

# **Pearson Edexcel Level 7 NVQ Diploma in Strategic Management and Leadership**

## **Specification**

NVQ qualification

First registration September 2014

Issue 2

## **Edexcel, BTEC and LCCI qualifications**

Edexcel, BTEC and LCCI qualifications are awarded by Pearson, the UK's largest awarding body offering academic and vocational qualifications that are globally recognised and benchmarked. For further information, please visit our qualifications website at [qualifications.pearson.com](http://qualifications.pearson.com). Alternatively, you can get in touch with us using the details on our contact us page at [qualifications.pearson.com/contactus](http://qualifications.pearson.com/contactus)

## **About Pearson**

Pearson is the world's leading learning company, with 35,000 employees in more than 70 countries working to help people of all ages to make measurable progress in their lives through learning. We put the learner at the centre of everything we do, because wherever learning flourishes, so do people. Find out more about how we can help you and your learners at [qualifications.pearson.com](http://qualifications.pearson.com)

This specification is Issue 2. Key changes are listed in summary table on next page. We will inform centres of any changes to this issue. The latest issue can be found on the Pearson website: [qualifications.pearson.com](http://qualifications.pearson.com)

This qualification was previously known as:

Pearson Edexcel Level 7 NVQ Diploma in Strategic Management and Leadership (QCF)

The QN remains the same.

*References to third party material made in this specification are made in good faith. Pearson does not endorse, approve or accept responsibility for the content of materials, which may be subject to change, or any opinions expressed therein. (Material may include textbooks, journals, magazines and other publications and websites.)*

*All information in this specification is correct at time of publication.*

ISBN 9781446952146

All the material in this publication is copyright

© Pearson Education Limited 2017

## Summary of Pearson Edexcel Level 7 NVQ Diploma in Strategic Management and Leadership Issue 2 changes

| Summary of changes made between previous Issue 1 and this current Issue 2                             | Page/section number |
|---|---------------------|
| All references to QCF have been removed throughout the specification                                  | Throughout          |
| Definition of TQT added   | Section 1           |
| Definition of sizes of qualifications aligned to TQT  | Section 1           |
| TQT value added   | Section 2           |
| GLH range removed and replaced with lowest GLH value for the shortest route through the qualification | Section 2           |
| Reference to credit transfer within the QCF removed   | Section 5           |
| QCF references removed from unit titles and unit levels in all units                                  | Section 12          |
| Guided learning definition updated  | Section 12          |

Earlier issue(s) show(s) previous changes.

If you need further information on these changes or what they mean, contact us via our website at: [qualifications.pearson.com/en/support/contact-us.html](http://qualifications.pearson.com/en/support/contact-us.html)



# Contents

|  |           |
|--|-----------|
| <b>Purpose of this specification</b>                                       | <b>1</b>  |
| <b>1 Introducing Pearson Edexcel NVQ qualifications</b>                    | <b>2</b>  |
| What are NVQ qualifications?   | 2         |
| <b>2 Qualification summary and key information</b>                         | <b>4</b>  |
| <b>3 Qualification rationale</b>   | <b>5</b>  |
| Qualification objectives   | 5         |
| Relationship with previous qualifications                                  | 5         |
| Progression opportunities  | 5         |
| Industry support and recognition   | 5         |
| Relationship with National Occupational Standards                          | 5         |
| <b>4 Qualification structure</b>   | <b>6</b>  |
| Pearson Edexcel Level 7 NVQ Diploma in Strategic Management and Leadership | 6         |
| <b>5 Programme delivery</b>  | <b>8</b>  |
| Elements of good practice  | 8         |
| Learner recruitment, preparation and support                               | 8         |
| Training and assessment delivery   | 9         |
| Employer engagement  | 9         |
| <b>6 Centre resource requirements</b>                                      | <b>10</b> |
| <b>7 Access and recruitment</b>  | <b>11</b> |
| Prior knowledge, skills and understanding                                  | 11        |
| Access to qualifications for learners with disabilities or specific needs  | 11        |
| <b>8 Assessment</b>  | <b>12</b> |
| Language of assessment   | 12        |
| Internal assessment  | 12        |
| Assessment strategy  | 13        |
| Types of evidence  | 14        |
| Appeals  | 15        |
| Dealing with malpractice   | 15        |
| Reasonable adjustments to assessment                                       | 15        |

|  |           |
|--|-----------|
| Special consideration  | 16        |
| <b>9 Centre recognition and approval</b>   | <b>17</b> |
| Centre recognition   | 17        |
| Approvals agreement  | 17        |
| <b>10 Quality assurance of centres</b>   | <b>18</b> |
| <b>11 Unit format</b>  | <b>19</b> |
| Unit title   | 19        |
| Unit reference number  | 19        |
| Level  | 19        |
| Credit value   | 19        |
| Guided learning hours  | 19        |
| Unit summary   | 19        |
| Learning outcomes  | 19        |
| Assessment criteria  | 19        |
| Unit amplification   | 20        |
| Information for tutors   | 20        |
| Unit 1: Develop a Strategic Business Plan  | 21        |
| Unit 2: Execute a Strategic Business Plan  | 27        |
| Unit 3: Provide Strategic Leadership and Direction                               | 34        |
| Unit 4: Develop a Business Strategy  | 40        |
| Unit 5: Establish Organisational Governance Controls                             | 47        |
| Unit 6: Shape Organisational Culture and Values                                  | 55        |
| Unit 7: Manage Strategic Human Resources   | 61        |
| Unit 8: Obtain Financial Resources   | 68        |
| Unit 9: Lead the Development of a Knowledge Management Strategy                  | 73        |
| Unit 10: Lead the Development of a Quality Strategy                              | 80        |
| Unit 11: Lead the Development of a Continuous Improvement Strategy               | 86        |
| Unit 12: Establish Business Risk Management Processes                            | 91        |
| Unit 13: Promote Equality of Opportunity, Diversity and Inclusion                | 98        |
| Unit 14: Design Business Processes   | 105       |
| Unit 15: Develop and Manage Collaborative Relationships with other Organisations | 111       |
| Unit 16: Optimise the Use of Technology  | 118       |
| Unit 17: Manage Product and/or Service Development                               | 124       |

|   |            |
|---|------------|
| Unit 18: Manage Strategic Marketing Activities        | 129        |
| <b>12 Further information and useful publications</b> | <b>136</b> |
| <b>13 Professional development and training</b>       | <b>137</b> |
| <b>14 Contact us</b>                                  | <b>138</b> |
| <b>Annexe A: Assessment strategy</b>                  | <b>139</b> |





# Purpose of this specification

This specification sets out:

- the objectives of the qualification
- any other qualification that a learner must have completed before taking the qualification
- any prior knowledge, skills or understanding which the learner is required to have before taking the qualification
- the combination of units that a learner must have completed before the qualification will be awarded and any pathways
- any other requirements that a learner must have satisfied before they will be assessed or before the qualification will be awarded
- the knowledge, skills and understanding that will be assessed as part of the qualification
- the method of any assessment and any associated requirements relating to it
- the criteria against which a learner's level of attainment will be measured (such as assessment criteria)
- assessment requirements and/or evidence requirements required as specified by the relevant Sector Skills Council/Standards Setting Body
- assessment requirements/strategy as published by the relevant Sector Skills Council/Standards Setting Body
- the Apprenticeship Framework in which the qualification is included, where appropriate.

# 1 Introducing Pearson Edexcel NVQ qualifications

## What are NVQ qualifications?

---

National Vocational Qualifications (NVQs) are work-based qualifications that give learners the opportunity to develop and demonstrate their competence in the area of work or job role to which the qualification relates.

NVQs are based on the National Occupational Standards (NOS) for the appropriate sector. NOS define what employees, or potential employees, must be able to do and know, and how well they should undertake work tasks and work roles. At Level 2 and above, these qualifications are recognised as the competence component of Apprenticeship Frameworks. Qualifications at Level 1 can be used in Traineeships, which are stepping-stones to Apprenticeship qualifications. NVQs can also be delivered as stand-alone for those who wish to take a work-based qualification.

NVQs are outcomes-based with no fixed learning programme - allowing flexible delivery that meets the individual learner's needs. They are suitable for those in employment or those who are studying at college and have a part-time job or access to a substantial work placement so that they are able to demonstrate the competencies that are required for work.

Most learners will work towards their qualification in the workplace or in settings that replicate the working environment as specified in the assessment requirements/strategy for the sector. Colleges, training centres and/or employers can offer these qualifications provided they have access to appropriate physical and human resources.

## Sizes of NVQ/Competence-based qualifications

---

For all regulated qualifications, we specify a total number of hours that learners are expected to undertake in order to complete and show achievement for the qualification – this is the Total Qualification Time (TQT). The TQT value indicates the size of a qualification.

Within the TQT, we identify the number of Guided Learning Hours (GLH) that a centre delivering the qualification needs to provide. Guided learning means activities that directly or immediately involve tutors and assessors in teaching, supervising, and invigilating learners, for example lectures, tutorials, online instruction and supervised study.

As well as guided learning, there may be other required learning that is directed by tutors or assessors. This includes, for example, private study, preparation for assessment and undertaking assessment when not under supervision, such as preparatory reading, revision and independent research.

As well as TQT and GLH, qualifications can also have a credit value – equal to one tenth of TQT, rounded to the nearest whole number.

TQT and credit values are assigned after consultation with users of the qualifications.

NVQ/Competence-based qualifications are available in the following sizes:

- Award – a qualification with a TQT value of 120 or less (equivalent to a range of 1–12 credits)
- Certificate – a qualification with a TQT value in the range of 121–369 (equivalent to a range of 13–36 credits)
- Diploma – a qualification with a TQT value of 370 or more (equivalent to 37 credits and above).

## 2 Qualification summary and key information

| Qualification title            | Pearson Edexcel Level 7 NVQ Diploma in Strategic Management and Leadership  |
|--------------------------------|---|
| Qualification Number (QN)      | 601/3397/1  |
| Regulation start date          | 29/05/2014  |
| Operational start date         | 01/09/2014  |
| Approved age ranges            | 19+<br>Please note that sector-specific requirements or regulations may prevent learners of a particular age from embarking on this qualification. Please refer to the assessment strategy.   |
| Credit value                   | 45  |
| Assessment                     | Portfolio of Evidence (internal assessment).  |
| Total Qualification Time (TQT) | 450   |
| Guided learning hours          | 223   |
| Grading information            | The qualification and units are graded pass/fail.   |
| Entry requirements             | No prior knowledge, understanding, skills or qualifications are required before learners register for this qualification. However, centres must follow the Pearson Access and Recruitment policy (see <i>Section 7, Access and Recruitment</i> ). |
| Funding                        | Qualifications eligible and funded for post-16-year-olds can be found on the funding Hub. The Skills Funding Agency also publishes a funding catalogue that lists the qualifications available for 19+ funding.                                   |

Centres will need to use the Qualification Number (QN) when they seek public funding for their learners. As well as a QN, each unit within a qualification has a unit reference number (URN).

The qualification title, unit titles and QN will appear on each learner's final certificate. Centres should tell learners this when recruiting them and registering them with Pearson. There is more information about certification in our *UK Information Manual*, available on our website at: [qualifications.pearson.com](http://qualifications.pearson.com)

## 3 Qualification rationale

### Qualification objectives

---

The Pearson Edexcel Level 7 NVQ Diploma in Strategic Management and Leadership is for learners who work in, or who want to work in a strategic management role.

It gives learners the opportunity to:

- develop and demonstrate competence in strategic management and senior management and leadership roles at a senior level in both the public and private sectors as a Director, Finance Director, Programme Director, Vice President, Head of Strategy and Innovation, Chief Executive Officer or Principal.
- develop and demonstrate the skills to develop the core competencies of the roles above, including developing business and strategic plans, providing strategic leadership and shaping the culture and direction of a business
- have existing skills recognised
- achieve a nationally-recognised Level 7 qualification
- develop their own personal growth and engagement in learning.

### Relationship with previous qualifications

---

This qualification is a direct replacement for the Pearson Edexcel Level 7 NVQ Diploma in Management (QCF), which has expired.

### Progression opportunities

---

Learners who achieve the Pearson Edexcel Level 7 NVQ Diploma can progress to Higher Education qualifications such as an MBA or further professional management qualifications that specialise in particular areas of finance, marketing or management consultancy.

### Industry support and recognition

---

This qualification is supported by Skills CFA, the Skills Council for pan-sector business skills, which includes the management and leadership sector.

### Relationship with National Occupational Standards

---

This qualification is based on the National Occupational Standards (NOS) in management and leadership, which were set and designed by Skills CFA, the Sector Skills Council for the sector.

## 4 Qualification structure

### Pearson Edexcel Level 7 NVQ Diploma in Strategic Management and Leadership

The learner will need to meet the requirements outlined in the table below before the qualification can be awarded.

|   |    |
|---|----|
| Minimum number of credits that must be achieved                     | 45 |
| Minimum number of credits that must be achieved at level 7 or above | 35 |
| Number of mandatory credits that must be achieved                   | 16 |
| Number of optional credits that must be achieved                    | 29 |

| Unit | Unit reference number | Mandatory units   | Level | Credit | Guided learning hours |
|------|-----------------------|---|-------|--------|-----------------------|
| 1    | K/506/2074            | Develop a Strategic Business Plan                         | 7     | 5      | 31                    |
| 2    | A/506/2077            | Execute a Strategic Business Plan                         | 7     | 5      | 29                    |
| 3    | R/506/2117            | Provide Strategic Leadership and Direction                | 7     | 6      | 39                    |
| Unit | Unit reference number | Optional units  | Level | Credit | Guided learning hours |
| 4    | Y/506/2071            | Develop a Business Strategy                               | 7     | 6      | 41                    |
| 5    | F/506/2078            | Establish Organisational Governance Controls              | 7     | 4      | 26                    |
| 6    | J/506/2079            | Shape Organisational Culture and Values                   | 7     | 5      | 35                    |
| 7    | A/506/2080            | Manage Strategic Human Resources                          | 7     | 5      | 23                    |
| 8    | J/506/2082            | Obtain Financial Resources                                | 7     | 6      | 20                    |
| 9    | D/506/2959            | Lead the Development of a Knowledge Management Strategy   | 7     | 7      | 33                    |
| 10   | J/506/2101            | Lead the Development of a Quality Strategy                | 7     | 4      | 20                    |
| 11   | F/506/2114            | Lead the Development of a Continuous Improvement Strategy | 7     | 5      | 28                    |

| Unit | Unit reference number | Optional units continued  | Level | Credit | Guided learning hours |
|------|-----------------------|---|-------|--------|-----------------------|
| 12   | J/506/2048            | Establish Business Risk Management Processes                            | 5     | 5      | 29                    |
| 13   | R/506/2053            | Promote Equality of Opportunity, Diversity and Inclusion                | 5     | 5      | 26                    |
| 14   | D/506/2055            | Design Business Processes   | 5     | 5      | 23                    |
| 15   | T/506/2059            | Develop and Manage Collaborative Relationships With Other Organisations | 5     | 5      | 28                    |
| 16   | F/506/2064            | Optimise the Use of Technology  | 5     | 6      | 29                    |
| 17   | Y/506/2068            | Manage Product and/or Service Development                               | 5     | 5      | 23                    |
| 18   | L/506/2293            | Manage Strategic Marketing Activities                                   | 5     | 7      | 28                    |

## 5 Programme delivery

Centres are free to offer these qualifications using any mode of delivery (for example full-time, part-time, evening only, distance learning) that meets learners' needs. Learners must be in employment or working with a training provider on a programme so that they can develop and demonstrate the occupational competence required.

Whichever mode of delivery is used, centres must make sure that learners have access to specified resources and to the sector specialists delivering and assessing the units. Centres must adhere to the Pearson policies that apply to the different modes of delivery. Our policy on *Collaborative arrangements for the delivery of vocational qualifications* can be found on our website: [qualifications.pearson.com](http://qualifications.pearson.com)

There are various approaches to delivering a successful competence-based qualification. The section below outlines elements of good practice that centres can adopt in relation to learner recruitment, preparation and support, training and assessment delivery, and employer engagement.

### Elements of good practice

#### Learner recruitment, preparation and support

Good practice in relation to learner recruitment, preparation and support include:

- providing initial advice and guidance, including work tasters, to potential learners to give them an insight into the relevant industry and the learning programme
- using a range of appropriate and rigorous selection methods to ensure that learners are matched to the programme best suited to their needs
- carrying out a thorough induction for learners to ensure that they completely understand the programme and what is expected of them. The induction can include, for example, the requirements of the programme, an initial assessment of current competency levels, assessment of individual learning styles, identification of training needs, an individual learning plan, details of training delivery, the assessment process. It is good practice to involve employers in the induction process, this helps them to understand what will be taking place during the programme and enables them to start building a relationship with the centre to support the effective delivery of the programme
- keeping in regular contact with the learner to keep them engaged and motivated, and ensuring that there are open lines of communication with the learner, the assessor, the employer and teaching staff.



## Training and assessment delivery

---

Good practice in relation to training and assessment delivery include:

- offering flexible delivery and assessment to meet the needs of the employer and learner, through the use of a range of approaches, for example virtual learning environments (VLEs), online lectures, video, printable online resources, virtual visits, webcams for distance training, e-portfolios
- planning opportunities for the development and practising of skills on the job. On-the-job training presents an excellent opportunity to develop the learner's routine expertise, resourcefulness, craftspersonship and business-like attitude. It is therefore important that there is intentional structuring of practice and guidance to supplement the learning and development provided through engagement in everyday work activities. Learners need to have structured time to learn and practice their skills separate from their everyday work activities. Teaching and learning methods, such as coaching, mentoring, shadowing, reflective practice, collaboration and consultation, could be used in this structured on-the-job learning
- integrating the delivery and assessment of Personal, Learning and Thinking Skills (PLTS) and Employment Rights and Responsibilities (ERR) if the programme is being delivered as a part of an Apprenticeship. It is important that learners understand the relevance of these skills in the workplace and are aware of when and how they will be developing them
- developing a holistic approach to assessment by matching evidence to different assessment criteria, learning outcomes and units as appropriate, thereby reducing the assessment burden on learners and assessors. It is good practice to draw up an assessment plan that aligns the units with the learning process and the acquisition of knowledge and skills, and which indicates how and when the units will be assessed. In producing the plan, the assessor should work closely with the learner to identify any activities that relate to more than one unit or learning outcome and to agree the best way to collect a single piece of evidence that meets the assessment requirements sufficiently. The assessment guidance given in the units identifies opportunities to assess units holistically, helping centres to develop assessment plans
- discussing and agreeing with the learner and employer suitable times, dates and work areas where assessment will take place. Learners and employers should be given regular and relevant feedback on performance and progress.

## Employer engagement

---

Good practice in relation to employer engagement include:

- communicating with employers at the start of the programme to understand their business context and requirements so that the programme can be tailored to meet their needs
- working with the employer to ensure that learners are allocated a mentor in the workplace to assist them in the day-to-day working environment and to act as a contact for the assessor/tutor
- helping the employer to better understand their role in the delivery of the programme. It is important that employers understand that sufficient and relevant work must be given to learners in order to provide a culture of learning and to ensure that they are given every opportunity to participate in aspects of continuous professional development (CPD).

## 6 Centre resource requirements

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

- Centres must have the appropriate physical resources to support delivery and assessment of the qualification. For example, a workplace in line with industry standards, or a Realistic Working Environment (RWE), where permitted, as specified in the assessment strategy for the sector, equipment, IT, learning materials, teaching rooms.
- Where RWE is permitted, it must offer the same conditions as the normal, day-to-day working environment, with a similar range of demands, pressures and requirements for cost-effective working.
- Centres must meet any specific human and physical resource requirements outlined in the assessment strategy in *Annexe A*. Staff assessing learners must meet the occupational competence requirements within the overarching assessment strategy for the sector.
- There must be systems in place to ensure continuing professional development for staff delivering the qualification.
- Centres must have appropriate health and safety policies, procedures and practices in place for the delivery and assessment of the qualification.
- Centres must deliver the qualification in accordance with current equality legislation. For further details on Pearson's commitment to the Equality Act 2010, please see *Section 7, Access and recruitment*. For full details on the Equality Act 2010, please go to [www.legislation.gov.uk](http://www.legislation.gov.uk)

## 7 Access and recruitment

Our policy on access to our qualifications is that:

- they should be available to everyone who is capable of reaching the required standards
- they should be free from barriers that restrict access and progression
- there should be equal opportunities for all wishing to access the qualifications.

