, both during and after implementation. Once change has happened then its impact and effectiveness needs to be measured, as any change needs to contribute to the achievement of business objectives.

Outcomes of learning and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the outcomes of learning. The assessment criteria determine the standard required to achieve the unit.

Outcomes of learning		Assessment criteria	
1	Understand the background to change management in businesses	1.1	Discuss models of change management
		1.2	Evaluate the relevance of models of change management to selected businesses
2	Understand issues relating to change in businesses	2.1	Examine the need for change in a business
		2.2	Critically evaluate factors that are driving the need for change in selected businesses
		2.3	Explain issues which hinder the process of change
3	Be able to present proposals for change in a business	3.1	Identify an area for change in a business
		3.2	Develop an appropriate model for change in a business
		3.3	Plan a model for implementing change in a business
		3.4	Examine the resource requirements for implementing change in a business
		3.5	Present a proposal for change to relevant stakeholders in an organisation
4	Be able to prepare to manage the change process	4.1	Develop appropriate measures to monitor and evaluate the progress of change in a business
		4.2	Create a strategy for managing resistance to change in a business

Unit content

1 Understand the background to change management in businesses

Models:

- Kotter
- Kübler-Ross
- Prosci – ADKAR (awareness, desire, knowledge, ability, reinforcement) model
- McKinsey's 7S (strategy, structure, systems, shared values, skills, style, staff) framework
- Kurt Lewin's change management model
- Burke-Litwin's causal change model
- action research
- gap analysis

2 Understand issues relating to change in businesses

Need for change:

- reasons
- changes in markets, economic downturns, customer expectations, competitive edge, budget pressures, legislation, size, demographics, mergers, acquisitions, change in mission, restructuring operations, new technologies, major collaborations, rightsizing, new programmes such as Total Quality Management (TQM), re-engineering

Factors driving change:

- change drivers
- economics
- political
- environmental
- financial
- new/loss of markets
- technological advances
- new chief executive
- funding cuts
- be competitive
- mergers
- acquisitions

Factors hindering change:

- structural inertia
- existing power structures
- employee attitudes
- communication barriers
- embedded values
- exclusion from the change process
- process failures

3 Be able to present proposals for change in a business

Areas for change:

- restructuring functional areas
- organisation structures
- technological change
- change of mission, downsizing, rightsizing

Models for change:

- planned versus unplanned
- incremental/slow/gradual change/transformational/radical/fundamental/easy/difficult change
- light/medium/complex models
- project management processes

Resource requirements:

- human resources, e.g. restructuring, interviewing and hiring, redundancies, training
- physical resources, e.g. equipment, vehicles, buildings
- financial resources, e.g. costs of training, redundancy costs, relocation costs
- new building, refurbishment of existing buildings

4 Be able to prepare to manage the change process

Measures to monitor and evaluate change:

- action planning
- flow diagrams
- task analysis, standards
- performance tolerance
- agreeing timescales
- setting and measuring outcomes
- measuring input/output
- feedback processes/systems
- control loops
- target revision
- regular and exception reporting
- surveys and interviews
- iterative processes
- formal and informal knowledge channels
- quantitative and qualitative measures
- 80/20 rule
- disseminating awareness
- sustainability
- records/data
- strengths and weaknesses
- indicators of efficiency and effectiveness
- qualitative and quantitative analysis
- review and evaluate progress
- make recommendations

Strategies for overcoming resistance to change:

- education and communication
- participation and involvement
- negotiation and agreement
- manipulation and co-option
- implicit and explicit coercion
- push-pull principle
- exchange principle

Information for tutors

Delivery guidance

For this unit, tuition for the outcomes of learning lends itself to flexible delivery. For outcomes of learning 1 and 2, formal teaching sessions can include input from a tutor on identifying the theoretical material on managing change and its role and relevance to business growth and success. Tutors can illustrate points to show the importance and impact of managing change by selecting examples from businesses that have been adaptive, flexible and managed change to ensure their continued existence and to maintain their competitive advantage. For outcomes of learning 3 and 4, tutor input will be needed for some of the specialist technical content but tutors can also run workshops in which learners discuss ideas and plans for identifying and implementing change. To enable learners to refine their ideas and plans, ideas can be tested and critiques can be offered.

Case studies, practical exercises, projects, discussions, internet research and library resources can be used to examine the nature and importance of change management in business as a means of responding to the developing environment that ensures their continuing existence.