Centres must ensure that their learner recruitment process is conducted with integrity. This includes ensuring that applicants have appropriate information and advice about the qualification to ensure that it will meet their needs.

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

### **Prior knowledge, skills and understanding**

---

This qualification is for all learners aged 19+ who are capable of reaching the required standards. Learners do not need any prior qualifications, knowledge or experience before starting the qualification, however they are likely to be employed in a middle management role; already have core occupational competence and knowledge within the sector, but are aspiring to make the transition from middle manager to senior management level. Learners may also be seeking work within the business and professional management sector, or intending to return to work at senior management level after unemployment.

### **Access to qualifications for learners with disabilities or specific needs**

---

Equality and fairness are central to our work. Pearson's Equality Policy requires all learners to have equal opportunity to access our qualifications and assessments and that our qualifications are awarded in a way that is fair to every learner.

We are committed to making sure that:

- learners with a protected characteristic (as defined by the Equality Act 2010) are not, when they are undertaking one of our qualifications, disadvantaged in comparison to learners who do not share that characteristic
- 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.

For learners with disabilities and specific needs, the assessment of their potential to achieve the qualification must identify, where appropriate, the support that will be made available to them during delivery and assessment of the qualification. Please see the information regarding reasonable adjustments and special consideration in *Section 8, Assessment*.

## 8 Assessment

To achieve a pass for the full qualification, the learner must achieve all the units required in the stated qualification structure. All units in this qualification are internally assessed.

### Language of assessment

---

Assessment of the internally assessed units may be in English, Welsh or Irish. If assessment is to be carried out in either Welsh or Irish then centres must inform Pearson at the point of learner registration.

A learner taking the qualification may be assessed in British or Irish Sign Language where it is permitted for the purpose of reasonable adjustment.

Further information on the use of language in qualifications is available in our policy document *Use of languages in qualifications policy*, available on our website at: [qualifications.pearson.com](http://qualifications.pearson.com)

Further information on access arrangements can be found in the Joint Council for Qualifications (JCQ) document *Access Arrangements, Reasonable Adjustments and Special Consideration for General and Vocational qualifications*. Both documents are on our website at: [qualifications.pearson.com](http://qualifications.pearson.com)

### Internal assessment

---

The units in this qualification are assessed through an internally and externally quality assured portfolio made up of evidence gathered during the course of the learner's work.

Each unit has specified learning outcomes and assessment criteria. To pass each unit the learner must:

- achieve **all** the specified learning outcomes
- satisfy **all** the assessment criteria by providing sufficient and valid evidence for each criterion
- prove that the evidence is their own.

The learner must have an assessment record that identifies the assessment criteria that have been met. The assessment record should be cross-referenced to the evidence provided. The assessment record should include details of the type of evidence and the date of assessment. Suitable centre documentation should be used to form an assessment record.

It is important that the evidence provided to meet the assessment criteria for the unit and learning outcomes is:

|                   |   |
|-------------------|---|
| <b>Valid</b>      | relevant to the standards for which competence is claimed   |
| <b>Authentic</b>  | produced by the learner   |
| <b>Current</b>    | sufficiently recent to create confidence that the same skill, understanding or knowledge persist at the time of the claim |
| <b>Reliable</b>   | indicates that the learner can consistently perform at this level   |
| <b>Sufficient</b> | fully meets the requirements of the standards.  |

Learners can provide evidence of occupational competence from:

- **current practice** – where evidence is generated from a current job role
- a **programme of development** – where evidence comes from assessment opportunities built into a learning programme. The evidence provided must meet the requirements of the Sector Skills Council's assessment strategy.
- the **Recognition of Prior Learning (RPL)** – where a learner can demonstrate that they can meet a unit's assessment criteria through knowledge, understanding or skills they already possess without undertaking a course of development. They must submit sufficient, reliable, authentic and valid evidence for assessment. Evidence submitted that is based on RPL should give the centre confidence that the same level of skill, understanding and knowledge exists at the time of claim as existed at the time the evidence was produced. RPL is acceptable for accrediting a unit, several units, or a whole qualification.
- Further guidance is available in our policy document *Recognition of Prior Learning Policy and Process*, available on our website at: [qualifications.pearson.com](http://qualifications.pearson.com)
- a combination of these.

## Assessment strategy

---

The assessment strategy for this qualification is included in *Annexe A*. It sets out the overarching assessment principles and the framework for assessing the units to ensure that the qualification remains valid and reliable. It has been developed by Skills CFA in partnership with employers, training providers, awarding organisations and the regulatory authorities.

## Types of evidence

---

To achieve a unit, the learner must gather evidence that shows that they have met the required standard specified in the assessment criteria, Pearson's quality assurance arrangements (please see *Section 10, Quality assurance of centres*) and the requirements of the assessment requirements/strategy given in *Annexe A*.

In line with the assessment requirements/strategy, evidence for internally assessed units can take a variety of forms as indicated below:

- direct observation of the learner's performance by their assessor (O)
- outcomes from oral or written questioning (Q&A)
- products of the learner's work (P)
- personal statements and/or reflective accounts (RA)
- professional discussion (PD)
- authentic statements/witness testimony (WT)
- expert witness testimony (EWT)
- evidence of Recognition of Prior Learning (RPL).

Learners can use the abbreviations in their portfolios for cross-referencing purposes.

For guidance on the assessment methods stated above, please refer to the Guide to Assessing Work Based Learning Qualifications, available on our website at: [qualifications.pearson.com](http://qualifications.pearson.com)

Learners must provide evidence of their achievement of the knowledge-based learning outcomes and the associated assessment criteria in competence units – achievement of these cannot be inferred from performance. Centres must ensure that the assessment methods used are appropriate for the specific learning outcomes and assessment criteria and are in line with the Assessment Strategies in *Annexe A, B, C and D*. Guidance may need to be given to learners before the assessment is conducted to clarify the requirements of different command verbs. This will ensure that evidence provided has sufficient breadth and depth to meet the assessment requirements. The Unit assessment guidance given in each unit is useful in supporting centres with the assessment process.

Learners can also use one piece of evidence to prove their knowledge, skills and understanding across different assessment criteria and/or across different units. It is not necessary for learners to have each assessment criterion assessed separately. They should be encouraged to reference evidence to the relevant assessment criteria. However, the evidence provided for each unit must be clearly reference the unit being assessed. Evidence must be available to the assessor, the internal verifier and the Pearson standards verifier.

Any specific evidence requirements for a unit are given in the *Assessment* section of the unit.

Further guidance on the requirements for centre quality assurance and internal verification processes is available on our website at: [qualifications.pearson.com](http://qualifications.pearson.com). Please see *Section 12, Further information and useful publications* for details.

## Appeals

---

Centres must have a policy for dealing with appeals from learners. Appeals may relate to incorrect assessment decisions or unfairly conducted assessment. The first step in such a policy is a consideration of the evidence by a Lead Internal Verifier or other member of the programme team. The assessment plan should allow time for potential appeals after learners have been given assessment decisions.

Centres must document all learners' appeals and their resolutions. Further information on the appeals process can be found in the document *Enquiries and appeals about Pearson vocational qualifications policy*, which is available on our website at: [qualifications.pearson.com](http://qualifications.pearson.com)

## Dealing with malpractice

---

Centres must have a policy for dealing with malpractice by learners. This policy must follow the *Centre guidance for dealing with malpractice* and the JCQ document *Suspected Malpractice in Examinations and Assessments – JCQ Policies and Procedures*, available on our website at: [qualifications.pearson.com](http://qualifications.pearson.com). Centres must report malpractice to Pearson, particularly if any units have been subject to quality assurance or certification.

## Reasonable adjustments to assessment

---

Centres are able to make adjustments to assessments to take account of the needs of individual learners in line with the guidance given in the document *Pearson Supplementary Guidance for Reasonable Adjustment and Special Consideration in Vocational Internally Assessed Units*. In most instances, adjustments can be achieved by following the guidance; for example allowing the use of assistive technology or adjusting the format of the evidence. We can advise you if you are uncertain as to whether an adjustment is fair and reasonable. Any reasonable adjustment must reflect the normal learning or working practice of a learner in a centre or working within the occupational area.

Further information on access arrangements can be found in the Joint Council for Qualifications (JCQ) document *Access Arrangements, Reasonable Adjustments and Special Consideration for General and Vocational qualifications*.

Both documents are on our website at: [qualifications.pearson.com](http://qualifications.pearson.com)

## Special consideration

---

Centres must operate special consideration in line with the guidance given in the document *Pearson Supplementary Guidance for Reasonable Adjustment and Special Consideration in Vocational Internally Assessed Units*. Special consideration may not be applicable in instances where:

- assessment requires the demonstration of practical competence
- criteria have to be met fully
- units/qualifications confer licence to practice.

Centres cannot apply their own special consideration; applications for special consideration must be made to Pearson and can be made only on a case-by-case basis. A separate application must be made for each learner and certification claims must not be made until the outcome of the application has been received.

Further information on special consideration can be found in the Joint Council for Qualifications (JCQ) document *Access Arrangements, Reasonable Adjustments and Special Consideration for General and Vocational qualifications*.

Both of the documents mentioned above are on our website at: [qualifications.pearson.com](http://qualifications.pearson.com)



## 9 Centre recognition and approval

### Centre recognition

---

Centres that have not previously offered Pearson vocational qualifications need to apply for and be granted centre recognition and approval as part of the process for approval to offer individual qualifications.

Existing centres will be given 'automatic approval' for a new qualification if they are already approved for a qualification that is being replaced by a new qualification and the conditions for automatic approval are met.

Guidance on seeking approval to deliver Pearson vocational qualifications is available at [qualifications.pearson.com](http://qualifications.pearson.com).

### Approvals agreement

---

All centres are required to enter into an approval agreement, which is a formal commitment by the head or principal of a centre, to meet all the requirements of the specification and any associated codes, conditions or regulations. Pearson will act to protect the integrity of the awarding of qualifications. If centres do not comply with the agreement, this could result in the suspension of certification or withdrawal of approval.

# 10 Quality assurance of centres

Quality assurance is at the heart of vocational qualifications. Centres are required to declare their commitment to ensuring quality and to giving learners appropriate opportunities that lead to valid and accurate assessment outcomes.

Centres must follow quality assurance requirements for standardisation of assessors and internal verifiers and the monitoring and recording of assessment processes. Pearson uses external quality assurance procedures to check that all centres are working to national standards. It gives us the opportunity to identify and provide support to safeguard certification and quality standards. It also allows us to recognise and support good practice.

Centres offering competence-based qualifications will usually receive two standards verification visits per year (a total of two days per year). The exact frequency and duration of standards verifier visits will reflect the centre's performance, taking account of the:

- number of assessment sites
- number and throughput of learners
- number and turnover of assessors
- number and turnover of internal verifiers.

For centres offering a full Pearson BTEC Apprenticeship (i.e. all elements of the Apprenticeship are delivered with Pearson through registration of learners on a BTEC Apprenticeship framework) a single standards verifier will normally be allocated to verify all elements of the BTEC Apprenticeship programme. Centres should make use of our one-click learner registration to access this facility. If a centre is also offering stand-alone NVQs/Competence-based qualifications in the same sector as a full BTEC Apprenticeship, the same standards verifier should be allocated. If a centre is also offering stand-alone BTEC qualifications in the same sector as a full BTEC Apprenticeship, a different quality assurance model applies.

In order for certification to be released, confirmation is required that the National Occupational Standards (NOS) for assessment and verification, and for the specific occupational sector are being met consistently.

For further details, please go to the *NVQ Quality Assurance Centre Handbook*, the *BTEC Apprenticeships Quality Assurance Handbook* and the *Pearson Edexcel NVQs, SVQs and competence-based qualifications – Delivery Requirements and Quality Assurance Guidance* on our website at [qualifications.pearson.com](http://qualifications.pearson.com).

# 11 Unit format

Each unit has the following sections.

## Unit title

This is the formal title of the unit that will appear on the learner's certificate.

## Unit reference number

Each unit is assigned a unit reference number that appears with the unit title on the Register of Regulated Qualifications.

## Level

All units and qualifications have a level assigned to them. The level assigned is informed by the level descriptors by Ofqual, the qualifications regulator.

## Credit value

All units have a credit value. When a learner achieves a unit, they gain the specified number of credits. The minimum credit value is 1 and credits can be awarded in whole numbers only.

## Guided learning hours

Guided Learning Hours (GLH) is the number of hours that a centre delivering the qualification needs to provide. Guided learning means activities that directly or immediately involve tutors and assessors in teaching, supervising, and invigilating learners, for example lectures, tutorials, online instruction and supervised study.

## Unit summary

This summarises the purpose of the unit and the learning the unit offers.

## Learning outcomes

The learning outcomes set out what a learner will know, understand or be able to do as the result of a process of learning.

## Assessment criteria

The assessment criteria describe the requirements a learner is expected to meet to demonstrate that a learning outcome has been achieved.

## Unit amplification

Unit amplification sets out the range of subject material required for the programme of learning and specifies the knowledge and understanding required for achievement of the unit. It enables centres to design and deliver a programme of learning that will enable learners to achieve each learning outcome and to meet the standard determined by the assessment criteria.

Where relevant and/or appropriate, unit amplification is informed by the underpinning knowledge and understanding requirements of related National Occupational Standards (NOS).

### Relationship between amplification and assessment criteria

Although it is not a requirement that all of the amplification is assessed, learners should be given the opportunity to cover it all. However, the indicative amplification (see below) will need to be covered in a programme of learning to enable learners to meet the standard determined in the assessment criteria.

### Amplification structure

- Amplification is given only for those assessment criteria associated with knowledge-based learning outcomes. Assessment criteria for competence learning outcomes are not amplified as the related activities are organisation specific.
- Where a knowledge-based assessment criterion is context specific, it is indicated by the following, or similar, statement: *'The knowledge to meet this AC depends on particular organisational requirements and context. Learners need to apply knowledge specific to their organisation to meet this AC'*. Where appropriate, general information is given to support the delivery of the content needed to satisfy the assessment criteria.
- Content in brackets is content that must be covered and delivered.
- Where content is specified as 'e.g.' (indicative content) it means that it could be covered in delivery or replaced with other, similar content.

### Legislation

Legislation cited in the units is current at time of publication. The most recent legislation should be taught and assessed internally.

## Information for tutors

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

- *Suggested resources* – lists resource materials that can be used to support the teaching of the unit, for example books, journals, websites.
- *Assessment* – gives information about the assessment requirements that learners need to satisfy in order to achieve the unit. This section also gives guidance on the assessment activities that can be used to gather the evidence required to achieve the unit. This section should be read in conjunction with the assessment criteria, learning outcomes and unit amplification.

# Unit 1: **Develop a Strategic Business Plan**

**Unit reference number: K/506/2074**

**Level: 7**

**Credit value: 5**

**Guided learning hours: 31**

---

## **Unit summary**

An organisation's strategic business plan sets out the organisation's plan of action in order to meet its strategic purposes. It includes many elements an organisation can use to attract financing and manage company objectives. Clearly defined organisational goals are required to optimise strategic business planning and businesses need to conduct extensive research to understand their industry and markets. Strategic business planning is necessary for organisational growth and success. Strategic business plans provide organisations with the tools to track success and growth, establish a budget and prepare for unforeseen changes in the market place.

In the first part of the unit you will learn the principles underpinning the development of a strategic business plan which will involve discussing a range of theories and models, the importance of resource management, capital investment appraisal and the role and involvement of stakeholders.

You will then learn how to prepare for business strategy implementation, which will require you to prioritise strategic objectives, identify programmes of activity, develop risk management plans, identify future resource requirements, assess cost and benefits, develop policies and set Key Performance Indicators (KPI).

The final part of the unit will allow you to develop plans to deliver the business strategy which will involve you in taking action to ensure the plan is comprehensive and that there are appropriate structures and processes in place. You will also need to develop plans to manage the supply chain, address legal and ethical requirements and articulate the business plan gaining support of stakeholders.

## Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

| Learning outcomes  | Assessment criteria  |
|--|--|
| <p>1 Understand the principles underpinning the development of a strategic business plan</p> | <p>1.1 Evaluate a range of strategic planning theories and models</p> <p>1.2 Analyse the principles of resource management</p> <p>1.3 Evaluate the principles of capital investment appraisal</p> <p>1.4 Evaluate the role of stakeholders in the development of strategic business plans</p> <p>1.5 Explain how to involve stakeholders in the development of strategic business plans</p>  |
| <p>2 Be able to prepare for business strategy implementation</p>                             | <p>2.1 Prioritise strategic objectives in a way that is consistent with an organisation's vision and values</p> <p>2.2 Identify programmes of activity that are capable of achieving strategic objectives</p> <p>2.3 Develop risk management plans that address identified and likely potential risks</p> <p>2.4 Identify current and likely future resource requirements</p> <p>2.5 Assess the costs and benefits of different approaches to strategy implementation</p> <p>2.6 Develop policies that are consistent with the strategy and vision and which are capable of meeting the objectives</p> <p>2.7 Set meaningful and realistic Key Performance Indicators (KPIs) and evaluation criteria</p> |

| Learning outcomes  | Assessment criteria  |
|--|--|
| <p>3 Be able to develop plans to deliver the business strategy</p> | <p>3.1 Take action to ensure the strategic plan is comprehensive in its coverage of products and/or services, quality, Human Resources, finance and marketing</p> <p>3.2 Take action to ensure that organisational structures and processes are capable of delivering the plan</p> <p>3.3 Develop plans to manage the supply chain, interdependencies and the potential for friction</p> <p>3.4 Address any legal or ethical requirements</p> <p>3.5 Articulate the business plan and gain the support of stakeholders</p> |

## Unit amplification

---

### **AC1.1: Evaluate a range of strategic planning theories and models**

- *Strategic planning theories to include:* Henry Fayol's 14 principle; Porter's 5 forces; Henry Mintzberg's 5Ps of strategy; Igor Ansoff's matrix
- *Models:* e.g. mechanistic planning; goals-based planning; issues-based planning; alignment planning; scenario planning; organic planning; real time planning; strategy hierarchy; consistency between business strategy and subsidiary strategies
- Strengths and weaknesses; suitability of models for different organisations and circumstances

### **AC1.2: Analyse the principles of resource management**

- *Principles of resource management:* e.g. definition and characteristics of Human Resource Management (HRM); use of resources in as efficient a way as possible, e.g. tangible and intangible resources; productivity; cost reduction; staffing levels; equipment

### **AC1.3: Evaluate the principles of capital investment appraisal**

- *Principles of investment appraisal:* e.g. capital budgeting, budgeting of major capital and investment to organisation's expenditure, long term and short term determination of organisation's investments, project management, make or buy, acquisition or disposal, entering new markets

### **AC1.4: Evaluate the role of stakeholders in the development of strategic business plans**

- *Role of stakeholders:* e.g. formulate the strategic business plan; project scope estimation; projection of effort and cost; planning for data management; project resources; personnel; stakeholder involvement and training; reconciliation of work and resource requirements; market research and analysis

### **AC1.5: Explain how to involve stakeholders in the development of strategic business plans**

- *How to involve stakeholders:* e.g. formal and informal communication; briefing sessions; stakeholder meetings; intranet; coaching and training; monitoring implementation; consulting; co-creating; market research



## Information for tutors

---

### Suggested resources

#### Books

Barney J – *Gaining and Sustaining Competitive Advantage*, 4th Edition (Pearson Education, 2013) ISBN 9781292021454

Bowhill, B – *Business Planning and Control: Integrating Accounting, Strategy and People* (John Wiley and Sons, 2008) ISBN 9780470061770

Stacey R D – *Strategic Management and Organisational Dynamics: The Challenge of Complexity*, 6th Edition (Financial Times/Prentice Hall, 2010) ISBN 9780273725596

#### Websites

[www.ft.com/home/uk](http://www.ft.com/home/uk) – Financial Times: Information on how businesses are developing strategic business plans

[www.managers.org.uk](http://www.managers.org.uk) – Chartered Management Institute: Information on managerial issues including the development of strategic business plans

[www.sps.org.uk](http://www.sps.org.uk) – Strategic Planning Society: Information on a wide range of strategic business planning topics

#### Journals

*British Journal of Management*, John Wiley and Sons has articles on the development of business planning strategy topics

*European Management Journal*, Elsevier has articles on business planning strategy topics

*Harvard Business Review*, Harvard Business Publishing has recent research papers on business planning strategy

*Journal of Management Studies*, John Wiley and Sons has articles on management topics including business planning strategy.

### Assessment

To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria and the requirements of the Assessment Strategy.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meets the assessment criteria, centres should apply the Unit Assessment Guidance provided and the requirements of the Assessment Strategy given below.

Wherever possible, centres should adopt a holistic approach to assessing the units in the qualification. This gives the assessment process greater rigour and minimises repetition, time and the burden of assessment on all parties involved in the process.

## Unit assessment requirements

This unit must be assessed in the workplace in accordance with Skills CFA Business Administration, Customer Service and Management and Leadership Assessment Strategy in *Annexe A*. Simulation is not allowed for this unit. All evidence of occupational competence should be generated through performance under workplace conditions; this includes evidence of achievement for knowledge-based learning outcomes and associated assessment criteria.

## Unit assessment guidance

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the requirements. Centres can adapt the guidance as appropriate for learners and the particular assessment context.

The main source of evidence for all ACs in learning outcome 1 can be through using evidence emerging from work products such as formal reports, emails and letters associated with the principles underpinning the development of strategic business plans. For example, for AC 1.4 the learner could produce a report for other senior managers evaluating the role of stakeholders in the development of strategic business plans within their respective organisations. This evidence should be supported by a professional discussion and/or a reflective account. Reflective accounts will allow the learner to interact with the concepts involved in the principles underpinning the development of strategic business plans. If reflective accounts are used as supplementary evidence learners should indicate how this knowledge and understanding impact on their current work practices or past experiences. Learners should also consider how they could potentially use this knowledge and understanding in their job role to improve future practice.

For learning outcome 2 and learning outcome 3 it is likely that the evidence will be gathered by the assessor on more than one occasion. Appropriate assessment methods include examining work products, for example, files, meeting, notes, correspondence, reports etc. and/or using the testimony of other people such as colleagues and managers. There should be sufficient evidence over time to ensure that the learner has met all of the requirements. For example for AC 2.5, the learner could give a presentation or a formal report to other managers assessing the costs and benefits of different approaches to strategy implementation. This evidence can be supplemented with a reflective account. It may be possible dependent on the nature of the learner's job that a full report to the board or senior managers is produced which includes how the learner is able to prepare for business strategy implementation and develop plans to deliver it. This would cover both learning outcome 2 and learning outcome 3 but learners should ensure that the work product or products used include evidence for all the assessment criteria in both learning outcomes. Professional discussion could be used to corroborate the competence of the learner for both learning outcome 2 and learning outcome 3.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.

## **Unit 2: Execute a Strategic Business Plan**

**Unit reference number: A/506/2077**

**Level: 7**

**Credit value: 5**

**Guided learning hours: 29**

---

### **Unit summary**

In this unit you will learn how a strategic business plan is a key component of planning for growth for any business. It helps prepare a realistic vision for the future for a business and in doing so can maximise potential for growth. A strategic business plan is typically focused on mid to long-term goals for a business and explains the basic strategies for achieving them. It is the managerial process of developing and maintaining a strategic fit between the organisations objectives and resources and its changing market opportunities.

You will also learn about various underpinning principles associated with the execution of a strategic business plan such as empowerment and authority and the impact these may have on organisational structure. You will also examine the tools that are used to monitor strategic performance and the advantages and limitations of a range of evaluation techniques.

The second part of the unit will show you how to implement a strategic business plan involving vision development, the allocation of responsibilities and resources and monitoring and evaluation. The final part of the unit will examine the evaluation of a strategic business plan including evaluation approaches, reasons for success or failure and the degree of fit between strategy and structure.

## Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

| Learning outcomes  | Assessment criteria   |
|--|---|
| <p>1 Understand the principles underpinning the execution of a strategic business plan</p> | <p>1.1 Analyse the concepts of empowerment, authority, responsibility, accountability and delegation and their implications for different types of organisational structure</p> <p>1.2 Evaluate the advantages and disadvantages of centralised and decentralised structures</p> <p>1.3 Assess the place of change management within strategy execution</p> <p>1.4 Analyse the principles of business process re-engineering</p> <p>1.5 Evaluate the application of project management techniques to monitoring the execution of a strategic business plan</p> <p>1.6 Evaluate the scope of tools for monitoring strategic performance</p> <p>1.7 Evaluate the advantages and limitations of a range of evaluation techniques</p> |
| <p>2 Be able to implement a strategic business plan</p>                                    | <p>2.1 Develop the vision and objectives of a strategic business plan</p> <p>2.2 Delegate responsibilities to individuals who are authorised to put the strategy into action</p> <p>2.3 Allocate resources in accordance with priorities</p> <p>2.4 Monitor the progress of the implementation against the evaluation plan, key performance indicators (KPIs) and evaluation criteria</p> <p>2.5 Take prompt action in the event of problems arising</p>  |

| Learning outcomes                                      | Assessment criteria  |
|--|--|
| <p>3 Be able to evaluate a strategic business plan</p> | <p>3.1 Justify an evaluation approach that is appropriate for the nature of the business and the purpose of the evaluation</p> <p>3.2 Evaluate the extent of success of the strategy against evaluation criteria</p> <p>3.3 Identify the reasons for successes and failures</p> <p>3.4 Identify the degree of fit between an organisation's strategy and its structure</p> |

## Unit amplification

---

**AC1.1: Analyse the concepts of empowerment, authority, responsibility, accountability and delegation and their implications for different types of organisational structure**

- *Organisational theories:* e.g. Weber's Classical Organisation Theory, Mintzberg's Organisational model
- *Organisational structures:* formal, hierarchical (tall, flat, functional, divisional, matrix); features of formal structures, e.g. span of control, chain of command, authority, responsibility, delegation; design factors, e.g. leadership style, strategy, external environment, regulation and control; informal (norms, social networks, informal authority); Weber's types of authority; delegated authority and responsibility

**AC1.2: Evaluate the advantages and disadvantages of centralised and decentralised structures**

- E.g. authority, decision making, hierarchy, consideration of cultural and environmental influences
- *Organisational theories:* e.g. Weber, Mintzberg, Handy, Hofstede, Schein

**AC1.3: Assess the place of change management within strategy execution**

- *Change management models:* e.g. John P Kotter's eight steps to successful change, Kübler-Ross five stages, Prosci's ADKAR Model, Kurt Lewin's Change Management; Burke-Litwin's causal change model
- *Strategy implementation:* operational and resource planning purpose and process; risk management; implementation tools, e.g. change leadership, structural design, information and control systems; communication

**AC1.4: Analyse the principles of business process re-engineering**

- *Business process re-engineering (BPR):* BPR cycle (process identification, analysis, design, testing, implementation); radical redesign of core business processes and workflows; alignment of processes to business objectives; new value systems; enhanced use of technology, e.g. e-commerce, CAD/CAM, additive manufacturing

**AC1.5: Evaluate the application of project management techniques to monitoring the execution of a strategic business plan**

- *Project management techniques:* e.g. project work plans; charting, e.g. Gantt, Load; analysis, e.g. PERT, critical paths; risk management logs; dependencies, responsibilities; scenario planning; contingency planning
- *Monitoring the execution of a strategic business plan:* e.g. measuring achievement of goals and objectives; action planning; environmental scanning; market or pilot testing; Total Quality Management (TQM)

**AC1.6: Evaluate the scope of tools for monitoring strategic performance**

- *Monitoring tools:* e.g. the balanced scorecard; KPIs – Key Performance Indicators; MBO – Management by Objectives; the Performance Prism; Results Based Management

**AC1.7: Evaluate the advantages and limitations of a range of evaluation techniques**

- *Evaluation techniques:* e.g. gap analysis; SWOT – Strengths, Weaknesses, Opportunities, Threats; PEST – Political, Economic, Sociological, Technological; product portfolio analysis; Action Learning; quantitative and qualitative methods; market share analysis

## Information for tutors

---

### Suggested resources

#### Books

Barney J – *Gaining and Sustaining Competitive Advantage* (4th Edition) (Pearson Education, 2010) ISBN 9781292021454

Bowhill, B – *Business Planning and Control: Integrated Accounting, Strategy and People* (John Wiley and Sons, 2008) ISBN 9780470061770

Stacey R D – *Strategic Management and Organisational Dynamics* (6th Edition) (Financial Times/Prentice Hall, 2010) ISBN 9780273725596

#### Websites

[www.ft.com/home/uk](http://www.ft.com/home/uk) – Financial Times: Information on how some businesses are progressing with strategic business planning

[www.managers.org.uk](http://www.managers.org.uk) – Chartered Management Institute: Information on managerial issues including strategic business planning.

[www.sps.org.uk](http://www.sps.org.uk) – Strategic Planning Society: Information on a wide range of strategic business planning topics

#### Journals

*British Journal of Management*, John Wiley and Sons has articles on business planning strategy topics

*European Management Journal*, Elsevier has articles on business planning strategy topics

*Harvard Business Review*, Harvard Business Publishing has recent research papers on business planning strategy

*Journal of Management Studies*, John Wiley and Sons has articles on management topics including business planning strategy.

### Assessment

To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria and the requirements of the Assessment Strategy.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meets the assessment criteria, centres should apply the Unit Assessment Guidance provided and the requirements of the Assessment Strategy given below.

Wherever possible, centres should adopt a holistic approach to assessing the units in the qualification. This gives the assessment process greater rigour and minimises repetition, time and the burden of assessment on all parties involved in the process.



## Unit assessment requirements

This unit must be assessed in the workplace in accordance with Skills CFA Business Administration, Customer Service and Management and Leadership Assessment Strategy in *Annexe A*. Simulation is not allowed for this unit. All evidence of occupational competence should be generated through performance under workplace conditions; this includes evidence of achievement for knowledge-based learning outcomes and associated assessment criteria.

## Unit assessment guidance

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the requirements. Centres can adapt the guidance as appropriate for learners and the particular assessment context.

The main source of evidence for all assessment criteria in learning outcome 1 can be through using reflective accounts supported by professional discussion to examine the learner's understanding in detail. Reflective accounts will allow the learner to interact with the principles underpinning the execution of a strategic business plan. If reflective accounts are used as supplementary evidence learners should indicate how this knowledge and understanding impact on their current work practices or past experiences. Learners should also consider how they could potentially use this knowledge and understanding in their job role to improve future practice. There may be the opportunity for work products to be used as evidence if the learner's role allows. For example, for AC 1.4 the learner could produce an analytical report for other senior managers on the principles of business process re-engineering as part of the execution of the plan within their respective organisations. This evidence can be supported by a professional discussion and/or a reflective account.

For learning outcome 2 and 3 it is likely that the evidence will be gathered by the assessor on more than one occasion. Appropriate assessment methods include examining work products – for example, files, meeting notes, correspondence, reports etc. – and/or using the testimony of other people such as colleagues and managers. There should be sufficient evidence over time to ensure that the learner has met all the requirements. For example for AC 3.1 and 3.2, the learners could give a presentation or a formal report to other managers justifying an evaluation approach that is appropriate for the nature of the business and also evaluating the success of the strategy against evaluation criteria. This evidence can be supplemented with a reflective account. It may be possible depending on the nature of the learner's job that a full report to the board or senior managers can be made which covers the implementation and evaluation of the organisation's strategic business plan. This would cover both learning outcome 2 and learning outcome 3 but learners should ensure that the work product or products used include evidence for all the ACs in both learning outcomes. Professional discussion could be used to corroborate the competence of the learner for both learning outcome 2 and learning outcome 3.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.

# **Unit 3: Provide Strategic Leadership and Direction**

**Unit reference number: R/506/2117**

**Level: 7**

**Credit value: 6**

**Guided learning hours: 39**

---

## **Unit summary**

In this unit you will explore the role of providing strategic leadership and direction. The unit focuses on leaders in a business or organisational context, and views leaders as key players in both devising and implementing organisational strategy. You will review the characteristics underpinning strategic leadership and direction including how corporate strategy impacts on the structure and the workforce, the effect of strategic choice, how leaders manage in turbulent markets, the appropriateness of leadership styles and the importance of employee empowerment.

You will then explore how leaders provide leadership and direction to achieve organisational objectives; how leadership make strategic decisions is reviewed as well as the alignment of business processes with goals, the impact of strategic objectives on stakeholders and strategies to motivate staff to enhance performance.

The final part of the unit examines the effectiveness of leadership and direction of an organisation focussing on the tools and processes used to measure performance, the importance of benchmarking, employee engagement and employee relations strategies, improvements to operational performance and the social and environmental impact.

## Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

| Learning outcomes   | Assessment criteria   |
|---|---|
| <p>1 Understand the characteristics underpinning strategic leadership and direction</p>   | <p>1.1 Assess the implications of corporate strategy and organisational development on organisational structures and workforce composition</p> <p>1.2 Evaluate the influence of strategic choice on the structure, culture, leadership and direction of an organisation</p> <p>1.3 Evaluate the role of strategic leadership and direction when operating in turbulent markets and periods of significant change</p> <p>1.4 Analyse the characteristics and suitability of a range of leadership styles used to provide strategic direction</p> <p>1.5 Evaluate the nature, influence and implications of an empowerment strategy</p> |
| <p>2 Be able to provide leadership and direction to achieve organisational objectives</p> | <p>2.1 Evaluate the impact of leadership styles on strategic decisions</p> <p>2.2 Align business processes to the achievement of strategic goals</p> <p>2.3 Evaluate the impact of operational and financial strategies and objectives on internal and external stakeholders</p> <p>2.4 Apply strategies to motivate employees and enhance their performance</p>  |

| Learning outcomes   | Assessment criteria   |
|---|---|
| <p>3 Be able to evaluate the effectiveness of the leadership and direction of an organisation</p> | <p>3.1 Evaluate tools and processes used to measure the performance of a business and its people</p> <p>3.2 Benchmark an organisation's performance against its competitors</p> <p>3.3 Evaluate the effectiveness of an organisation's employee engagement and employee relations strategies</p> <p>3.4 Evaluate the environmental and social impact of an organisation</p> <p>3.5 Identify areas for improvement in strategies relating to operational performance and the leadership of people</p> <p>3.6 Identify areas for improvement in strategies relating to the social and environmental impact of an organisation</p> |

## Unit amplification

---

**AC1.1: Assess the implications of corporate strategy and organisational development on organisational structures and workforce composition**

- *Effects of corporate strategy and organisational development:* e.g. management of change; culture change processes; problem solving capabilities; impact on size of organisation; redesign, relocate or reorganise etc.

**AC1.2: Evaluate the influence of strategic choice on the structure, culture, leadership and direction of an organisation**

- *Theories of strategic choice:* e.g. Porter's generic strategies and five forces; Ansoff's matrix; Vroom, Yetton and Jago decision model etc.
- *Strategic choice factors:* e.g. cost leadership; differentiation; focus strategy; market penetration; new product development; market development

**AC1.3: Evaluate the role of strategic leadership and direction when operating in turbulent markets and periods of significant change**

- *Characteristics of turbulent markets and periods of significant change:* e.g. volatile markets; takeovers and mergers; growth of emerging market economies; economic boom and meltdown; rapid technological change; short product lifecycles
- *Role of strategic leadership and direction:* e.g. review strategic objectives; strategic decision making; financial decisions; market share analysis etc.

**AC1.4: Analyse the characteristics and suitability of a range of leadership styles used to provide strategic direction**

- *Leadership styles and theories:* e.g. Transformational Leadership, Transactional Leadership (Bennis, Bass), charismatic leadership (Weber, Conger and Kanungo); contingency theory e.g. Fiedler; situational theories e.g. Hersey and Blanchard, Vroom and Yetton, tri-dimensional leadership theory (Yukl)

**AC1.5: Evaluate the nature, influence and implications of an empowerment strategy**

- *Empowerment strategy:*
  - o *Nature:* e.g. building trust; co-operation and communication between members
  - o *Influence:* e.g. staff feel more involved increasing morale; co-operation and job satisfaction; staff are valued
  - o *Implications:* e.g. shared leadership vision, share goals and direction, high levels of trust, provide information for decision making, delegate authority and impact opportunities, solve problems etc.

## Information for tutors

---

### Suggested resources

#### Books

Adair, J – *Effective Leadership: How to be a Successful Leader* (Pan, 2009)  
ISBN 9780330504195

Gold J, Thorpe R and Mumford A – *Leadership and Management Development*  
(CIPD, 2010) ISBN 9781843982449

#### Websites

[www.cipd.co.uk/](http://www.cipd.co.uk/) – Chartered Institute of Personnel and Development: articles on leadership and management

[www.leadershipnow.com/](http://www.leadershipnow.com/) – Leadership Now: reports on leadership issues

#### Journals

*Management Today*, Haymarket Media Group Ltd. has articles on management topics including strategic leadership

*Professional Manager*, CMI, has numerous articles and reports on strategic leadership

### Assessment

To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria and the requirements of the Assessment Strategy.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meets the assessment criteria, centres should apply the Unit Assessment Guidance provided and the requirements of the Assessment Strategy given below.

Wherever possible, centres should adopt a holistic approach to assessing the units in the qualification. This gives the assessment process greater rigour and minimises repetition, time and the burden of assessment on all parties involved in the process.

#### Unit assessment requirements

This unit must be assessed in the workplace in accordance with Skills CFA Business Administration, Customer Service and Management and Leadership Assessment Strategy in *Annexe A*. Simulation is not allowed for this unit. All evidence of occupational competence should be generated through performance under workplace conditions; this includes evidence of achievement for knowledge-based learning outcomes and associated assessment criteria.

## Unit assessment guidance

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the requirements. Centres can adapt the guidance as appropriate for learners and the particular assessment context.

The main source of evidence for all assessment criteria in learning outcome 1 can be through reflective accounts supported by professional discussion to examine the learner's understanding in detail. Reflective accounts will allow the learner to interact with the concepts involved in understanding the characteristics underpinning strategic leadership and direction. If reflective accounts are used learners should indicate how this knowledge and understanding impacts on their current work practices or past experiences. Learners should also consider how they could potentially use this knowledge and understanding in their job role to improve future practice. There may be the opportunity for work products to be used as evidence if the learner's role allows. For example, for AC 1.4 the learner could produce an analytical report for other senior managers on the characteristics and suitability of a range of leadership styles used to provide strategic direction.

For learning outcome 2 and learning outcome 3 appropriate assessment methods include examining products of the learner's work, for example; files, meeting, notes, correspondence, reports etc. and/or using the testimony of other people such as colleagues and managers. For example for AC 2.1, the learners could give a presentation or a formal report to other managers on an evaluation of leadership styles on strategic decision. This evidence can be supplemented with a reflective account. It may be possible dependent on the nature of the learner's job that a full report to the board or senior managers could be made, which covers comprehensively how they have provided leadership and direction to achieve organisational objectives and how they evaluated the effectiveness of leadership and direction. Professional discussion could be used to corroborate the competence of the learner for learning outcome 2 and learning outcome 3.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.