Business sections in newspapers and business magazines often include features on managing change that show their importance to developing and growing businesses. There are frequent profiles of managers who lead and implement change, showing how they work to ensure that change happens. An appropriate visiting speaker can provide insight into the importance, effectiveness and practicalities of managing change in business.

Assessment guidance

The centre will devise and mark the assessment for this unit.

Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments (assignments) can be used such as (but is not confined to) reports, presentations, displays, articles, diaries, discussions, verbal questioning, multiple-choice questioning, case studies, exercises, simulations, practical work and recognition of prior learning. All assessment methods are acceptable, provided that the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For outcomes of learning 1 and 2, covering all the associated assessment criteria, a case study of a stagnating business can be used. Learners could take the role of an adviser who has been brought in to the business and who has to make presentations to staff on the need for change if the business is to adapt and survive. The outcomes could be presented in the form of a set of slides and the accompanying presentation notes. The presentation is optional but would give tutors an insight into how well learners understood the issues and how well they can respond to questions on the subject.

For outcomes of learning 3 and 4, a project could be used in which learners take an area for change in a business and devise a model for implementing the change. The outcomes could be presented in the form of a plan and a proposal for implementing change. The plan must include the resource requirements, strategies for overcoming resistance to any proposed changes and measures to monitor and evaluate the progress of change.

Assessment can be for individual outcomes of learning or for combined outcomes of learning in the unit, it can also be combined with the assessment of outcomes of learning and assessment criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

When preparing for assessment, it is expected that learners within a cohort will have individually selected and researched ideas about managing change in business.

Suggested resources

There are no specific resource requirements for this unit but centres must give learners access to information about managing change in business.

The following lists of resources give an indication of the type and level of teaching and learning materials that can be used.

Books

Blake I and Bush C – *Project Managing Change: Practical Tools and Techniques to Make Change Happen* (Financial Times/Prentice Hall, 2008)
ISBN 978-0273720454

Carnall C – *Managing Change in Organizations, 5th Edition*
(Financial Times/Prentice Hall, 2007) ISBN 978-0273704140

Leban B – *Managing Organizational Change, 2nd Edition* (John Wiley and Sons, 2007)
ISBN 978-0470897164

Journals

European Management Journal (Elsevier)

Harvard Business Review (Harvard Business Publishing)

Websites

www.businesscasestudies.co.uk business case studies

www.ft.com *Financial Times*

www.12manage.com articles on the framework for change

www.managementhelp.org/ a free management library, searchable by subject

www.mindtools.com Lewin's change management model

www.themanager.org the '7s' model of change

Podcasts

The British Broadcasting Corporation (BBC) produces podcasts in its two business series, *The Bottom Line* and *In Business*. The podcasts bring together current practitioners to discuss current business matters and many podcasts touch on topics relevant to the unit. They can be searched through and downloaded from:

www.bbc.co.uk/podcasts/series/bottomline/all

www.bbc.co.uk/programmes/p02nrwfk/episodes/downloads

Unit 8: Contemporary Issues in Business

Level:	6
Notional Learning Hours:	150
Value (NLH/10):	15
SRF unit code:	20448E

This unit is internally assessed

Unit aim

The aim of this unit is to give learners an understanding of contemporary issues, both internal and external, that affect business and the way they operate. Learners will also understand the skills that businesses need to function successfully.

Unit introduction

Automation in manufacturing has driven down costs of production and reduced the demand for skilled labour. Businesses such as Airbnb and Uber have grown as part of the sharing economy, with important consequences for hotels, taxi firms and vehicle manufacturers. The issues facing business are constantly changing.

You will learn that businesses are affected by the social, cultural, moral and ethical issues they face. For example, ABB, the Swiss engineering group, identifies its corporate social responsibilities and 'strives to be a good corporate citizen' while 'supporting various kinds of environmental protection campaigns'. Learners will consider the impact of these issues on businesses at both strategic and operational levels, and the impact on stakeholders. Stakeholders often have competing interests that can be hard to reconcile. Shareholders may want to cap executive pay but businesses say high pay is needed to attract and retain the best talent. You will research an ethical issue that affects a business and suggest how the business might improve its ethical performance. You will then look at how the skill sets required by businesses are affected by changes in the business environment. Dynamic businesses that successfully respond to the issues they face will survive, grow and increase their competitive advantage and achieve their objectives.

Outcomes of learning and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the outcomes of learning. The assessment criteria determine the standard required to achieve the unit.

Outcomes of learning		Assessment criteria	
1	Understand the social, cultural and moral issues that affect businesses	1.1	Explain ways in which businesses can improve workplace welfare
		1.2	Assess approaches used by businesses to the management of diversity
		1.3	Evaluate the impact on stakeholders of the social, cultural and moral issues facing a selected business
2	Understand the ethical issues that affect businesses	2.1	Explain the ethical issues that affect businesses' strategy and operations
		2.2	Evaluate the implications of ethical behaviour on the stakeholders and operations of businesses
3	Be able to evaluate current ethical issues in a business	3.1	Research a current ethical issue which is affecting a selected business
		3.2	Propose ways in which a business could improve the ethics of their operations
4	Be able to assess how changes in the environment are impacting on business skills requirements	4.1	Examine the drivers for change affecting required business skills
		4.2	Report on the impact of changes on skill requirements in a selected business
		4.3	Plan to improve communication skills requirements

Unit content

1 Understand the social, cultural and moral issues that affect businesses

Social, cultural and moral issues:

- equal opportunities, diversity
- disability
- discrimination
- racism
- harassment
- bullying
- whistleblowing
- privacy
- confidentiality (up-to-date legislation covering these issues must be used)
- workforce profiling
- dignity in the workplace
- multiculturalism, stereotyping
- labelling
- prejudice, glass ceilings
- human rights
- moral imperatives
- value rigidity
- empowerment
- management styles
- work-life balance
- childcare provision
- professional development
- employee participation

Implications:

- adapting business behaviour
- influence of stakeholders and pressure groups
- impact on competitiveness
- reputation
- public image
- ethical trade
- value-added
- complying with relevant legislation and codes of practice

2 Understand the ethical issues that affect businesses

Ethical issues:

- corporate governance
- corporate social responsibility
- environment
- sustainability
- human rights
- corruption
- trading fairly
- legal and regulatory compliance
- business practices
- working conditions
- individual ethical responsibilities
- stakeholders' interests

3 Be able to evaluate current ethical issues in a business

Issues:

- ethical issues, e.g. corporate social responsibility, globalisation, cultural imperialism, ecology, environment, fair trade, corruption, child labour, carbon footprint, sources of timber, outsourcing, personal attitudes, whistleblowing, contribution of business to the community, ethics in sales and marketing, product placement, 'green washing', ethics in intellectual property (software piracy, counterfeiting, peer-to-peer file sharing)

Implications:

- responding to ethical pressures; implementing ethical practices
- global, e.g. environment
- corporate, e.g. legal and regulatory compliance, policies and practices
- individual (employee, consumer)

4 Be able to assess how changes in the environment are impacting on business skills requirements

Drivers for change:

- drivers, e.g. technology, globalisation, information
- need for instant information
- current business and economic climate
- political trends

Business skills:

- cross-cultural skills
- collaborative working
- management style
- customer service
- team development
- social and interpersonal skills
- entrepreneurial skills
- online and direct communication processes
- social networking
- impact of technology on interpersonal skills
- communication etiquettes

Information for tutors

Delivery guidance

For this unit, tuition for the outcomes of learning lends itself to flexible delivery. For all the outcomes of learning, formal teaching sessions can include input from the tutor on identifying the theoretical and background material on contemporary business issues and their effect on businesses. The issues are broad and may be culturally specific so there is scope for encouraging learners to work independently. Learners can keep a diary or log to record and reflect on issues. They may also use a blog or vlog to which others can respond, broadening the understanding of the selected issues.

Case studies, practical exercises, projects, discussions, workshops, internet research and library resources can be used to examine the nature, importance and impact of contemporary issues in business. Learners can select topics of interest to them and lead seminars or make presentations to their fellow learners.

Business and general news sections in newspapers, and business magazines often include features on the importance of contemporary issues in business. Business news channels discuss contemporary issues and other broadcasters include regular business news segments that give insight into contemporary issues. An appropriate visiting speaker can provide a perspective on the contemporary issues that affect business.

Assessment guidance

The centre will devise and mark the assessment for this unit.

Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments (assignments) can be used such as (but is not confined to) reports, presentations, displays, articles, diaries, discussions, verbal questioning, multiple-choice questioning, case studies, exercises, simulations, practical work and recognition of prior learning. All assessment methods are acceptable, provided that the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For all the outcomes of learning, a project can be used. Learners could take the role of a programme assistant for a business news channel and make a programme proposal for a programme or series of programmes about contemporary issues in business.