# Unit 4: **Develop a Business Strategy**

**Unit reference number:** Y/506/2071

**Level:** 7

**Credit value:** 6

**Guided learning hours:** 41

---

## **Unit summary**

In this unit you will learn that a business' strategy is the pattern of decisions and actions that are taken by the business to achieve its goals. A business may have a variety of goals or objectives, but for many businesses, the major goal is to improve performance so that profits increase through designing and implementing strategies.

This unit will allow you to explore the principles underpinning the development of a business strategy. You will examine the components and scope of strategy, the evaluation of a range of perspectives and approaches, the usefulness of planning tools and theories and the important differences between strategic analysis and strategic choice. The lifecycle of an organisation is also reviewed and the value of variable pricing strategies at different stages of an organisation's lifecycle.

The second part of the unit will allow you to investigate how an organisation's operating environment is evaluated. This will involve examining the external environment, competitor activity, stakeholder interests, market potential and market position. The third part of the unit will give you the opportunity of examining how strategic vision is formulated and how you should take action to ensure the strategic vision is consistent with the organisations purpose, value and goals.

The final part of the unit allows you to develop a business strategy including the use of benchmarking, the competitive edge, consistency, delivery models and appropriateness of structures and processes to deliver the strategy.



## Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

| Learning outcomes  | Assessment criteria  |
|--|--|
| <p>1 Understand the principles underpinning the development of a business strategy</p> | <p>1.1 Analyse the components and scope of strategy and its links with other aspects of business</p> <p>1.2 Evaluate the use of environmental scanning techniques and scenario planning models</p> <p>1.3 Assess the use of economic forecasting data for strategy development purposes</p> <p>1.4 Analyse the use of decision making tools and techniques</p> <p>1.5 Evaluate a range of perspectives and approaches to business strategy development</p> <p>1.6 Analyse the usefulness of strategic planning tools and theories</p> <p>1.7 Assess the relationship between strategy analysis and strategic choice</p> <p>1.8 Analyse the value of variable pricing strategies at different stages of an organisation's lifecycle</p> |
| <p>2 Be able to evaluate an organisation's operating environment</p>                   | <p>2.1 Evaluate the impact of political, economic, social, technological, legal, ethical and environmental factors on an organisation and its markets</p> <p>2.2 Analyse competitor activity, their products and/or services</p> <p>2.3 Characterise the scope and nature of stakeholders' interests</p> <p>2.4 Identify and assess market value and potential in existing and potential markets</p> <p>2.5 Model a range of scenarios relating to an organisation's intended market position</p>  |

| Learning outcomes                               | Assessment criteria  |
|---|--|
| <p>3 Be able to develop a strategic vision</p>  | <p>3.1 Formulate a strategic vision that takes account of the operating environment and stakeholders' expectations</p> <p>3.2 Take action to ensure the strategic vision is consistent with the organisation's purpose, its values and long term goals</p> <p>3.3 Specify stakeholders' roles and responsibilities in strategy development</p> <p>3.4 Articulate the strategic vision and its practical application to business across the organisation</p>          |
| <p>4 Be able to develop a business strategy</p> | <p>4.1 Benchmark the organisation's place in the market and in its lifecycle</p> <p>4.2 Identify an organisation's competitive edge(s)</p> <p>4.3 Develop a strategy that is viable and is consistent with the organisation's strategic vision, mission and values</p> <p>4.4 Evaluate a range of models to deliver the strategy</p> <p>4.5 Evaluate the extent to which existing organisational structures and processes are capable of delivering the strategy</p> |

## Unit amplification

---

### **AC1.1: Analyse the components and scope of strategy and its links with other aspects of business**

- *Components and scope of strategy:* e.g. vision; mission; values; types of strategy; corporate culture; evaluation; analysis; strategic planning
- *Links with other aspects of business:* e.g. Human Resource Management (HRM), marketing; sales; production; finance; administration; operations; logistics; supply chain; partners; stakeholders; value chain activities

### **AC1.2: Evaluate the use of environmental scanning techniques and scenario planning models**

- *Environmental scanning techniques:* e.g. strengths, weaknesses, opportunities, threats (SWOT); political, economic, sociological and technological (PEST); industry analysis; competitor analysis
- *Scenario planning models:* e.g. Global Business Network (GBN); five stage model – orientation; exploration; synthesize; action; monitoring; strategic foresight models

### **AC1.3: Assess the use of economic forecasting data for strategy development purposes**

- *Uses of economic forecasting data:* e.g. prediction of future economic conditions; statistical modelling; economic indicators; “what if” scenarios; inflation rates; GDP growth and decline; retail sales; unemployment rates; formulation of financial policy and strategy

### **AC1.4: Analyse the use of decision making tools and techniques**

- *Decision making tools and techniques:* e.g. strengths; weaknesses, opportunities and threats (SWOT); political, economic, sociological and technological (PEST); Porter’s five forces analysis; four corner’s analysis; value chain analysis; portfolio analysis - Boston Group Consulting Matrix; Bowman’s strategy clock; early warning scans; war games

### **AC1.5: Evaluate a range of perspectives and approaches to business strategy development**

- *Perspectives and approaches to business strategy development:* e.g. Henry Mintzberg’s 5 types of strategy; Peter Drucker’s 8 areas of strategy; Alfred Chandler; Igor Ansoff; Boston Consulting Group; Michael Porter’s generic strategies

**AC1.6: Analyse the usefulness of strategic planning tools and theories**

- *Planning tools and theories:* e.g. Strengths, weaknesses, opportunities, threats (SWOT); Porter's value chain and the five forces; McKinsey 7-S; Political, economic, sociological and technological (PEST); Boston Group Consulting Matrix

**AC1.7: Assess the relationship between strategy analysis and strategic choice**

- *Strategy analysis:* evaluate current performance; scan external environment; scan internal environment; identify strengths, weaknesses, opportunities and threats (SWOT)
- *Strategic choice:* review and revise mission and objectives; generate and evaluate strategic alternatives; select and recommend strategic alternatives

**AC1.8: Analyse the value of variable pricing strategies at different stages of an organisation's lifecycle**

- *Variable pricing strategies:* e.g. market penetration pricing; skimming; market pricing; reduced pricing
- *Organisation lifecycle stages:* e.g. entrepreneurial; expansion; consolidation; decline

## Information for tutors

---

### Suggested resources

#### Books

Barney J – *Gaining and Sustaining Competitive Advantage*, 4th Edition (Pearson, 2013) ISBN 9781292021454

Grant, R – *Contemporary Strategy Analysis: Text and Cases* (John Wiley & Sons, 2010) ISBN 9780470747094

Johnson G, Scholes K and Whittington R – *Exploring Strategy Text & Cases Plus My Strategy Lab and The Strategy Experience Simulation*, 9th Edition (Financial Times/Prentice Hall, 2010) ISBN 9780273737025

Stacey R D – *Strategic Management and Organisational Dynamics*, 6th Edition (Financial Times/Prentice Hall, 2010) ISBN 9780273725596

#### Websites

[www.ft.com/home/uk](http://www.ft.com/home/uk) – Financial Times: Information on all aspects on a variety of organisations of a strategic nature

[www.managers.org.uk](http://www.managers.org.uk) – Chartered Management Institute: Information on managerial issues including business strategy

[www.sps.org.uk](http://www.sps.org.uk) – Strategic Planning Society: Information on a wide range of business strategy topics

#### Journals

*British Journal of Management*, John Wiley and Sons has articles on business strategy topics

*European Management Journal*, Elsevier has articles on business strategy topics

*Harvard Business Review*, Harvard Business Publishing has recent research papers on business strategy

*Journal of Management Studies*, John Wiley and Sons has articles on management topics including business strategy

### Assessment

To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria and the requirements of the Assessment Strategy.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meets the assessment criteria, centres should apply the Unit Assessment Guidance provided and the requirements of the Assessment Strategy given below.

Wherever possible, centres should adopt a holistic approach to assessing the units in the qualification. This gives the assessment process greater rigour and minimises repetition, time and the burden of assessment on all parties involved in the process.

## Unit assessment requirements

This unit must be assessed in the workplace in accordance with Skills CFA Business Administration, Customer Service and Management and Leadership Assessment Strategy in *Annexe A*. Simulation is not allowed for this unit. All evidence of occupational competence should be generated through performance under workplace conditions; this includes evidence of achievement for knowledge-based learning outcomes and associated assessment criteria.

## Unit assessment guidance

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the requirements. Centres can adapt the guidance as appropriate for learners and the particular assessment context.

The main source of evidence for all assessment criteria in learning outcome 1 can be through using evidence emerging from work products such as formal reports, emails and letters associated with the raising of finance. For example, for AC 1.2 the learner could produce an evaluative report for other senior managers on the use of environmental scanning techniques and scenario planning models. This evidence could be supplemented with a professional discussion and/or reflective account. Reflective accounts allow the learner to interact with the concepts involved in understanding the principles underpinning the development of a business strategy in an organisation. If reflective accounts are used as supplementary evidence learners should indicate how this knowledge and understanding impact on their current work practices or past experiences. Learners should also consider how they could potentially use this knowledge and understanding in their job role to improve future practice.

For learning outcome 2, 3 and 4, it is likely that the evidence will be gathered by the assessor on more than one occasion. Appropriate assessment methods include examining products of the learner's work, for example, files, meeting notes, correspondence, reports etc. and/or using witness testimony of other people such as colleagues and managers. There should be sufficient evidence over time to ensure that the learner has met all of the requirements. For example, for AC 2.2 the learner could produce a formal report to other managers analysing competitor activity if appropriate to their role. This evidence could be supplemented with a reflective account on the topic. It may be possible dependent on the nature of the learner's job that a full report to the board or senior managers can be made which discusses the development of a business strategy for their organisations which should include an evaluation of the operating environment, the development of a vision and business strategy. This would cover learning outcome 2, 3 and 4 but learners should ensure that the work product or products used include evidence for all of the assessment criteria in the three learning outcomes. Professional discussion could be used to corroborate the competence of the learner for all three remaining learning outcomes.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.

# Unit 5: Establish Organisational Governance Controls

**Unit reference number:** F/506/2078

**Level:** 7

**Credit value:** 4

**Guided learning hours:** 26

---

## Unit summary

In this unit you will learn the importance for a company of having effective governance. Governance can be described as the system by which organisations are directed and controlled. More specifically it is the framework by which the various stakeholder interests are balanced. The purpose of corporate governance is to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of the company.

In the first part of the unit you will discover the nature of compliance and non-compliance with governance requirements. This will involve you investigating compliance and non-compliance issues and how structure and culture can influence attitudes to compliance.

The second part of the unit examines the legal and regulatory framework affecting businesses which will include appraising the different models of governance structure, the roles within a governing body, statutory reports, implications of non-compliance, legal requirements and codes of practice, role of overseas bodies and the concept of good governance.

The final part of the unit investigates the establishment of governance controls. This will involve you in analysing an organisation's governance requirements for legal, regulatory, ethical and social matters as well as the establishment of controls, the resolution of tensions between the governance and other stakeholders, compliance with legal requirements and the taking of action against non-compliance.

## Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

| Learning outcomes  | Assessment criteria  |
|--|--|
| <p>1 Understand the nature of compliance and non-compliance with governance requirements</p> | <p>1.1 Analyse the scope and types of compliance and non-compliance</p> <p>1.2 Evaluate the seriousness of instances of non-compliance</p> <p>1.3 Assess the way in which the structure and culture of an organisation influences attitudes to compliance</p>  |
| <p>2 Understand the legal and regulatory framework affecting businesses</p>                  | <p>2.1 Appraise different models of governance structures and their implications</p> <p>2.2 Analyse the roles of those within an organisation's governing body</p> <p>2.3 Analyse the legal and regulatory requirements for a range of statutory reports</p> <p>2.4 Analyse an organisation's potential scope of non-compliance</p> <p>2.5 Analyse the responsibility for individual and corporate non-compliance</p> <p>2.6 Clarify the distinctions between statutory and regulatory requirements and codes of practice</p> <p>2.7 Appraise the role of overseas bodies and their influence of an organisation's business</p> <p>2.8 Evaluate the concept, application and implications of good governance</p> |



| Learning outcomes                                 | Assessment criteria   |
|---|---|
| <p>3 Be able to establish governance controls</p> | <p>3.1 Analyse an organisation's governance requirements for legal, regulatory, ethical and social matters</p> <p>3.2 Establish controls that are capable of ensuring the probity of an organisation's activities</p> <p>3.3 Resolve tensions between an organisation's governance requirements and those of its stakeholders</p> <p>3.4 Analyse the extent of an organisation's compliance with legal requirements and assess the potential consequences</p> <p>3.5 Take action commensurate with the nature of the non-compliance and associated consequences</p> |

### **AC1.1: Analyse the scope and types of compliance and non-compliance**

- *Legislation and codes for organisations to comply with:* e.g. Companies Act; London Stock Exchange; Financial Reporting Council; Financial Conduct Authority Listing Rules; Data Protection Act 1998; Freedom of Information Act 2000; Equality Act 2010; trading laws, e.g. Trade Descriptions Act 1968, Sale of Goods Act 1979; health and safety laws, e.g. Health and Safety at Work Act 1974, Manual Handling Operations Regulations 1992, Control of Substances Hazardous to Health (COSHH) 2002

### **AC1.2: Evaluate the seriousness of instances of non-compliance**

- *Seriousness of non-compliance:* e.g. types of non-compliance; sanctions and consequences; link between non-compliance and business performance; flexibility vs. being totally compliant; accountability through the market vs. accountability through the law; court orders for non-compliance; corporate and individual reputation; investor reactions to non-compliance

### **AC1.3: Assess the way in which the structure and culture of an organisation influences attitudes to compliance**

- *Influence of structure and culture on attitudes to compliance:* e.g. embedding of compliance; organisational attitudes to compliance vs. operational practice; impact of organisational structures e.g. flat, matrix, centralised, hierarchical

### **AC2.1: Appraise different models of governance structures and their implications**

- *Implications of UK Corporate Governance Code on different types of structure:* e.g. PLC, Ltd, Partnerships, mutual, Not for Profit, non-governmental organisation (NGO), Sovereign Wealth Fund (SWF) etc.
- *International models of governance structures:*
  - o *Anglo-US model:* e.g. share ownership, outside shareholders, well-developed legal framework, use of equity finance, separation of ownership and control, share ownership by institutions, regulatory framework established by parliamentary acts and rules, comprehensive disclosure requirements
  - o *Japanese model:* e.g. high levels of stock ownership by banks and corporations; legal, public policy and industrial policy framework designed to support and promote "keiretsu" which is a global investor network; interests of outside shareholders are marginal; insiders are the major shareholders; less regulation by government agencies
  - o *German model:* e.g. banks hold long-term stakes, bank representatives on board, two board system, legality of voting right restrictions, preference of bank lending over equity finance, influence of federal and state law on governance

**AC2.2: Analyse the roles of those within an organisation's governing body**

- *Roles of those within and organisation's governing body:* to include for example: board of directors; insiders; outsiders; Executive Director; Non-Executive Director; Chairman; Chief Executive Officer or Managing Director

**AC2.3: Analyse the legal and regulatory requirements for a range of statutory reports**

- *Legal and regulatory requirements:* e.g. Companies Act 2006; International Financial Reporting Standards (IRFS); Generally Accepted Accounting Practice in the UK (GAAP)

**AC2.4: Analyse an organisation's potential scope of non-compliance**

- *Scope for non-compliance:* e.g. contravening listing rules on reporting application of code in annual report and accounts units, failure to disclose, ineffectiveness of the board, failure to conduct risk management and poor internal controls, failure to produce financial reporting

**AC2.5: Analyse the responsibility for individual and corporate non-compliance**

- *Responsibility for individual and corporate non-compliance:* e.g. adherence to principles; the role of shareholders and board members ; responsibility of the board of directors insiders, outsiders, executive director, non-executive director, chairman, chief executive; accountability; long-term stability; trust

**AC2.6: Clarify the distinctions between statutory and regulatory requirements and codes of practice**

- *Statutory requirements:* e.g. requirements which must be followed as they are prescribed or authorised by statute law
- *Regulatory requirements:* e.g. the goal that corporations aspire to achieve in complying with relevant laws and regulations.
- *Codes of practice:* e.g. set of principles, guidance on best practice, usually non-legal

**AC2.7: Appraise the role of overseas bodies and their influence of an organisation's business**

- *Role of overseas bodies and their influence:* e.g. European Commission; Securities and Exchange Commission USA; Organisation for Economic Co-operation and Development (OECD); World Trade Organisation (WTO)

**AC2.8: Evaluate the concept, application and implications of good governance**

- *Concept of good governance:* e.g. effective procedures to discharge its duties e.g. membership of the board and the role of non-executive directors, transparency of board's accountability to shareholders and other stakeholders, effectiveness of control of company, management structural effectiveness, internal control philosophy and practice
- *Application of good governance:* e.g. focus on the organisation's purpose and outcomes for citizens; clearly defined functions and roles; promote values of good governance; make informed and open decisions and manage risk; develop the ability and skills of the governing body; involve stakeholders and make accountability real
- *Implications of good governance:* e.g. high investor trust; employee trust; business reputation; reputation of board; other stakeholder's opinions; good public perceptions; impact on share value; legal implications

## Information for tutors

---

### Suggested resources

#### Books

Cushway B – *The employers' handbook 2014-15: an essential guide to employment law, personnel policies and procedures*, 10th Edition (Kogan Page, 2014) ISBN 9780749472153

Monks, R and Minow, N – *Corporate Governance*, 5th edition (John Wiley & Sons, 2011) ISBN 9780470972595

Tricker, B – *Corporate Governance: Principles, Policies and Practices* (OUP Oxford, 2012) ISBN 9780199552702

#### Websites

[www.acas.gov.uk](http://www.acas.gov.uk) – information, advice, training, conciliation and other services for employers and employees to help prevent or resolve workplace problems

[www.hse.gov.uk](http://www.hse.gov.uk) – information and guidance on workplace health and safety

[www.legislation.gov.uk](http://www.legislation.gov.uk) – information on all legislation passed by UK government

[www.frc.org.uk](http://www.frc.org.uk) – FRC Website: information on governance and reporting

[www.icaew.com](http://www.icaew.com) – The Institute of Chartered Accountants in England and Wales: information on governance issues and codes of practice

### Assessment

To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria and the requirements of the Assessment Strategy.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meets the assessment criteria, centres should apply the Unit Assessment Guidance provided and the requirements of the Assessment Strategy given below.

Wherever possible, centres should adopt a holistic approach to assessing the units in the qualification. This gives the assessment process greater rigour and minimises repetition, time and the burden of assessment on all parties involved in the process.

#### Unit assessment requirements

This unit must be assessed in the workplace in accordance with Skills CFA Business Administration, Customer Service and Management and Leadership Assessment Strategy in *Annexe A*. Simulation is not allowed for this unit. All evidence of occupational competence should be generated through performance under workplace conditions; this includes evidence of achievement for knowledge-based learning outcomes and associated assessment criteria.

## Unit assessment guidance

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the requirements. Centres can adapt the guidance as appropriate for learners and the particular assessment context.

The main source of evidence for all assessment criteria in learning outcome 1 and learning outcome 2 could be reflective accounts, which will allow the learner to interact with the concepts involved in compliance and its legal implications. If reflective accounts are used as evidence learners should indicate how this knowledge and understanding impact on their current work practices or past experiences. Learners should also consider how they could potentially use this knowledge and understanding in their job role to improve future practice. It may be possible depending on the learner's role within the organisation for evidence to be taken from work products such as formal reports, emails and letters associated with the establishing of organisational governance controls. For example, for AC 1.3 the learner could produce a report for other senior managers assessing the way in which the structure and culture of their organisations influence attitudes to compliance which can be supplemented with a professional discussion and/or reflective account. Alternatively, there could be a report produced for senior managers on the nature of compliance and non-compliance and the associated legal and regulatory frameworks that affect the business. Again this evidence could be supported by professional discussions and/or a reflective account.