The outcomes could be presented in the form of the programme proposal (pitch) that covers the social, cultural, moral and ethical issues, together with a specific example of how a business is affected by ethical issues and how changes in the business environment have an impact on its business skills requirements.

Assessment can be for individual outcomes of learning or for combined outcomes of learning in the unit, it can also be combined with the assessment of outcomes of learning and assessment criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

When preparing for assessment, it is expected that learners within a cohort will have individually selected and researched ideas about contemporary issues in business.

Suggested resources

There are no special resource requirements for this unit but centres must give learners access to information on contemporary issues in business.

The following lists of resources give an indication of the type and level of teaching and learning materials that can be used.

Books

Crane A and Matten D – *Business Ethics: Managing Corporate Citizenship and Sustainability in the Age of Globalization* (Oxford University Press, 2006)
ISBN 978-0199284993

Kotler P and Lee N – *Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause* (John Wiley and Sons, 2005)
ISBN 978-0471476115

Visser W, Matten D, Pohl M and Tolhurst N – *The A to Z of Corporate Social Responsibility* (John Wiley and Sons, 2010) ISBN 978-0470686508

Journals

The Economist (The Economist Group) – often includes articles on corporate social responsibility

The Times (Times Newspapers Ltd) – includes daily business pages that feature items on corporate social responsibility

Websites

www.businesscasestudies.co.uk – business case studies

www.ft.com – *Financial Times*

www.unodc.org/unodc/en/treaties/CAC/index.html –

United National Convention against Corruption (UNCAC)

www.un.org/documents/ga/conf151/aconf15126-1annex1.htm –

Rio Declaration on Environment and Development

Podcasts

The British Broadcasting Corporation (BBC) produces podcasts in its two business series, *The Bottom Line* and *In Business*. The podcasts bring together current practitioners to discuss current business matters and many podcasts touch on topics relevant to the unit. They can be searched through and downloaded from:

www.bbc.co.uk/podcasts/series/bottomline/all

www.bbc.co.uk/programmes/p02nrwfk/episodes/downloads

Unit 9: Applying Lean Principles to Business Operations

Level:	6
Notional Learning Hours:	150
Value (NLH/10):	15
SRF unit code:	20447E

This unit is internally assessed

Unit aim

The aim of this unit is to give learners an understanding of the importance of good quality management to business operation. Learners will develop the skills needed to apply lean tools and techniques to plan a quality change.

Unit introduction

Apple, Toyota and GE (General Electric) regularly appear in the top 10 most trusted brands. This is due to the quality of their products, the quality of the management and the quality systems they employ to ensure that customers are happy.

You will learn about the role of business operations and the importance of management. The term 'quality management' is a methodology 'to make the organization structure, management and quality system more effective in meeting organizational objectives by maximising its human and material resources'. (The British Standards Institution [(BSI])). You will examine techniques such as just-in-time, continuous improvement (Kaizen) and zero defect output and how they improve the quality of the production process. So great are the benefits of lean techniques that they have been adopted by non-manufacturing businesses. You will learn how to plan a quality improvement programme by using lean methods to improve the management of operations in a business. You will then consider the evaluation of the impact of the quality improvement by reviewing performance using key performance indicators. Successful businesses rely on quality management and lean methods to develop their competitive edge.

Outcomes of learning and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the outcomes of learning. The assessment criteria determine the standard required to achieve the unit.

Outcomes of learning		Assessment criteria	
1	Understand the suitability of the management of business operations in a business	1.1	Discuss why the management of operations is important in businesses
		1.2	Evaluate the suitability of existing operations management for a selected business
2	Understand the role of quality management in a business	2.1	Explain the importance of a total quality approach to achieving business excellence
		2.2	Critically evaluate the suitability of existing quality processes for a selected work activity in a business
3	Be able to use lean methods to improve the management of operations in a business	3.1	Compare the benefits of using lean tools and techniques with other approaches when managing the improvement of business operations in a business
		3.2	Propose lean tools and techniques that can be used for improving business activities
		3.3	Justify the most appropriate approach for promoting continual improvement of operations in a selected business
4	Be able to plan a quality improvement in a business	4.1	Plan for a quality change to improve business performance
		4.2	Recommend resources, tools and systems to support business processes in a quality improvement in a business
5	Be able to evaluate the impact of quality improvement on a business	5.1	Critically evaluate the impact of the quality improvement on business activities in a selected business

Unit content

1 Understand the suitability of the management of business operations in a business

Operations management:

- activity of managing the resources needed for the production and delivery of products and services
- managing processes
- operations as a core function and as an activity
- transformation process
- importance
- relevance for all managers and businesses

2 Understand the role of quality management in a business

Quality:

- definitions
- quality gurus
- evolution of quality
- product quality and service quality, benchmarking
- best practice
- self-assessment
- vision
- continuous improvement
- quality models
- quality characteristics

Total Quality Management (TQM):

- definition
- philosophy, principles, methods, techniques
- quality costs

Importance of quality management:

- improvement in quality of the final product or service
- reduction in wasted resources
- increased productivity as effective use of time by staff
- long-term increase in market share, leading to sustained competitive advantage
- motivated workforce as employees realise their full potential

3 Be able to use lean methods to improve the management of operations in a business

Lean principles:

- philosophy
- definition
- background
- benefits
- design and state of the workspace
- differences between lean production and lean organisation techniques

Lean tools and techniques:

- applying the tools
- tools

4 Be able to plan a quality improvement in a business

Planning for a quality change:

- identifying improvement needs
- developing plan
- gap analysis
- setting aims and objectives
- justification
- prioritising activities
- identifying constraints
- success criteria
- review

Designing systems:

- process, objectives, systems and operations
- layout and flow of processes
- approaches to improvement

Resources, tools and systems:

- project-management techniques
- facilities
- workforce
- machinery
- transportation
- technology
- quality systems
- quality circles
- TQM
- aligning resources with objectives
- resource constraints

Benefits of a quality change:

- improved business performance, corporate image, reputation, standing
- competitor response
- impact on other functions and departments

5 Be able to evaluate the impact of quality improvement on a business

Performance measures:

- key performance indicators
- objectives
- balanced scorecard
- difference between performance measurement and performance management
- benchmarking

Evaluation of quality improvement:

- monitoring and evaluation techniques
- action learning
- business performance indicators
- customer feedback
- effect on sales and profit

Information for tutors

Delivery guidance

For this unit, tuition for the outcomes of learning lends itself to flexible delivery. For outcomes of learning 1 and 2, formal teaching sessions can include input from a tutor on identifying the theoretical ideas about lean principles and their application to business operations. Tutors can illustrate points to show the importance to and impact of quality management systems on business operations. Manufacturing, particularly in Germany, Japan and the USA, has seen some industries become world leaders as a result of recognising the benefits of applying the principles of quality management. The lessons learned from manufacturing are often applied to all industrial sectors. For outcomes of learning 3, 4 and 5, tutor input will be needed for the specialist technical content in respect of specific lean techniques and their application.

Case studies, practical exercises, projects, discussions, workshops, internet research and library resources to examine the nature and impact of lean methods can all be used.

Specialist publications and business magazines have features on quality management and lean methodology, showing their importance in improving efficiency and productivity. An appropriate visiting speaker can provide a perspective on lean principles and their application to business operations.

Assessment guidance

The centre will devise and mark the assessment for this unit.

Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments (assignments) can be used such as (but is not confined to) reports, presentations, displays, articles, diaries, discussions, verbal questioning, multiple-choice questioning, case studies, exercises, simulations, practical work and recognition of prior learning. All assessment methods are acceptable, provided that the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For outcomes of learning 1 and 2, a pre-seen case study could provide the basis for a formal, time-constrained assessment carried out under supervision.

For outcomes of learning 3, 4 and 5, a project can be used. Learners would be responsible for using lean methods to improve the management of operations, producing a plan for quality improvement in a business, with an evaluation of the impact of the quality improvement. The outcomes could be presented in the form of report on the project to a line manager(s), together with the associated supporting materials such as the plan for the quality change.

Assessment can be for individual outcomes of learning or for combined outcomes of learning in the unit, it can also be combined with the assessment of outcomes of learning and assessment criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

When preparing for assessment, it is expected that learners within a cohort will have individually selected and researched ideas about lean principles and their application in business.

Suggested resources

There are no special resource requirements for this unit but centres must give learners access to information on lean principles and their application in business.

The following lists of resources give an indication of the type and level of teaching and learning materials that can be used.