For learning outcome 3 it is likely that the evidence will be gathered by the assessor on more than one occasion. Appropriate assessment methods include examining products of the learner's work – for example, files, meeting, notes, correspondence, reports etc. and/or using the testimony of other people such as colleagues and managers. There should be sufficient evidence over time to ensure that the learner has met all the requirements. For example for AC 3.4 the learners could give an analytical presentation or a formal report to other managers on the extent of the organisation's compliance with legal requirements and making an assessment of the potential consequences of any non-compliances. This evidence could be supplemented with a reflective account on the topic. It may be possible dependent on the nature of the learner's job that a full report to the board or senior managers can be made which covers the establishment of governance controls within their respective organisations which includes all the AC in learning outcome 2. Professional discussion could be used to corroborate the competence of the learner.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.

# Unit 6: Shape Organisational Culture and Values

**Unit reference number:** J/506/2079

**Level:** 7

**Credit value:** 5

**Guided learning hours:** 35

---

## Unit summary

In this unit you will learn that culture can be described as the personality of an organisation and can be defined as the core beliefs, traditions, shared feelings and values. Culture is a key to achieving organisational excellence in that it not only shapes managers' and employees' behaviour, but also determines the manner in which people interpret and respond to any given organisational situation. Values motivate behaviour and emotional responses. They underpin the very way people approach their work, make choices and decisions, and deal with each other.

The first part of the unit will allow you to examine organisational culture and values which will include the effect on individual and organisational behaviour, theories and models of culture, the drivers of values, ethical dimensions, organisational perspectives, change management and the potential for friction between organisational and individual objectives.

In the final part of the unit you will investigate how organisational culture and values are influenced. This will include examining strengths and weaknesses of culture and values, how to enhance them, factors that influence them, the impact on business performance and skill development in influencing them.

## Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

| Learning outcomes   | Assessment criteria  |
|---|--|
| <p>1 Understand organisational culture and values</p>           | <p>1.1 Define the scope of organisational culture and its effect on individual and organisational behaviour</p> <p>1.2 Evaluate theories and models of organisational cultures and values</p> <p>1.3 Evaluate the drivers to the development of organisational values in different types of organisation</p> <p>1.4 Evaluate ethical dimensions of organisational culture and values</p> <p>1.5 Evaluate organisational communication perspectives</p> <p>1.6 Assess the role of change management techniques in developing positive organisational cultures and values</p> <p>1.7 Analyse the potential for friction between organisational values and individuals' values</p>                              |
| <p>2 Be able to influence organisational culture and values</p> | <p>2.1 Characterise the nature, strengths and weaknesses of organisational culture, sub-cultures and values within an organisation</p> <p>2.2 Identify the way in which organisational culture and values could be enhanced</p> <p>2.3 Identify the factors that influence organisational culture and values</p> <p>2.4 Assess the effect of different organisational cultures and values on business performance and an organisation's place in the market</p> <p>2.5 Develop a vision, strategy and structures for influencing organisational culture and values</p> <p>2.6 Use leadership, interpersonal and communication skills and tools to influence organisational culture and values positively</p> |



### **AC1.1: Define the scope of organisational culture and its effect on individual and organisational behaviour**

- *Organisational culture:* definitions, e.g. Schein's levels of culture - artefacts, values and basic underlying assumptions; Hofstede (1991) dimensions of culture (power distance index, individualism vs. collectivism, masculinity vs. femininity, uncertainty avoidance index, long terms vs. short term orientation, indulgence vs. restraint); impact of subcultures; impact of national and regional culture on organisational culture; high performance organisational culture; strong vs. weak culture
- *Organisational cultural analysis:* purpose; analytical tools, e.g. Cameron and Quinn (1999); Organization Culture Assessment Instrument (OCAI) dimensions for measurement; Johnson's cultural web elements; use of Johnson's web in cultural analysis

### **AC1.2: Evaluate theories and models of organisational cultures and values**

- *Theories and models of organisational culture:* Handy's types of culture, e.g. power, role, task, person; Deal and Kennedy's tough-guy macho, work-hard/play hard, bet-your-company and process cultures; Cameron and Quinn's culture types, e.g. clan, adhocracy, market, hierarchy; Robert A Cooke cultural inventory, bases of theories; limitations of validity of theories

### **AC1.3: Evaluate the drivers to the development of organisational values in different types of organisation**

- *Drivers to the development of organisational values:* history, values of owner, command and control, competition based, learning based, creativity based, recruitment strategies, team orientation
- *Different types of organisation to include:* small businesses; large corporations; public sector; hierarchical structures; bureaucratic structures; matrix structures

### **AC1.4: Evaluate ethical dimensions of organisational culture and values**

- *Ethical dimensions:* aspects of business decision making based on moral principles such as the impact of globalisation, constant change, technological advances, sustainability and the importance of values in society

### **AC1.5: Evaluate organisational communication perspectives**

- *Communication perspectives of culture and values:* e.g. co-operative action, social authority framework, open system, connected networks of stakeholder interests, influence of structure and processes, power relationships

**AC1.6: Assess the role of change management techniques in developing positive organisational cultures and values**

- *Change management:* change theories (evolutionary, planned change, life-cycle, cultural); model approaches (linear e.g. market pull; technology push; phase-gate; coupling; parallel lines; continuous improvement); types of model e.g. Lewin's unfreeze, change refreeze change management model; Kotter's 8-step change model; McKinsey's 7-S Model; Prosci's ADKAR model

**AC1.7: Analyse the potential for friction between organisational values and individuals' values**

- *Potential areas of friction:* ethics; morality; points of view; lack of trust; beliefs; opinions; subcultures vs. national culture; impact of geographical location of organisations situated in different countries and multinational organisations

## Information for tutors

---

### Suggested resources

#### Books

Kotter J, and Heskett J – *Corporate Culture and Performance* (The Free Press, 2011) ISBN 9781451655322

Schein, E – *Organisational Culture and Leadership*, (4th Edition) (Jossey-Bass, 2010) ISBN 9780470190609

#### Websites

[www.hbsp.harvard.edu](http://www.hbsp.harvard.edu) – Harvard Business Review, Harvard Business Publishing has numerous articles on culture and values

[www.managers.org.uk](http://www.managers.org.uk) – The Chartered Management Institute publication has articles on corporate culture

#### Journals

*Academy of Management Perspectives*, Academy of Management, has articles on many management topics including culture and values

*Business Strategy Review*, John Wiley and Sons, has articles on culture and values

*Harvard Business Review*, Harvard Business Publishing, has articles on culture and values

*Management Today*, Haymarket Media Group Ltd. has articles on management topics including culture and values

### Assessment

To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria and the requirements of the Assessment Strategy.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meets the assessment criteria, centres should apply the Unit Assessment Guidance provided and the requirements of the Assessment Strategy given below.

Wherever possible, centres should adopt a holistic approach to assessing the units in the qualification. This gives the assessment process greater rigour and minimises repetition, time and the burden of assessment on all parties involved in the process.

#### Unit assessment requirements

This unit must be assessed in the workplace in accordance with Skills CFA Business Administration, Customer Service and Management and Leadership Assessment Strategy in *Annexe A*. Simulation is not allowed for this unit. All evidence of occupational competence should be generated through performance under workplace conditions; this includes evidence of achievement for knowledge-based learning outcomes and associated assessment criteria.

## Unit assessment guidance

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the requirements. Centres can adapt the guidance as appropriate for learners and the particular assessment context.

The main source of evidence for all assessment criteria in learning outcome 1 can be through reflective accounts supported by professional discussion to examine the learner's understanding in detail. Reflective accounts will allow the learner to interact with the concepts involved in understanding organisational culture and values. If reflective accounts are used learners should indicate how this knowledge and understanding impacts on their current work practices or past experiences. Learners should also consider how they could potentially use this knowledge and understanding in their job role to improve future practice. There may be the opportunity for work products to be used as evidence if the learner's role allows. For example for AC 1.4 the learner could produce an evaluative report for other senior managers on the ethical dimensions of the culture and values within their organisation.

For learning outcome 2 appropriate assessment methods include examining products of the learner's work, for example; files, meeting, notes, correspondence, reports etc. and/or using the testimony of other people such as colleagues and managers. For example, for AC 2.4, the learners could give a presentation or a formal report to other managers assessing the effect of different cultures and values on their businesses' performance and place in their markets. This evidence can be supplemented with a reflective account. It may be possible dependent on the nature of the learner's job that a full report to the board or senior managers can be made which covers comprehensively how they are able to influence their respective organisational culture and values. Professional discussion could be used to corroborate the competence of the learner for learning outcome 2.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.

## Unit 7:

# Manage Strategic Human Resources

**Unit reference number:** A/506/2080

**Level:** 7

**Credit value:** 5

**Guided learning hours:** 23

---

### Unit summary

In this unit you will learn that strategic human resource management (SHRM) is a managerial process requiring human resource policies and practices to be linked with the strategic objectives of the organisation. It is an approach to the management of human resources that provides a strategic framework to support long-term business goals and outcomes. The approach is concerned with longer-term people issues and macro-concerns about structure, quality, culture, values, commitment and matching resources to future need.

The first part of the unit concentrates on strategic workforce planning and includes the evolution of SHRM, future skills needs, planning and recruitment decisions, use of strategic planning tools and the value of workforce planning to business success.

The second part of the unit will demonstrate to you how to optimise retention in an organisation. This will allow you to examine important factors used in retention such as benchmarking, identification of shortfalls in the skill mix, effects on staff turnover, use of policies and procedures and responses to staff feedback.

The final part of the unit explores how to manage human resources strategically. You will investigate an organisation's strategy and future intentions, its ability to develop a strategy aligned with objectives and priorities, the importance of staff engagement and recommendations for improvement.

## Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

| Learning outcomes   | Assessment criteria  |
|---|--|
| <p>1 Understand strategic workforce planning</p>          | <p>1.1 Analyse the evolution of strategic human resource management theories</p> <p>1.2 Assess the scope of current and future skills needs of an organisation</p> <p>1.3 Evaluate the strategic implications of planning and recruitment decisions</p> <p>1.4 Analyse the use of strategic planning tools to forecast and identify workforce requirements</p> <p>1.5 Take action to ensure that plans address current and future needs in terms of the sufficiency and mix of skills, knowledge and flexibility of the workforce</p> <p>1.6 Evaluate the contribution of workforce planning to business success</p> |
| <p>2 Be able to optimise retention in an organisation</p> | <p>2.1 Benchmark retention rates against historical performance and relevant industry sectors</p> <p>2.2 Evaluate the strengths, weaknesses and shortfalls of the skill mix</p> <p>2.3 Evaluate the factors affecting turnover</p> <p>2.4 Review how the coherence and effectiveness of policies and practices contributes to retention</p> <p>2.5 Evaluate how policies, practices and benefits may be adapted in the light of feedback</p>   |

| Learning outcomes  | Assessment criteria  |
|--|--|
| <p>3 Be able to manage human resources strategically</p> | <p>3.1 Analyse an organisation’s business strategy and future intentions</p> <p>3.2 Develop a human resource strategy that addresses an organisation’s strategic objectives and priorities</p> <p>3.3 Analyse the role of employee engagement in a human resources strategy</p> <p>3.4 Evaluate the effectiveness of a human resources strategy against agreed evaluation criteria</p> <p>3.5 Make recommendations for improvement that are aligned with the overall business strategy</p> |

## Unit amplification

---

### **AC1.1: Analyse the evolution of strategic human resource management theories**

- *Strategic human resource management theories: e.g.*
  - o 1950s Peter Drucker, Douglas McGregor: visionary goal directed leadership theory
  - o 1960s Argyris, Maslow, Herzberg: behavioural science movement
  - o 1970s Bennis, Flamholtz: organisational development movement
  - o 1980s Hendry and Pettigrew: human resources treated as assets
  - o Legge 1989, Guest 1991: personnel management vs. HRM
  - o Budhwar and Sparrow, 1997: integration of HRM into business strategies
  - o Katou and Budhwar 2007: universalistic, contingency, and configurational perspectives

### **AC1.2: Assess the scope of current and future skills needs of an organisation**

- *Scope of current and future skills needs: e.g.* communication; problem solving; team working; creativity and innovation; technical skills; advanced IT; customer service
- *Skills assessment methods: e.g.* results of training and development programmes; appraisals and reviews; workforce planning information; strategic human resource planning information; economic forecasting information

### **AC1.3: Evaluate the strategic implications of planning and recruitment decisions**

- *Strategic implications of planning and recruitment decisions: e.g.* workforce as a means of gaining competitive advantage; demand for labour; organisational structure; succession planning; maintenance of culture and values

### **AC1.4: Analyse the use of strategic planning tools to forecast and identify workforce requirements**

- *Strategic planning tools: e.g.* environmental scanning; labour turnover exit forecasting; succession planning; talent management; 360 degree assessments; HR competitive analysis; individual and corporate learning plans; labour supply forecasting; retention forecasting; McKinsey 7-S framework; strengths, weaknesses, opportunities, threats (SWOT) analysis; Porter's Value Chain; pressures, actions, capabilities, enablers (PACE)



**AC1.5: Take action to ensure that plans address current and future needs in terms of the sufficiency and mix of skills, knowledge and flexibility of the workforce**

- *Plans that need to be put in place:* e.g. Departmental human resource plans; Appraisal and review plans; Learning and development plans; Succession plans; Retention plans; Recruitment plans

**AC1.6: Evaluate the contribution of workforce planning to business success**

- *Contribution of workforce planning:* e.g. succession planning; flexible working; labour demand and supply forecasting; recruitment and retention planning; skills audit gap analysis; talent management; multi-skilling; key performance indicators (KPI); Human Capital Management (HCM)

## Information for tutors

---

### Suggested resources

#### Books

Armstrong, M – *Armstrong's Handbook of Strategic Human Resource Management* (Kogan Page, 2011) ISBN 9780749463946

Holbeche L – *Aligning Human Resources and Business Strategy*, (2nd Edition) (Butterworth-Heinemann, 2008) ISBN 9780750680172

Marchington, M and Wilkinson, A – *HRM at Work* (CIPD, 2012) ISBN 9781843982005

#### Websites

[www.businesslink.gov.uk](http://www.businesslink.gov.uk) – Business Link: information on human resource management policies

[www.cipd.co.uk](http://www.cipd.co.uk) – The Chartered Institute of Personnel and Development: has a range of material on strategic human resource management

[www.managementhelp.org](http://www.managementhelp.org) – Free management library with links to human resource management articles

#### Journals

*Human Resource Management Journal*, CIPD, has articles and reports on strategic HRM issues

*Industrial Relations Journal*, John Wiley and Sons, has numerous articles and reports on employee relations

### Assessment

To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria and the requirements of the Assessment Strategy.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meets the assessment criteria, centres should apply the Unit Assessment Guidance provided and the requirements of the Assessment Strategy given below.

Wherever possible, centres should adopt a holistic approach to assessing the units in the qualification. This gives the assessment process greater rigour and minimises repetition, time and the burden of assessment on all parties involved in the process.

#### Unit assessment requirements

This unit must be assessed in the workplace in accordance with Skills CFA Business Administration, Customer Service and Management and Leadership Assessment Strategy in *Annexe A*. Simulation is not allowed for this unit. All evidence of occupational competence should be generated through performance under workplace conditions; this includes evidence of achievement for knowledge-based learning outcomes and associated assessment criteria.

## Unit assessment guidance

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the requirements. Centres can adapt the guidance as appropriate for learners and the particular assessment context.

The main source of evidence for all assessment criteria in learning outcome 1 could be reflective accounts, which will allow the learner to interact with the concepts involved in understanding strategic workforce planning in an organisation. If reflective accounts are used as evidence, learners should indicate how this knowledge and understanding impact on their current work practices or past experiences. Learners should also consider how they could potentially use this knowledge and understanding in their job role to improve future practice. If the learner's role and organisation allows, it may be possible to use evidence emerging from work products such as formal reports, emails and letters associated with managing strategic human resources. For example, for AC 1.4 the learner could produce an analytical report for other senior managers on the use of strategic planning tools to forecast and identify workforce requirements within their organisations which can be supplemented with a professional discussion and/or reflective account.

For learning outcome 2 and 3 it is likely that evidence will be gathered by the assessor on more than one occasion. Appropriate assessment methods include examining products of the learner's work – for example, files, meeting, notes, correspondence, reports etc. and/or using the testimony of other people such as colleagues and managers. There should be sufficient evidence over time to ensure that the learner has met all the requirements. For example for AC 2.2, the learners could give a presentation or produce a formal report to other managers evaluating the strengths, weaknesses and shortfalls of the skill mix within their respective organisations supplemented with a reflective account. It may be possible dependent on the nature of the learner's job that a full report to the board or senior managers can be made which includes how to optimise retention and manage human resources strategically within their organisation. Professional discussion could be used to corroborate the competence of the learner for both learning outcome 2 and learning outcome 3.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.

# Unit 8: Obtain Financial Resources

**Unit reference number:** J/506/2082

**Level:** 7

**Credit value:** 6

**Guided learning hours:** 20

---

## Unit summary

All businesses need to raise capital to expand and improve their financial position. For both large and small businesses, finding the right funding model is vitally important. Without capital, a business cannot buy products or materials, pay wages, have a secure cash flow and make a profit.

In this unit you will learn how businesses raise finance to fund their activities and how they make use of decision making tools to help them select the correct course of action when dealing with financial matters. You will explore investment and investment appraisal and the factors that influence decisions as well as those that can constrain a business' ability to raise finance.

The unit will also help you understand why businesses need financial resources and you will use calculations to provide information on the cost of activities and overheads. You will then assess a range of options for delivering business objectives against agreed criteria. This will give you the necessary information to produce a comprehensive business case for financial resources.

The final part of the unit concentrates on how to obtain the necessary financial resources. You will explore the selection process for sources of finance based on its terms, risks and other business factors. You will then need to agree a contract that specifies amounts, interest, payback terms, timescales and any other agreement that may affect the business

## Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

| Learning outcomes   | Assessment criteria  |
|---|--|
| <p>1 Understand methods of raising finance</p>                | <p>1.1 Evaluate a range of methods of raising finance</p> <p>1.2 Evaluate the application of decision making techniques and tools</p> <p>1.3 Analyse the requirements of, and influences on, investment appraisal</p> <p>1.4 Analyse the constraints on raising finance</p> <p>1.5 Evaluate the factors which influence an organisation's capability to raise finance</p>  |
| <p>2 Be able to identify the need for financial resources</p> | <p>2.1 Calculate the cost of activities and overheads needed to deliver the business strategy and objectives</p> <p>2.2 Assess a range of options for delivering business objectives against agreed criteria</p> <p>2.3 Prepare a business case for financial resources including objectives, benefits, proposed methods, timescales, costs, assumptions, risks, contingency plans and evaluation arrangements</p> <p>2.4 Take action to obtain support for the business case from relevant stakeholders</p> |
| <p>3 Be able to obtain financial resources</p>                | <p>3.1 Select a source of finance based on its terms, risks, and other relevant business factors</p> <p>3.2 Agree a contract that specifies amounts, interest, payback terms, timescales and any other agreement that may affect the organisation</p>  |

## Unit amplification

---

### **AC1.1: Evaluate a range of methods of raising finance**

- *Methods of raising finance:* savings of owner; borrowing from families and friends; selling shares; unsecured loans; secured loans; overdraft; government grants; private funds; venture capital; leasing; hire purchase; trade credit

### **AC1.2: Evaluate the application of decision making techniques and tools**

- *Financial decision making techniques and tools:* e.g. the use of cost benefit analysis; return on investment; breakeven; cash flow forecasting; the balanced scorecard

### **AC1.3: Analyse the requirements of, and influences on, investment appraisal**

- *Requirements and considerations when using investment appraisal:* e.g. total cost of investment; funds for the investment; forecast of when the investment will start to yield returns; payback time; expected profits from the investment; reasonableness of forecasts for spending; investment yield forecast versus the investment yield returns elsewhere
- *Influences on investment appraisal:* e.g. current and future legislation; industry standards and good practice; relationships with suppliers and customers; business reputation; strengthening of management systems; anticipation of future threats

### **AC1.4: Analyse the constraints on raising finance**

- *Financial constraints:* e.g. paying dividends; having a credit rating; results of indices e.g. as Kaplan-Zingales, Whited-Wu, Hadlock-Pierce; competition between financial intermediaries; wealth of owner

### **AC1.5: Evaluate the factors which influence an organisation's capability to raise finance**

- *Influencing factors:* e.g. business history; business plans; credit history; credit score; equity; net worth vs. risk

## Information for tutors

---

### Suggested resources

#### Books

Brealey, A., Myers, S. and Allen, F. – *Principles of Corporate Finance, Global edition* (11th edition) (McGraw-Hill, 2014) ISBN: 9780077151560

Drury C – *Management Accounting for Business* (4th Edition) (Cengage Learning EMEA, 2009) ISBN 9781408017715

Pike, R – *Corporate Finance and Investment: decisions and strategies*, (7th edition) (Pearson Financial Times, 2012) ISBN 9780273763468

#### Websites

[www.economist.com](http://www.economist.com) – The Economist: information on all aspects of finance, business and the economy

[www.ft.com/home/uk](http://www.ft.com/home/uk) – Financial Times (Subscription required): information on all corporate finance topics

#### Other

*Management Accounting Quarterly*, The Association of Accountants and Financial journal

*Management Today*, Haymarket Business Media, journal has articles on a wide range of financial management

*Professionals in Business*, journal has articles on finance related subjects including the raising of finance and investment appraisal

*Strategic Finance*, Institute of Management Accountants, journal has articles on the strategic aspects of financial management

### Assessment

To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria and the requirements of the Assessment Strategy.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meets the assessment criteria, centres should apply the Unit Assessment Guidance provided and the requirements of the Assessment Strategy given below.