Books

Fliedner E B – *Lean Management* (Business Expert Press, 2011)
ISBN 978-1606492475

Oakland J S – *TQM: Text with Cases, 3rd Edition* (Butterworth-Heinemann, 2003)
ISBN 978-0750657402

Slack N, Chambers S and Johnston R – *Operations Management, 6th Edition*
(Financial Times/Prentice Hall, 2010) ISBN 978-0273731603

Journals

Production, Planning and Control (Taylor and Francis)

The TQM Magazine (Emerald)

Websites

www.iso9000.org

International Quality Systems Directory

www.praxiom.com

ISO quality standards translated into understandable language

www.uk.kaizen.com

information on Kaizen tools and techniques

Podcasts

The British Broadcasting Corporation (BBC) produces podcasts in its two business series, *The Bottom Line* and *In Business*. The podcasts bring together current practitioners to discuss current business matters and many podcasts touch on topics relevant to the unit. They can be searched through and downloaded from:

www.bbc.co.uk/podcasts/series/bottomline/all

www.bbc.co.uk/programmes/p02nrwfk/episodes/downloads

Unit 10: Project Management for Business

Level:	6
Notional Learning Hours:	150
Value (NLH/10):	15
SRF unit code:	20064K

This unit is internally assessed

Unit aim

The aim of this unit is to give learners an understanding of the techniques and skills required for effective project management.

Unit introduction

The Gotthard Base rail tunnel was opened in 2016. Its construction was approved by the Swiss population in 1992 and prior to that there had been a discussion of the feasibility of boring rail tunnels under the Alps. The project has been managed over a period of 25 years. Many projects, such as reducing the weight of a chocolate bar by 15 grams, are more modest but they too need managing if they are to be a success.

You will learn that businesses have taken an increasingly strategic interest in project management as they seek to implement change by keeping projects on schedule and managing their costs. You will consider how to plan a project in detail, schedule the work effectively and identify the risks that need managing. You will look at the resourcing required for projects and, in particular, the personnel requirement and budgetary constraints. You will consider the importance of managing a project team and costs if projects are to be managed effectively. You will learn how to use project management skills to monitor, control, evaluate and report on project progress. Projects that are efficiently and successfully managed to completion contribute to the achievement of business objectives.

Outcomes of learning and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the outcomes of learning. The assessment criteria determine the standard required to achieve the unit.

Outcomes of learning		Assessment criteria	
1	Understand project-management processes	1.1	Describe the role of professional bodies in setting standards for project management
		1.2	Describe in detail the concept of the project lifecycle
		1.3	Describe in detail the important features of the five project-management processes
		1.4	Compare and contrast project lifecycle and project-management processes
2	Understand personnel issues in project management	2.1	Critically evaluate the role of the project manager
		2.2	Devise the staffing management plan for a project involving more than ten personnel
		2.3	Devise the personnel risk-management plan for a project involving more than ten personnel
3	Understand project execution	3.1	Describe in detail how project breakdown structure and work breakdown structure are used for project scheduling
		3.2	Compare and contrast cost control techniques used in project management
		3.3	Critically evaluate the role of value and risk-management plans in project management
4	Be able to undertake project-management activities	4.1	Apply techniques and procedures to monitor and report project progress
		4.2	Plan actions arising from project progress measurement information
		4.3	Critically evaluate project outcomes

Unit content

1 Understand project-management processes

Emerging standards in project management:

- standards and professional recognition, e.g. Project Management Body of Knowledge (PMBOK), Projects IN Controlled Environments (PRINCE2), Association for Project Management (APM)

Project lifecycle:

- lifecycle models, e.g. spiral development, Concept Assessment Development Manufacturing In-Service Disposal (CADMID)
- project phasing, e.g. milestones, phases, stage gates
- front end loading

Project-management processes:

- project process groups (initiating, planning, executing, monitoring and controlling, closing)

2 Understand personnel issues in project management

Project manager:

- roles
- responsibilities
- training
- decision making
- ethics
- professional practice
- communication skills, e.g. IT, written, verbal, meetings
- liaison skills, e.g. with project sponsor, with contractors, with consultants
- managerial skills, e.g. people management, time management, change management, information management, negotiation, delegation

Project team:

- staffing management plan
- recruitment (processes, timetable, release)
- organisational charts (roles, responsibilities)
- skills matrix
- motivation
- training
- teamwork
- performance assessment
- health and safety
- equal opportunities