Wherever possible, centres should adopt a holistic approach to assessing the units in the qualification. This gives the assessment process greater rigour and minimises repetition, time and the burden of assessment on all parties involved in the process.

## Unit assessment requirements

This unit must be assessed in the workplace in accordance with Skills CFA Business Administration, Customer Service and Management and Leadership Assessment Strategy in *Annexe A*. Simulation is not allowed for this unit. All evidence of occupational competence should be generated through performance under workplace conditions; this includes evidence of achievement for knowledge-based learning outcomes and associated assessment criteria.

## Unit assessment guidance

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the requirements. Centres can adapt the guidance as appropriate for learners and the particular assessment context.

The main source of evidence for all assessment criteria in learning outcome 1 can be through evidence emerging from work products such as formal reports, emails and letters associated with the raising of finance. For example, for AC 1.4 the learner could produce an analytical report for other senior managers on the constraints on raising finance within their organisation which can be supplemented with a professional discussion and/or reflective account. Reflective accounts will allow the learner to interact with the concepts involved in the methods of raising finance in an organisation. If reflective accounts are used as supplementary evidence learners should indicate how this knowledge and understanding impact on their current work practices or past experiences. Learners should also consider how they could potentially use this knowledge and understanding in their job role to improve future practice.

For learning outcome 2 and 3 it is likely that the evidence will be gathered by the assessor on more than one occasion. Appropriate assessment methods include examining products of the learner's work – for example, files, meeting, notes, correspondence, reports etc. and/or using the testimony of other people such as colleagues and managers. There should be sufficient evidence over time to ensure that the learner has met all the requirements. For example for AC 2.2, the learners could give a presentation or a formal report to other managers on an assessment of a range of options for delivering the objectives of their business against agreed criteria supplemented with a reflective account on the topic. It may be possible dependent on the nature of the learner's job that a full report to the board or senior managers can be made which covers the identification of need and the obtaining of financial resources for their respective organisations. This would cover both learning outcome 2 and 3 but learners should ensure that the work product or products used include evidence for all the assessment criteria in both learning outcomes. Professional discussion could be used to corroborate the competence of the learner for both learning outcome 2 and 3.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.



# **Unit 9: Lead the Development of a Knowledge Management Strategy**

**Unit reference number: D/506/2959**

**Level: 7**

**Credit value: 7**

**Guided learning hours: 33**

---

## **Unit summary**

In this unit you will learn that knowledge management is a way of organising a businesses' information and knowledge. An organisation needs to gather, organise, share and analyse its knowledge in terms of resources, documents, and people skills. Advances in technology and the way we access and share information have resulted in many organisations now having some kind of knowledge management framework in place.

In the first part of the unit you will examine the principles underpinning knowledge management. You will analyse the value of knowledge management, the various models, the importance of staff, knowledge management as a strategic asset, differing approaches, push and pull strategies and the use of technology in knowledge management.

The second part of the unit will show you how to develop a knowledge management strategy. You will gain an understanding of the scope of knowledge management, the identification of business critical knowledge and the specification of standards. The final part of the unit will show you how to promote knowledge management by means of ensuring managers act as knowledge management role models and the importance of communication media to sell the benefits of knowledge management.

## Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

| Learning outcomes  | Assessment criteria  |
|--|--|
| <p>1 Understand the principles underpinning knowledge management</p> | <p>1.1 Analyse the value of knowledge management</p> <p>1.2 Evaluate the advantages and disadvantages of a range of models of knowledge management</p> <p>1.3 Assess the role of staff in the development of a knowledge management strategy</p> <p>1.4 Assess the nature of knowledge management as a strategic asset</p> <p>1.5 Characterise different knowledge management approaches and schools of thought</p> <p>1.6 Analyse different frameworks and dimensions of knowledge management and the use and implications of push and pull strategies</p> <p>1.7 Analyse the use of technology to manage knowledge</p> |
| <p>2 Be able to develop a knowledge management strategy</p>          | <p>2.1 Identify the scope for the creation, development, sharing and transfer of knowledge</p> <p>2.2 Take action to ensure the strategy identifies business-critical knowledge, facilitates the creation, maintenance and sharing of knowledge and addresses hindrances and risks</p> <p>2.3 Take action to ensure the strategy provides a framework for addressing business-critical needs and addresses all aspects of an organisation's environment</p> <p>2.4 Specify standards, processes and protocols that support knowledge creation, sharing and protection</p>  |

| Learning outcomes                         | Assessment criteria  |
|---|--|
| 3 Be able to manage knowledge             | 3.1 Implement systems and procedures that protect intellectual property from unauthorised use<br>3.2 Evaluate the capability and capacity of existing information, knowledge and communications systems to meet current and predicted needs<br>3.3 Select technologies and suppliers that are capable of meeting current and likely future information, knowledge and communications needs within required security and resource constraints |
| 4 Be able to promote knowledge management | 4.1 Encourage managers to act as knowledge management role models<br>4.2 Use communications media that are appropriate to the nature of the organisation   |

### **AC1.1: Analyse the value of knowledge management**

- *Knowledge management*: definitions based on different perspectives, e.g. business, intellectual, process-technology; key concepts, e.g. types of knowledge, knowledge taxonomy, intellectual capital; best practice principles, e.g. knowledge audit, value-benefit analysis, risk reduction techniques
- *Value of knowledge management*: e.g. reduces duplication; produces a baseline for progress measurement; reduces the burden on expert attrition; makes visual thinking tangible; manages effectively large volumes of information; helps employees serve their clients better and faster; helps business focus on human capital; supports risk management; better efficiency; cost reduction; links with social media

### **AC1.2: Evaluate the advantages and disadvantages of a range of models of knowledge management**

- *Theorists*: e.g. Van Krogh and Roos' Model of Organisational Epistemology; Nonaka and Takeuchi's SECI Model; Choo's Sense-Making Model; Wiig's Model for Building and Using Knowledge; Boisot's Knowledge Category Model/I-Space Model; Frid's Framework for Enterprise Knowledge Management

### **AC1.3: Assess the role of staff in the development of a knowledge management strategy**

- *Staff involved in knowledge management*: e.g. knowledge management project team; knowledge manager; project manager; technology co-ordinator; moderator; knowledge broker; wider organisational staff
- *Role of staff*: e.g. intranet and extranet development; database management; training; collaborative working

### **AC1.4: Assess the nature of knowledge management as a strategic asset**

- *Knowledge management as a strategic asset*: e.g. competitive advantage; fosters innovation and creativity; knowledge assets adding value to knowledge products; discovery and release of tacit knowledge; creation of a learning organisation; improves staff retention; economies of scale; broad business boundaries; focus on people and learning

**AC1.5: Characterise different knowledge management approaches and schools of thought**

- *Approaches and schools of thought:* e.g. mechanistic, e.g. application of technology to all knowledge; cultural/behaviouristic, e.g. process and change management, innovation and creativity to manage knowledge; systematic, e.g. rational, systematic, accurate analysis and dissemination of knowledge; core competencies approach, e.g. human capital, organisational/sector specific knowledge

**AC1.6: Analyse different frameworks and dimensions of knowledge management and the use and implications of push and pull strategies**

- *Frameworks of knowledge management: e.g.*
  - o Bukowitz and Williams' The Knowledge Management Process Framework
  - o Gamble and Blackwell's The Knowledge Management Matrix
  - o Botha et al's The Knowledge Management Process Model
- *Dimensions of knowledge management:* e.g. knowledge management strategy; management and leadership; technology; organisational processes
- *Use and implications of push and pull strategies:* e.g. search filters; push tools; navigation; semantic metadata; usage statistics; ontology

**AC1.7: Analyse the use of technology to manage knowledge**

- *Technology used to manage knowledge:* e.g. collaborative workspaces; knowledge portals; meta knowledge bases; knowledge profiles; urgent requests; document libraries; knowledge servers and services
- *Considerations:* e.g. cross-platform accessibility; flexibility; language differences; access control; search and retrieval

## Information for tutors

---

### Suggested resources

#### Books

Chaffey, D, White, G – *Business Information Management* (Prentice Hall, 2011) ISBN 9780273711797

Newell, S, Robinson, M, Scarborough, H, Swan, J – *Managing Knowledge, Work and Innovation* (2nd edition) (Palgrave Macmillan, 2010) ISBN 9780230522015

#### Websites

[www.ejkm.com](http://www.ejkm.com) – The Electronic Journal of Knowledge Management aims to publish perspectives on topics relevant to the study, implementation and management of knowledge management

[www.knowledge-management-tools.net](http://www.knowledge-management-tools.net) – Knowledge Management educational information

#### Journals

*Journal of Knowledge Management*, has numerous articles on knowledge management issues

*Harvard Business Review*, has reports and interesting features on the latest developments in knowledge management

### Assessment

To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria and the requirements of the Assessment Strategy.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meets the assessment criteria, centres should apply the Unit Assessment Guidance provided and the requirements of the Assessment Strategy given below.

Wherever possible, centres should adopt a holistic approach to assessing the units in the qualification. This gives the assessment process greater rigour and minimises repetition, time and the burden of assessment on all parties involved in the process.

#### Unit assessment requirements

This unit must be assessed in the workplace in accordance with Skills CFA Business Administration, Customer Service and Management and Leadership Assessment Strategy in *Annexe A*. Simulation is not allowed for this unit. All evidence of occupational competence should be generated through performance under workplace conditions; this includes evidence of achievement for knowledge-based learning outcomes and associated assessment criteria.

## Unit assessment guidance

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the requirements. Centres can adapt the guidance as appropriate for learners and the particular assessment context.

The main source of evidence for all assessment criteria in learning outcome 1 could be through reflective accounts, which will allow the learner to interact with the concepts involved in understanding the principles underpinning knowledge management. If reflective accounts are used as evidence, learners should indicate how this knowledge and understanding impacts on their current work practices or past experiences. Learners should also consider how they could potentially use this knowledge and understanding in their job role to improve future practice. If the learner's role permits, it may be possible to use evidence emerging from work products such as formal reports, emails and letters associated with leading the development of a knowledge management strategy. For example, for AC 1.4 the learner could produce a report for other senior managers assessing the nature of knowledge management as a strategic asset within their respective organisations which can be supplemented with a professional discussion and/or reflective account.

For learning outcomes 2, 3 and 4 it is likely that the evidence will be gathered by the assessor on more than one occasion. Appropriate assessment methods include examining products of the learner's work – for example, files, meeting, notes, correspondence, reports etc. and/or using the testimony of other people such as colleagues and managers. There should be sufficient evidence over time to ensure that the learner has met all the requirements. For example for AC 3.2, the learners could give a presentation or a formal report to other managers evaluating the capability and capacity of existing information, knowledge and communications systems to meet current and predicted needs within their organisations supplemented with a reflective account on the topic. It may be possible dependent on the nature of the learner's job that a full report to the board or senior managers could be made, which covers how to develop, manage and promote knowledge management within respective organisations. This would cover all three remaining learning outcomes. Professional discussion could be used to corroborate the competence of the learner for learning outcome 2, 3 and 4.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.

# Unit 10: Lead the Development of a Quality Strategy

**Unit reference number:** J/506/2101

**Level:** 7

**Credit value:** 4

**Guided learning hours:** 20

---

## Unit summary

In this unit you will learn about the role of leading the development of a quality strategy. The unit will emphasise the importance of effective quality management within an organisation, focusing on strategic level activities. A quality strategy deals with determining and improving the quality of the operations, products and services in an organisation. It enables organisations to keep up with and meet current quality levels and customer needs and expectations.

Managers working at a strategic level need to be able to see how quality management aligns to and supports the achievement of aims and objectives. Managers need to ensure effective systems are in place, evaluating the effectiveness of existing systems in meeting the organisation's strategic management objectives

The first part of the unit will give you an understanding of the principles underpinning the development of a quality strategy which includes the scope of quality, differing aspects and approaches, principles and standards. The second part of the unit builds on the latter and will allow you to develop a quality strategy which will require the devising of a strategy, specifying standards and evaluating the use of technology to manage quality.

The final part of the unit will allow you to manage quality which will include the implementation of systems and procedures, an evaluation of the capability and capacity of monitoring standards and the selection of technologies and suppliers



## Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

| Learning outcomes   | Assessment criteria  |
|---|--|
| <p>1 Understand the principles underpinning the development of a quality strategy</p> | <p>1.1 Define the scope of quality</p> <p>1.2 Distinguish between quality management, quality assurance, quality control and quality improvement</p> <p>1.3 Evaluate a range of approaches to quality management and the principles on which they are built</p> <p>1.4 Analyse the development of quality management principles</p> <p>1.5 Evaluate the requirements of a range of quality standards</p> |
| <p>2 Be able to develop a quality strategy</p>  | <p>2.1 Identify the scope of a quality strategy</p> <p>2.2 Devise a strategy that is capable of assuring and controlling the quality of work to agreed standards</p> <p>2.3 Specify standards, processes and protocols that support the maintenance of quality standards</p> <p>2.4 Evaluate the use of technology to manage quality for different purposes</p>  |
| <p>3 Be able to manage quality</p>  | <p>3.1 Implement systems and procedures that are capable of monitoring quality standards</p> <p>3.2 Evaluate the capability and capacity of systems to meet current and predicted quality needs</p> <p>3.3 Select technologies and suppliers that are capable of meeting current and likely future quality needs within constraints</p>  |

### **AC1.1: Define the scope of quality**

- *Scope of quality:* concepts of quality, e.g. conformance to requirements (Phillip B Crosby); fitness for use (Joseph M Juran); uniformity and dependability with a quality standard (W. Edwards Deming); excellence in goods and services (ASQ) degree to which performance meets expectations; features, e.g. strategic planning and leadership, customer focus, fact-based management, continuous improvement, continual improvement, teamwork and participation, technical specifications, quality standards, grade or excellence of materials, functionality of product features, safety regulations, security issues, environmental considerations

### **AC1.2: Distinguish between quality management, quality assurance, quality control and quality improvement**

- *Quality management:* e.g. organisation-wide approach, answering customers' needs, consistency of delivery, accurate solutions within budget, on time and with the minimum loss to society
- *Quality assurance:* e.g. procedures to ensure product or service meets requirements, maintenance of a desired level of quality, ensuring a product or service satisfies customers
- *Quality control:* e.g. procedure or set of procedures to ensure product or performed service adheres to a defined set of quality criteria, meeting the requirements of the customer, links with quality assurance
- *Quality improvement:* e.g. products, services, processes; systematic approach to reduction or elimination of waste, rework, and losses in production process

### **AC1.3: Evaluate a range of approaches to quality management and the principles on which they are built**

- *Approaches to quality management:* W. Edwards Deming 14 points approach; Joseph M. Juran Quality Trilogy; Malcolm Baldrige; Six Sigma; Continuous Quality Improvement (CQI); Total Quality Management (TQM) etc.
- *Principles of quality management:* transcendent approach; product based approach; user based approach; manufacturing based approach; value based approach

### **AC1.4: Analyse the development of quality management principles**

- *The eight quality management principles:* customer focus; leadership; involvement of people; process approach; system approach to management; continual improvement; factual approach to decision making; mutually beneficial supplier relations

**AC1.5: Evaluate the requirements of a range of quality standards**

- *Quality standards:* e.g. International Standards ISO9000 series, e.g. ISO 9001 Quality Management; British Standards Institute (BSI) BS5750; Investors in People; CE marking; Royal warrants
- *Analysis to include:* purpose, requirements, application and benefits in business operations

## Information for tutors

---

### Suggested resources

#### Books

Beckford, J – *Quality: A Critical Introduction*, 3rd Edition (Routledge, 2009)  
ISBN 9780415996358

#### Websites

[www.efqm.org](http://www.efqm.org) – European Federation of Quality Management – copies of the EFQM model and reports on quality management

[www.iso.ch](http://www.iso.ch) – International Organisation for Standardisation - copies of ISO standards

[www.quality-foundation.co.uk](http://www.quality-foundation.co.uk) – British Quality Foundation. Reports and articles on quality management

#### Others

*Management Today*, Haymarket Media Group Ltd. has articles on management topics including strategic quality management

*Production, Planning and Control*, Taylor and Francis, has information on quality management strategies

*The TQM Magazine*, Emerald, has articles on quality strategies

### Assessment

To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria and the requirements of the Assessment Strategy.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meets the assessment criteria, centres should apply the Unit Assessment Guidance provided and the requirements of the Assessment Strategy given below.

Wherever possible, centres should adopt a holistic approach to assessing the units in the qualification. This gives the assessment process greater rigour and minimises repetition, time and the burden of assessment on all parties involved in the process.

#### Unit assessment requirements

This unit must be assessed in the workplace in accordance with Skills CFA Business Administration, Customer Service and Management and Leadership Assessment Strategy in *Annexe A*. Simulation is not allowed for this unit. All evidence of occupational competence should be generated through performance under workplace conditions; this includes evidence of achievement for knowledge-based learning outcomes and associated assessment criteria.

## Unit assessment guidance

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the requirements. Centres can adapt the guidance as appropriate for learners and the particular assessment context.

The main source of evidence for all assessment criteria in learning outcome 1 could be through reflective accounts, which allow the learner to interact with the concepts involved in understanding the principles underpinning the development of a quality strategy in an organisation. If reflective accounts are used as evidence, learners should indicate how this knowledge and understanding impact on their current work practices or past experiences. Learners should also consider how they could potentially use this knowledge and understanding in their job role to improve future practice. If the learner's role permits, they could use evidence emerging from work products such as formal reports, emails and letters associated with understanding the principles underpinning the development of a quality strategy. For example, for AC 1.4 the learner could produce an analytical report for other senior managers on the development of quality management principles within their organisation which can be supplemented with a professional discussion and/or reflective account.

For learning outcome 2 and 3 it is likely that the evidence will be gathered by the assessor on more than one occasion. Appropriate assessment methods include examining products of the learner's work, for example, files, meeting, notes, correspondence, reports etc. and/or using the testimony of other people such as colleagues and managers. There should be sufficient evidence over time to ensure that the learner has met all the requirements. For example for AC 2.4 the learners could give a presentation or a formal report to other managers evaluating the use of technology to manage quality for different purposes supplemented with a reflective account on the topic. It may be possible dependent on the nature of the learner's job that a full report to the board or senior managers could be made, which covers the development of a quality strategy and how quality can be managed within their respective organisations. This would cover both learning outcome 2 and learning outcome 3 but learners should ensure that the work product or products used include evidence for all the assessment criteria in both learning outcomes. Professional discussion could be used to corroborate the competence of the learner for both learning outcome 2 and 3.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.