Risk management – personnel:

- risk assessment, e.g. recruitment gaps, skills gaps, absenteeism, ill health, injury
- personnel risk analysis
- risk-mitigation
- risk-management plan

3 Understand project execution

Project organisation:

- project breakdown structure (PBS)
- work breakdown structure (WBS)
- scheduling techniques (relationship between schedules WBS and PBS)
- project integration management
- Gantt charts
- milestones
- deliverables
- critical path analysis
- execution strategy

Project costing:

- procurement plan
- estimating
- budget allocation
- cost breakdown structure
- cost performance analysis
- cost control
- cash flow analysis (committed costs, actual costs, contingency)
- optimisation of benefits and costs
- concept of earned value
- value management (value drivers, key performance indicators)

Risk management – project execution:

- project organisation (risk analysis, risk mitigation)
- project costing (risk analysis, risk mitigation)
- time-cost-quality triangle
- value and risk-management plans

4 Be able to undertake project-management activities

Planning and programming:

- techniques for scheduling and programming material (diagrams and charts), equipment, financial and human resources

Project progress and control:

- techniques and procedures (control, monitor and report progress)
- progress management information, e.g. completed work, work in progress, costs, claims for variations, delays, disruption, cash flow
- post-project appraisal

Information for tutors

Delivery and assessment guidance

For this unit, tuition for the outcomes of learning lends itself to flexible delivery. For all the outcomes of learning, formal teaching sessions can include input from a tutor on identifying the theoretical ideas and techniques used in project management.

In particular, for outcome of learning 4, learners need to be given practical tasks and exercises to develop the skills, understanding and knowledge needed to be able to undertake project management activities.

Case studies, projects, discussions, workshops, internet research and library resources can be used to examine the nature and impact of project management in business.

Specialist publications and business magazines include features on project management showing its importance to business change and to improving efficiency. An appropriate visiting speaker can provide a perspective on project management in business.

Assessment guidance

The centre will devise and mark the assessment for this unit.

Learners must meet all assessment criteria to pass the unit.

A range of assessment instruments (assignments) can be used such as (but is not confined to) reports, presentations, displays, articles, diaries, discussions, verbal questioning, multiple-choice questioning, case studies, exercises, simulations, practical work and recognition of prior learning. All assessment methods are acceptable, provided that the assessment enables the learner to produce relevant evidence that can be judged against the assessment criteria.

For outcomes of learning 1 and 2 (criterion 2.1 only), a pre-seen case study could provide the basis for a formal time-constrained assessment to be carried out under supervision.

For outcomes of learning 2 (criteria 2 and 3), 3 and 4, a project can be used. Learners would be responsible for overseeing a project – its planning, its management and its evaluation. The outcomes could be presented in the form of report on the project to a line manager(s) together with associated supporting materials such as the staffing management plan, risk-management plans, project breakdown structure, cost control techniques used and monitoring, reporting and evaluation activities.

Assessment can be for individual outcomes of learning or for combined outcomes of learning in the unit, it can also be combined with the assessment of outcomes of learning and assessment criteria from other units. The latter would require an assessment map to identify where outcomes and criteria are assessed.

When preparing for assessment, it is expected that learners within a cohort will have individually selected and researched ideas about project management in business.

Suggested resources

There are no special resource requirements for this unit but centres must give learners access to information on project management.

The following lists of resources give an indication of the type and level of teaching and learning materials that can be used.

Books

Duncan W R – *A Guide to the Project Management Body of Knowledge* (Project Management Institute, 2009) ISBN 978-1933890517

Lock D – *Project Management* (Gower Publishing Ltd, 2007), ISBN 978-0566087721

Nokes S and Kelley S – *The Definitive Guide to Project Management* (Prentice Hall, 2007) ISBN 978-0273710974

Websites

www.apm.org.uk	The Association for Project Management
www.managementhelp.org	a free management library searchable by subject
www.prince2.com	information on PRINCE 2 courses and certification for project management

Podcasts

The British Broadcasting Corporation (BBC) produces podcasts in its two business series, *The Bottom Line* and *In Business*. The podcasts bring together current practitioners to discuss current business matters and many podcasts touch on topics relevant to the unit. They can be searched through and downloaded from:

www.bbc.co.uk/podcasts/series/bottomline/all

www.bbc.co.uk/programmes/p02nrwfk/episodes/downloads.

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