# **Unit 11: Lead the Development of a Continuous Improvement Strategy**

**Unit reference number: F/506/2114**

**Level: 7**

**Credit value: 5**

**Guided learning hours: 28**

---

## **Unit summary**

In this unit you will learn that continuous improvement is an ongoing effort to improve products, services or processes. These efforts can seek incremental improvement over time or breakthrough improvement all at once. Continual improvement should also lead to better results such as price, cost, productivity, time to market, delivery, responsiveness, profit and customer and employee satisfaction.

The first part of the unit will focus on the principles underpinning the development of a continuous improvement strategy including the relationship of continuous improvement with other systems, the difference between continuous and continual improvement, the evaluation of approaches, staff involvement and how continuous improvement can be developed in an organisation.

The second part of the unit concentrates on how a continuous improvement strategy can be developed including the scope of continuous improvement, the evaluation of performance, measurement criteria, information collection systems and the creation of an improvement culture.

The final part of the unit focuses on the management of continuous improvement by making use of measurement systems, benchmarking, knowledge management and improvement strategies which align with objectives.

## Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

| Learning outcomes  | Assessment criteria   |
|--|---|
| <p>1 Understand the principles underpinning the development of a continuous improvement strategy</p> | <p>1.1 Define the scope of continuous improvement and its relationship with other systems</p> <p>1.2 Distinguish between continuous and continual improvement</p> <p>1.3 Evaluate a range of approaches to continuous improvement and the principles on which they are built</p> <p>1.4 Evaluate the implications of staff involvement in continuous improvement</p> <p>1.5 Analyse the development of continuous improvement</p>                                 |
| <p>2 Be able to develop a continuous improvement strategy</p>  | <p>2.1 Identify the scope of a continuous improvement strategy</p> <p>2.2 Devise a strategy that is capable of evaluating business performance and identifying areas that could be improved</p> <p>2.3 Establish valid measures for evaluating business performance</p> <p>2.4 Establish systems for collecting and assessing information on business performance</p> <p>2.5 Foster a culture where people are encouraged to make suggestions for improvement</p> |
| <p>3 Be able to manage continuous improvement</p>  | <p>3.1 Implement systems and procedures that are capable of measuring business performance</p> <p>3.2 Benchmark performance against historical data, other comparable organisations</p> <p>3.3 Take action to ensure that knowledge and understanding is fed into the knowledge management system</p> <p>3.4 Take action to ensure that improvements made align with business objectives and values</p>   |

## Unit amplification

---

### **AC1.1: Define the scope of continuous improvement and its relationship with other systems**

- *Continuous improvements:* definition and purpose (systematic incremental changes in processes, Kaizen, improvement in efficiency and quality); types of improvements (gradual, incremental, breakthrough); tools, e.g. Deming plan-do-check-act (PDCA) cycle, root cause analysis (Ishikawa fishbone diagram); pareto analysis; force field diagram; enabling factors, e.g. management and leadership, communications, resources, organisational structure and culture, people and processes, commitment, reward and recognition; responsibility and organisation (all levels of organisation, all employees, cross-functional teams, steering group)
- *Relationship with other systems:* total quality management (TQM); quality assurance; lean systems; Six Sigma; ISO; Investors in People; benchmarking

### **AC1.2: Distinguish between continuous and continual improvement**

- *Continual improvement:* W. Edwards Deming, i.e. general processes of improvement, discontinuous function or systematic improvements, e.g. organisational re-engineering; incremental and discontinuous innovative improvements; process of improvement vs. nature of improvements
- *Continuous improvement:* focus on constant linear and incremental improvement within existing processes; subset of continual improvement

### **AC1.3: Evaluate a range of approaches to continuous improvement and the principles on which they are built**

- *Approaches to continuous improvement:* e.g. Kaizen; Deming's Cycle; Six Sigma; Lean, Yamazumi chart; Total Quality Management (TQM)

### **AC1.4: Evaluate the implications of staff involvement in continuous improvement**

- *Continuous improvement and staff involvement:* e.g. people having an impact on decisions and actions; accountability and responsibility; implication of leadership styles e.g. Tannenbaum and Schmidt continuum; manufacturing cells; time, cost, productivity etc.

### **AC1.5: Analyse the development of continuous improvement**

- *Development of continuous improvement:* stages/process, e.g. establishing an improvement cycle; adopting an improvement process; factors to consider, e.g. culture change process; establish long-term direction to quality improvement; change attitudes, new organisational structures, Management Information Systems (MIS); knowledge management; staff empowerment; career development; recognition; quality improvement projects



## Information for tutors

---

### Suggested resources

#### Books

Beckford, J – *Quality: A Critical Introduction* (3rd Edition) (Routledge, 2009)  
ISBN 9780415996358

Burnes, B – *Managing Change* (5th Edition) (Financial Times/Prentice Hall, 2009)  
ISBN 9780273711742

Plenert G – *Strategic Continuous Process Improvement* (McGraw-Hill Professional, 2012) ISBN 9780071767187

#### Websites

[www.efqm.org](http://www.efqm.org) – European Federation of Quality Management – copies of the EFQM model and reports on quality management

[hbswk.hbs.edu](http://hbswk.hbs.edu) – Harvard Business School Working Knowledge – management practice research

#### Journals

*Management Today*, Haymarket Media Group Ltd. has articles on management topics including continuous improvement

*Production, Planning and Control*, Taylor and Francis, has information on continuous improvement strategies

The *TQM Magazine*, Emerald, has articles on continuous improvement

### Assessment

To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria and the requirements of the Assessment Strategy.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meets the assessment criteria, centres should apply the Unit Assessment Guidance provided and the requirements of the Assessment Strategy given below.

Wherever possible, centres should adopt a holistic approach to assessing the units in the qualification. This gives the assessment process greater rigour and minimises repetition, time and the burden of assessment on all parties involved in the process.

#### Unit assessment requirements

This unit must be assessed in the workplace in accordance with Skills CFA Business Administration, Customer Service and Management and Leadership Assessment Strategy in *Annexe A*. Simulation is not allowed for this unit. All evidence of occupational competence should be generated through performance under workplace conditions; this includes evidence of achievement for knowledge-based learning outcomes and associated assessment criteria.

## Unit assessment guidance

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the requirements. Centres can adapt the guidance as appropriate for learners and the particular assessment context.

The main source of evidence for all assessment criteria in learning outcome 1 can be through reflective accounts supported by professional discussion to examine the learner's understanding in detail. Reflective accounts will allow the learner to interact with the concepts involved in understanding organisational culture and values. If reflective accounts are used, learners should indicate how this knowledge and understanding impacts on their current work practices or past experiences. Learners should also consider how they could potentially use this knowledge and understanding in their job role to improve future practice. There may be the opportunity for work products to be used as evidence if the learner's role allows. For example, for AC 1.4 the learner could produce an evaluative report for other senior managers on the implications of staff involvement in continuous improvement within their organisations.

For learning outcome 2 and learning outcome 3 appropriate assessment methods include examining products of the learner's work, for example; files, meeting notes, correspondence, reports etc. and/or using the testimony of other people such as colleagues and managers. For example for AC 2.2, the learners could give a presentation or a formal report to other managers on how they have devised a strategy that is capable of evaluating business performance and identifying areas that could be improved. This evidence can be supplemented with a reflective account. It may be possible dependent on the nature of the learner's job that a full report to the board or senior managers could be made, which covers comprehensively how they have developed and managed continuous improvement. Professional discussion could be used to corroborate the competence of the learner for learning outcome 2 and learning outcome 3.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.

# **Unit 12: Establish Business Risk Management Processes**

**Unit reference number: J/506/2048**

**Level: 5**

**Credit value: 5**

**Guided learning hours: 29**

---

## **Unit summary**

Business activity carries with it associated risks and uncertainties. Risk can arise internally from decisions such as how to grow a business or it may arise externally from changes in the technical environment. As risks pose a threat to a business, risk-management techniques are developed and applied to anticipate and control risks, minimising and managing risk allows operational continuity, ensuring that the business can better achieve its objectives.

Learners will gain understanding of, and be able to apply, techniques to identify the potential risks that affect a business. Learners will learn how to anticipate the likelihood and consequences of events that carry risks. They will also learn how to develop business risk-management processes and integrate them into standard operations, and learn about the need to monitor and evaluate the risk for change.

## Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

| Learning outcomes   | Assessment criteria  |
|---|--|
| <p>1. Understand business risk-management models and techniques</p> | <p>1.1 Analyse standards relating to the management of business risk</p> <p>1.2 Analyse the factors influencing different types of risk</p> <p>1.3 Evaluate the relationship between risk management, business continuity and crisis management</p> <p>1.4 Evaluate a range of scenario planning and crisis management models</p> <p>1.5 Analyse methods of calculating risk probability</p> <p>1.6 Analyse the effectiveness of a range of risk monitoring techniques</p> <p>1.7 Analyse the significance of risk governance structures and ownership</p>   |
| <p>2. Be able to develop business risk-management processes</p>     | <p>2.1 Review periodically the effectiveness of risk-management strategy, policy and criteria</p> <p>2.2 Take action to ensure that risk profiles remain current and relevant</p> <p>2.3 Develop viable and affordable risk management processes that are consistent with business needs and the degree of potential impact of the risk</p> <p>2.4 Develop contingency and business disruption processes that are commensurate with the degree of risk to business as usual and organisational reputation</p> <p>2.5 Take action to ensure that risk management processes are integrated into operational plans and activities</p> |

| Learning outcomes   | Assessment criteria  |
|---|--|
| <p>3. Be able to evaluate the effectiveness of business risk management processes</p> | <p>3.1 Appraise the suitability of a range of risk evaluation techniques to business risk management</p> <p>3.2 Evaluate risk using valid quantitative and qualitative information</p> <p>3.3 Identify areas for improvement in identifying and managing risk</p> <p>3.4 Encourage a culture that accepts and manages risk</p> |

### **AC 1.1 Analyse standards relating to the management of business risk**

- *Business risk management:* identifying risks; assessing potential impact of risks; managing risks
- Standards relating to the management of business risk: business risk-management standards, e.g. ISO 31000:2009 – Principles and Guidelines on Implementation, ISO/IEC 31010:2009 – Risk Management – Risk Assessment Techniques, business risk-management frameworks, e.g. risk maturity model, Committee of Sponsoring Organizations of the Treadway Commission (COSO), International Risk Governance Council (IRGC) Risk Governance Framework

### **AC 1.2 Analyse the factors influencing different types of risk**

- *Types of risk:* to include operational, financial, hazard and strategic
- *Factors influencing risk:*
  - o operational, e.g. product/service quality, customer perceptions, system robustness
  - o financial, e.g. level of working capital, financial stability
  - o hazard, e.g. legal liabilities, natural disasters
  - o strategic, e.g. capital requirement, competition environment, technical change

### **AC 1.3 Evaluate the relationship between risk management, business continuity and crisis management**

- *Risk management:* to include business context, risk identification, quantifying risks, potential impacts of risks, risk rating, risk control, and monitoring the risk environment
- *Business continuity:* identifying business critical activities; specific risks to business critical activities; maintaining business critical activities when risk occurs; recovering business critical activities; integrating business continuity plan with risk management plan
- *Crisis management:* identifying potential crisis events; nature of the crisis; responding to the crisis; integrating crisis management plans with risk management plans

**AC 1.4 Evaluate a range of scenario planning and crisis management models**

- *Scenario planning*: isolating the matter for analysis; scenario assumptions; creating scenarios and simulations; risk mapping; view alternative futures; scenario outcomes; implications for business strategy and operations
- *Crisis management*: crisis management model (diagnosis, containment, business recovery, implementation of change); management responses to crises, e.g. Perrier Water benzene contamination, BP Deepwater Horizon oil spill

**AC 1.5 Analyse methods of calculating risk probability**

- *Calculating risk probability*: statistical measures of probability; establishing probability of a risk occurring; cost of a risk = (probability of a risk event happening) x (expected cost/loss when the risk event happens); using risk probabilities to manage risk

**AC 1.6 Analyse the effectiveness of a range of risk-monitoring techniques**

- *Risk monitoring*:
  - o techniques; purpose; risk audits; risk reviews; risk re-assessment; risk register update
  - o the *effectiveness of techniques*, e.g. *identification, responses, controls*

**AC 1.7 Analyse the significance of risk governance structures and ownership**

- *Risk governance*: risk-management strategy and policies
- *Structures for*:
  - o management and control of risk
  - o integrity of risk management framework
  - o quality assurance
- *Ownership*: approaches by owners to risk management; moral hazard; impact of risk-management framework on owners

## Information for tutors

---

### Suggested resources

#### Books

Crouhy M, Galai D and Mark R – *The Essentials of Risk Management: The Definitive Guide for the Non-risk Professional* (McGraw-Hill Professional, 2006)

ISBN 9780071429665

Hopkin P – *Fundamentals of Risk Management: Understanding, Evaluating and Implementing Effective Risk Management*, 2nd edition (Kogan Page, 2012)

ISBN 9780749465391

#### Websites

[www.gov.uk](http://www.gov.uk) – HM Government portal, a business continuity toolkit

[www.irgc.org](http://www.irgc.org) – The International Risk Governance Council, a risk governance framework

[www.managementhelp.org](http://www.managementhelp.org) – The Free Management Library, information on risk-management topics

#### Podcasts

The Bottom Line Podcasts and Downloads chaired by Evan Davies and Stephanie Flanders. The podcasts bring together practitioners to discuss current business matters. Many podcasts touch on topics relevant to the unit, for example the podcast on futurology for business considers aspects of risk. They can be searched through and downloaded from [www.bbc.co.uk/podcasts/series/bottomline/all](http://www.bbc.co.uk/podcasts/series/bottomline/all)

#### Journal

*Risk Management* (Palgrave Macmillan Journals) – has articles on risk management.

### Assessment

To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria and the requirements of the Assessment Strategy.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meets the assessment criteria, centres should apply the Unit Assessment Guidance provided and the requirements of the Assessment Strategy given below.

Wherever possible, centres should adopt a holistic approach to assessing the units in the qualification. This gives the assessment process greater rigour and minimises repetition, time and the burden of assessment on all parties involved in the process.



## Unit assessment requirements

This unit must be assessed in the workplace in accordance with the Skills CFA Assessment Strategy for Business Administration, Customer Service and Management and Leadership in *Annexe A*. Simulation is not allowed, all evidence of occupational competence should be generated through performance under workplace conditions; this includes evidence of achievement for knowledge-based learning outcomes and associated assessment criteria.

## Unit assessment guidance

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the requirements. Centres can adapt the guidance as appropriate for learners and the particular assessment context.

Sources of evidence for demonstrating achievement of learning outcome 1 could include work products, a log or reflective journal and witness statements. These sources of evidence should show clearly how and why the learner made their choices and decisions in relation to the 'business risk' management models and techniques used. Explanatory narratives could identify the learner's specific contributions. The learner should also maintain a log or reflective journal to reflect on the approach adopted for the practical aspect of this unit in learning outcomes 2 and 3, and any lessons learned from putting theory into practice.

For learning outcome 2, work products, such as an action or contingency plan, could evidence the achievement of AC 2.2, AC 2.3, AC 2.4 and AC 2.5, along with the use of a witness statement or a professional discussion. A log or reflective journal could be a source of evidence for demonstrating achievement of AC 2.1, AC 2.2 and AC 2.5, allowing the learner to reflect on the effectiveness of risk-management policies and strategies used, reviewed and how this had an impact on further action.

For learning outcome 3, work products could evidence achievement of all the assessment criteria. In addition, a reflective journal could demonstrate how the learner selected the range of data and information, the reason for their choice of techniques used and how a positive approach to risk management was encouraged. A professional discussion or a witness statement could evidence the achievement of AC 3.1, AC 3.2 and AC 3.4, allowing the learner to explain how to evaluate the effectiveness of business risk management processes.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.

# **Unit 13: Promote Equality of Opportunity, Diversity and Inclusion**

**Unit reference number: R/506/2053**

**Level: 5**

**Credit value: 5**

**Guided learning hours: 26**

---

## **Unit summary**

Businesses have a legal responsibility to comply with statutory and regulatory requirements in respect of equality in the workplace. Many businesses also want to demonstrate their commitment to best practices in respect of equality, diversity and inclusion in the workforce. By doing so, they show themselves to be socially and ethically responsible businesses that have a positive corporate reputation. Their aim is to create and promote a business culture that is positively oriented around equality, diversity and inclusion requirements, and in doing so promote a healthy working environment that can contribute towards achieving business objectives.

Learners will gain understanding of how to evaluate organisational strategies, policies and practices that address equality, diversity and inclusion. They will learn about the use of external benchmarks and quality standards and developing performance indicators against which business performance are measured. Learners will also understand how to collect and analyse data used to measure the effectiveness of equality, diversity and inclusion activities.

Learners will learn how to promote equality, diversity and inclusion policies and practices, using techniques such as communicating relevant requirements and implementing positive action programmes.

## Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

| Learning outcomes  | Assessment criteria   |
|--|---|
| <p>1. Understand the principles underpinning equality, diversity and inclusion in the workforce</p>  | <p>1.1 Analyse the development of equality, diversity and inclusion policies and practices in the workforce</p> <p>1.2 Evaluate the application of approaches to equal opportunities</p> <p>1.3 Evaluate the impact of equality, diversity and inclusion policy on workforce performance</p> <p>1.4 Evaluate methods of managing ethical conflicts</p> <p>1.5 Evaluate the business benefits of effective equality, diversity and inclusion policies and practices</p> <p>1.6 Evaluate the impact of equality, diversity and inclusion on organisational practices</p> <p>1.7 Evaluate the requirements of legislation, regulation and codes of practice affecting equality, diversity and inclusion in the workforce</p> |
| <p>2. Be able to evaluate organisational strategies, policies and practices which address equality, diversity and inclusion requirements</p> | <p>2.1 Identify the extent to which equality, diversity and inclusion strategies, policies and practices are fit for purpose</p> <p>2.2 Identify strengths and weaknesses by benchmarking organisational equality, diversity and inclusion policies and practices internally and externally</p> <p>2.3 Identify a range of areas for improvement in human resource practices, organisational systems, procedures and/or processes</p> <p>2.4 Appraise the basis for setting criteria to evaluate the effectiveness of equality, diversity and inclusion strategies, policies and practices</p>  |

| Learning outcomes   | Assessment criteria   |
|---|---|
| <p>3. Be able to promote equality, diversity and inclusion policies and practices</p> | <p>3.1 Devise a communications strategy and plan that covers everyone within their area of responsibility</p> <p>3.2 Use communication media that are appropriate to the nature and structure of the organisation when promoting equality, diversity and inclusion</p> <p>3.3 Take action to ensure that equality, diversity and inclusion policies and practices are embedded in business practices</p> <p>3.4 Promote a culture where actual and potential discrimination is challenged</p> <p>3.5 Take action to ensure that organisational procedures, culture and values reinforce good practices and encourage people to challenge discrimination</p> |

### **AC 1.1 Analyse the development of equality, diversity and inclusion policies and practices in the workforce**

- *Equality*: the Equality Act 2010, protection people from discrimination in specific situations, including the workplace and from discrimination through association
- *Protected characteristics*:
  - o age
  - o marital status including civil partnership
  - o pregnancy or having a child
  - o disability
  - o race including colour, nationality, ethnic or national origin
  - o religion, belief or lack of religion/belief
  - o sex
  - o transsexuality
- *Diversity*: recognising individuals' differences; respecting individuals' differences
- *Inclusion*: application of human rights principles of fairness, respect, equality, dignity, autonomy; business culture; business values; business environment

### **AC 1.2 Evaluate the application of approaches to equal opportunities**

- *Approaches to equal opportunities*: impact of equalities legislation to include the Equality Act 2010; legal and regulatory compliance responsible officers; equality policies; equality practices; monitoring; review; evaluation
- *Application*: recruitment; selection; promotion; tendering; procurement; customer relationships; stakeholder relationships

### **AC 1.3 Evaluate the impact of equality, diversity and inclusion policy on workforce performance**

- *Impact on workforce performance*: productivity; inter-personal relationships; team dynamics; workforce cohesion; commitment; motivation; community involvement

#### **AC 1.4 Evaluate methods of managing ethical conflicts**

- *Conflicts*: disputes based on unfair treatment, unequal opportunities, discrimination, harassment, bullying, grievance, discipline
- *Managing conflicts*: internally, e.g. negotiation (informal, formal); internal procedures, e.g. grievance, discipline; mediation; external procedures, e.g. arbitration to include industrial tribunal; judicial

#### **AC 1.5 Evaluate the business benefits of effective equality, diversity and inclusion policies and practices**

- *Business benefits*: range of expertise; quality of employees; productivity; profitability; team dynamics; workforce cohesion; commitment; motivation; community involvement; reputation

#### **AC 1.6 Evaluate the impact of equality, diversity and inclusion on organisational practices**

- *Impact of policies and practices*:
  - o equality – compliance with equality legislation; requirements of equality legislation are incorporated into policies and practices
  - o diversity – explicit diversity policy that recognises and respects individuals' differences
  - o inclusion – application of human rights principles of fairness, respect, equality, dignity, autonomy
  - o employee behaviour in respect of equality, diversity and inclusion
  - o monitoring, review and evaluation of equality, diversity and inclusion policies and practices; equality impact assessments

#### **AC 1.7 Evaluate the requirements of legislation, regulation and codes of practice affecting equality, diversity and inclusion in the workforce**

- Legislation and the need to be compliant with national law in respect of equality, diversity and inclusion
- Regulation and the need to be compliant with regulations (legal, professional, industry-specific) in respect of equality, diversity and inclusion
- Codes of practice and the need to be compliant with best practice codes and requirements in respect of equality, diversity and inclusion

## Information for tutors

---

### Suggested resources

#### Book

Rollinson D and Dundon T – *Employee Relations* (McGraw-Hill Higher Education, 2007) ISBN 9780077114862

#### Websites

[www.acas.org.uk](http://www.acas.org.uk)

Advisory, Conciliation and Arbitration Service (ACAS) – information on rights and responsibilities at work, good work practices, and disputes and problems at work

[www.cipd.co.uk](http://www.cipd.co.uk)

Chartered Institute of Personnel and Development – information on diversity in the workplace. An online account needs to be set up to view the information

[www.equalityhumanrights.com](http://www.equalityhumanrights.com)

Equality and Human Rights Commission – information on the Equality Act 2010 and equality issues relevant to businesses

[www.hse.gov.uk](http://www.hse.gov.uk)

Health and Safety Executive – information on diversity

#### Journal

*Employee Relations* (Emerald Group Publishing Ltd) – has articles on employment topics

#### Podcasts

The Bottom Line Podcasts and Downloads chaired by Evan Davies and Stephanie Flanders. The podcasts bring together practitioners to discuss current business matters. 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](http://www.bbc.co.uk/podcasts/series/bottomline/all)

### Assessment

To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria and the requirements of the Assessment Strategy.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meets the assessment criteria, centres should apply the Unit Assessment Guidance provided and the requirements of the Assessment Strategy given below.

Wherever possible, centres should adopt a holistic approach to assessing the units in the qualification. This gives the assessment process greater rigour and minimises repetition, time and the burden of assessment on all parties involved in the process.

## Unit assessment requirements

This unit must be assessed in the workplace in accordance with the Skills CFA Assessment Strategy for Business Administration, Customer Service and Management and Leadership in *Annexe A*. Simulation is not allowed, all evidence of occupational competence should be generated through performance under workplace conditions; this includes evidence of achievement for knowledge-based learning outcomes and associated assessment criteria.

## Unit assessment guidance

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the requirements. Centres can adapt the guidance as appropriate for learners and the particular assessment context.

Sources of evidence for demonstrating achievement of learning outcome 1 could include work products such as equality, diversity and inclusion policies and practices in the workforce or a log or reflective journal and witness statements. These sources of evidence should show clearly how and why the learner considered the importance of equality, diversity and inclusion issues and the impact they have on workplace practices. Explanatory narratives could identify the learner's specific contributions. The log or reflective journal should ensure that the learner reflects on the approach adopted for the practical aspect of this unit in learning outcomes 2 and 3 and any lessons learned from putting theory into practice.

Evidence for learning outcome 2 could be through work products such as the results of reviews of strategies, policies and practices for achievement of AC2.1 and AC2.2, along with the use of a witness statement. For AC2.3, a professional discussion could evidence the issues considered when identifying improvements to systems, procedures and processes. A log or reflective journal could be evidence for demonstrating the achievement of AC2.4, allowing the learner to discuss why and how evaluative criteria are set when considering equality, diversity and inclusion requirements.

Evidence of achievement of learning outcome 3 could be through work products such as a communications strategy, plan and the associated implementation procedures. In addition, for AC3.1, a log or reflective journal could be used to consider the factors relevant to a communications strategy in order to identify and ensure that the requirements of different groups are met. A witness statement for AC3.3 could evidence the learner's actions used to embed policies and practices, and a professional discussion for AC3.4 and 3.5 could allow the learner to explain why and how an anti-discriminatory culture was promoted and how others are supported to challenge discriminatory behaviour.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.



# **Unit 14: Design Business Processes**

**Unit reference number: D/506/2055**

**Level: 5**

**Credit value: 5**

**Guided learning hours: 23**

---

## **Unit summary**

Business processes enable business activities to be identified, organised and conducted, through a set of agreed codified arrangements to allow work processes to be undertaken in a systematic and efficient way.

This unit will give learners an understanding of the need for business processes to be responsive to change and adaptable to accommodate such change. Learners will consider how the business processes associated with change are modelled to ensure that business needs are met. They will learn how to develop, test and integrate business processes into existing processes and understand the benefit that the processes bring to the business, including achieving its objectives.

## Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

| Learning outcomes   | Assessment criteria   |
|---|---|
| <p>1. Understand techniques and tools that support the design of business processes</p> | <p>1.1 Analyse the principles of business change and business process re-engineering</p> <p>1.2 Evaluate the concept and application of workflow patterns and usability testing</p> <p>1.3 Evaluate a range of modelling tools</p> <p>1.4 Analyse the factors to be taken into account when evaluating the effectiveness of business processes</p>  |
| <p>2. Be able to develop business processes</p>   | <p>2.1 Evaluate the scope for business process improvement and constraints</p> <p>2.2 Generate ideas that meet defined business needs</p> <p>2.3 Test a proposed process through a modelling exercise</p> <p>2.4 Evaluate the feasibility and viability of a proposed process against agreed criteria</p> <p>2.5 Establish the degree of overlap between a proposed process and existing processes and systems</p> <p>2.6 Resolve tensions between existing and proposed systems and processes</p> <p>2.7 Adhere to organisational policies and procedures, legal and ethical requirements when developing business processes</p> |

| Learning outcomes   | Assessment criteria  |
|---|--|
| <p>3. Be able to evaluate the effectiveness of business processes</p> | <p>3.1 Analyse valid information using techniques that are appropriate to the process being evaluated</p> <p>3.2 Assess the cost and benefit of a business process to the organisation</p> <p>3.3 Justify recommendations for the rejection, adoption or enhancements to processes with evidence</p> |

## Unit amplification

---

### **AC 1.1 Analyse the principles of business change and business process re-engineering**

- *Principles of business change:* dimensions of change (purpose, size, duration); impact (strategic, operational); holistic approach to change
- *Drivers for change:* business improvement (profitability, productivity, efficiency, cost control); maintain competitive advantage; response to changes in the environment (internal, external)
- *Business process re-engineering (BPR):* BPR cycle (process identification, analysis, design, testing, implementation); systematic re-design of business processes and workflows; alignment of processes to business objectives; use of information technology, e.g. e-commerce, CAD/CAM, additive manufacturing

### **AC 1.2 Evaluate the concept and application of workflow patterns and usability testing**

- *Workflow patterns:* design patterns, e.g. van der Alst classification; purposes e.g. control flow dependencies, data, resources, exceptions
- *Usability testing:* evaluation by testing it with users; types of testing, e.g. scenarios, prototypes, hallway testing; usability audit

### **AC 1.3 Evaluate a range of modelling tools**

- *Modelling tools:* conceptual models, e.g. business reference model; workflow reference model; object transformation process model: purposes, e.g. function definition, application interfaces, client interfaces, operation, control

### **AC 1.4 Analyse the factors to be taken into account when evaluating the effectiveness of business processes**

- *Effectiveness of business processes:*
  - o factors, e.g. internal to the business, external to the business
  - o effectiveness, e.g. key performance indicators; support of business objectives; integration with other internal processes; integration with external processes; efficiency; ease of operation

## Information for tutors

---

### Suggested resources

#### Books

Cameron E, and Green M – *Making Sense of Change Management: A Complete Guide to the Models Tools and Techniques of Organizational Change* (Kogan Page, 2012) ISBN 978074946435

Davenport T – *Process Innovation: Reengineering Work through Information Technology* (Harvard Business School Press, 1992) ISBN 9780875843667

Hindle T – *The Economist Guide to Management Ideas and Gurus* (Economist Books, 2012) ISBN 9781846686078

#### Websites

[www.managementhelp.org](http://www.managementhelp.org) – The Free Management Library, information on organisational change subjects

[www.managers.org.uk](http://www.managers.org.uk) – Chartered Institute of Management, practical advice on management issues with a range of online resources on change management topics. Membership is required to access the materials

#### Podcasts

The Bottom Line Podcasts and Downloads chaired by Evan Davies and Stephanie Flanders. The podcasts bring together practitioners to discuss current business matters. Many podcasts touch on topics relevant to the unit, for example the podcast on materials considers aspects of process change in response to cost changes. They are available at: [www.bbc.co.uk/podcasts/series/bottomline/all](http://www.bbc.co.uk/podcasts/series/bottomline/all).

#### Journals

*The Economist* (The Economist Newspaper Ltd) – has a business section and produces specialist reports such as *Building Process Excellence*, *Lessons from the Leaders*

*Management Today* (Haymarket Media Group Ltd) – has articles on management topics, including change management

### Assessment

To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria and the requirements of the Assessment Strategy.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meets the assessment criteria, centres should apply the Unit Assessment Guidance provided and the requirements of the Assessment Strategy given below.

Wherever possible, centres should adopt a holistic approach to assessing the units in the qualification. This gives the assessment process greater rigour and minimises repetition, time and the burden of assessment on all parties involved in the process.

## Unit assessment requirements

This unit must be assessed in the workplace in accordance with the Skills CFA Assessment Strategy for Business Administration, Customer Service and Management and Leadership in *Annexe A*. Simulation is not allowed, all evidence of occupational competence should be generated through performance under workplace conditions; this includes evidence of achievement for knowledge-based learning outcomes and associated assessment criteria.

## Unit assessment guidance

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the requirements. Centres can adapt the guidance as appropriate for learners and the particular assessment context.

Sources of evidence for demonstrating achievement of learning outcome 1 could include work products, such as designs for business processes, and keeping a log, a reflective journal or witness statements. Explanatory narratives could identify the learner's specific contributions. These sources of evidence should show clearly how and why the learner considered the need for business change and the ways in which business processes are re-designed, together with their impact on the workplace. In learning outcomes 2 and 3, the log or reflective journal should ensure that the learner reflects on the approach adopted for the practical aspect of this unit and any lessons learned from putting theory into practice.

For learning outcome 2, evidence of achievement could be using work products, such as discussion records, diagrams, project plans, feasibility studies and the designs and documentation for a process. A witness statement for AC2.2 could evidence the full range of the learner's ideas and their reasoning, with a professional discussion to evidence AC2.6 of how the learner managed conflict and the methods used for reconciliation. A learner could demonstrate achievement of AC2.7 in a log or reflective journal of how organisational policies and procedures, legal and ethical requirements were adhered to when developing business processes.

For learning outcome 3, work products such as monitoring data, results of data analyses results, cost-benefit calculations and reports recommending rejection, adoption or enhancements to a process, could be used to evidence achievement of all the assessment criteria. A log or reflective journal could also evidence the learner's justification of techniques used for AC3.1 and 3.2 and of their data analysis and cost- benefits selection. A professional discussion could evidence the achievement of AC3.3, allowing the learner's justifications for action taken.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.

# **Unit 15:**                      **Develop and Manage Collaborative Relationships with other Organisations**

**Unit reference number:** T/506/2059

**Level:** 5

**Credit value:** 5

**Guided learning hours:** 28

---

## **Unit summary**

Businesses interact with other businesses in their supply chains to operate successfully. Few large businesses have autonomous operations and they rely on a network of businesses operating collaboratively.

Learners will gain understanding of the need for, and the benefits of, collaborative working and how it is managed to ensure uninterrupted supply chains that operate sustainably.

Learners will identify external collaborative relationships that can be developed to offer synergies and improve the operations of the partners in the collaboration. They will agree and implement a collaborative partnership arrangement that supports business strategy and objectives, before considering the extent to which such a relationship provides measurable benefits for the business.

## Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

| Learning outcomes   | Assessment criteria   |
|---|---|
| <p>1. Understand the principles of effective collaboration with other organisations</p> | <p>1.1 Assess the nature of potential stakeholders' interest and needs</p> <p>1.2 Evaluate the strengths and weaknesses of stakeholder mapping techniques</p> <p>1.3 Assess the value of a range of analytical techniques and alliance modelling</p> <p>1.4 Evaluate the implications of collaborative relationships for risk and knowledge management</p> <p>1.5 Evaluate the implications of collaborative relationships for the supply chain and sustainability of future working arrangements</p> <p>1.6 Evaluate the components, use and likely effects of invoking an exit strategy</p> |
| <p>2. Be able to identify external collaborative relationships to be developed</p>      | <p>2.1 Identify potential organisations that are likely to complement or enhance the work or reputation of the organisations involved</p> <p>2.2 Analyse the potential synergies and scope for collaboration likely to benefit the organisations involved</p> <p>2.3 Balance the benefits of collaboration against the cost requirements and any potentially adverse aspects</p> <p>2.4 Justify decisions and recommendations with evidence</p>   |



| Learning outcomes   | Assessment criteria   |
|---|---|
| <p>3. Be able to collaborate with other organisations</p> | <p>3.1 Agree mutually acceptable terms of reference</p> <p>3.2 Develop a viable stakeholder engagement plan that is consistent with organisational strategy, objectives and values</p> <p>3.3 Develop arrangements to manage relationships that will realise the benefits of collaboration</p> <p>3.4 Collaborate within agreed terms of reference in a way that enhances the reputation of the organisation and fosters productive working relationships</p> <p>3.5 Evaluate the effectiveness of on-going collaborative relationships</p> |

### **AC 1.1 Assess the nature of potential stakeholders' interest and needs**

- *Stakeholders:*
  - o internal, e.g. departments, managers, employees
  - o external, e.g. competitors, suppliers; customers; lenders, government agencies, owners, communities
  - o primary, secondary
- *Stakeholders' interests and needs:* financial, e.g. profits; stability, e.g. capital base; economic, e.g. market share; environmental, e.g. carbon emission reduction; social and community, e.g. charitable contributions; communications, e.g. channel, media; trading arrangements

### **AC 1.2 Evaluate the strengths and weaknesses of stakeholder mapping techniques**

- *Stakeholder mapping:*
  - o techniques – grids, e.g. power versus interest; RACI (responsible, accountable, consulted, informed) matrix; purposes, dimensions of impact to include identification, interest, claim, power, influence, priority
  - o strengths – analysis of relationships; identification of interests; relative importance of stakeholders; guide to reconciling conflicting interests
  - o weaknesses – redundancy of information; subjectivity in analysis of interests; limited guide to action

### **AC 1.3 Assess the value of a range of analytical techniques and alliance modelling**

- *Analytical techniques:* economic analysis; strategic analysis; component analysis
- *Alliance modelling:* reasons; benefits; business pipes (linear models); business platforms (network models); complementarity of business models; model components, e.g. value proposition, core capabilities; supply/distribution chains, costs; revenues; sustainability

**AC 1.4 Evaluate the implications of collaborative relationships for risk and knowledge management**

- *Collaborative relationships:* joint ventures; partnerships; licensing; sub-contracting; approved suppliers; approved retailers; formal agreements; informal agreements; exit arrangements
- *Implications:*
  - risk management, e.g. operational, financial, economic, legal, political, reputational
  - knowledge management – access; use/misuse; disclosure; modification; loss/theft; commercial confidentiality; competitive advantage; sensitivity

**AC 1.5 Evaluate the implications of collaborative relationships for the supply chain and sustainability of future working arrangements**

- *Implications of collaborative relationships:*
  - supply chain – co-operation between supply chain components; integration; just-in-time supply systems; synergy for supply chain components; value creation; logistics; procurement; synchronisation; use of information technology; failure of a link in the chain
  - sustainability – duration; viability; responsiveness to change (internal, external); resistance to threats

**AC 1.6 Evaluate the components, use and likely effects of invoking an exit strategy**

- *Exit strategy:*
  - components – legal; financial; regulatory
  - use – cessation of collaborative venture including consensual and non-consensual
  - likely effects – interruption to trading; changes to competitive position; financial; legal; reputational

## Information for tutors

---

### Suggested resources

#### Books

Gage D – *The Partnership Charter: How to Start Out Right with Your New Business Partnership* (Basic Books, 2004) ISBN 9780738208985

Jacoby D – *The Economist Guide to Supply Chain Management* (Economist Books, 2009) ISBN 9781846681745

#### Website

[www.managementhelp.org](http://www.managementhelp.org) – The Free Management Library, information on business alliances and collaboration subjects

#### Podcasts

The Bottom Line Podcasts and Downloads chaired by Evan Davies and Stephanie Flanders. The podcasts bring together practitioners to discuss current business matters. Many podcasts touch on topics relevant to the unit, for example the podcasts on special relationships and deals consider aspects of working collaboratively. They can be searched through and downloaded from [www.bbc.co.uk/podcasts/series/bottomline/all](http://www.bbc.co.uk/podcasts/series/bottomline/all).

#### Journals

*The Financial Times* (The Financial Times Ltd) – has stories on business, including specific collaborations and joint ventures

*Journal of Purchasing and Supply Management* (Elsevier) – has articles on purchasing and supply

### Assessment

To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria and the requirements of the Assessment Strategy.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meets the assessment criteria, centres should apply the Unit Assessment Guidance provided and the requirements of the Assessment Strategy given below.

Wherever possible, centres should adopt a holistic approach to assessing the units in the qualification. This gives the assessment process greater rigour and minimises repetition, time and the burden of assessment on all parties involved in the process.

## Unit assessment requirements

This unit must be assessed in the workplace in accordance with the Skills CFA Assessment Strategy for Business Administration, Customer Service and Management and Leadership in *Annexe A*. Simulation is not allowed, all evidence of occupational competence should be generated through performance under workplace conditions; this includes evidence of achievement for knowledge-based learning outcomes and associated assessment criteria.

## Unit assessment guidance

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the requirements. Centres can adapt the guidance as appropriate for learners and the particular assessment context.

Sources of evidence for demonstrating achievement of learning outcome 1 could include work products such as stakeholder mapping and change analyses. These can be augmented by the learner keeping a log or reflective journal and with witness statements. Explanatory narratives could be used to identify the learner's specific contributions. These sources of evidence should show clearly how and why the learner considered the need for developing and managing collaborative relationships. The log or reflective journal should ensure that the learner reflects on the approach adopted for the practical aspect of this unit in learning outcomes 2 and 3 and any lessons learned from putting theory into practice.

For learning outcome 2, work products such as market-scanning reports, analyses of the benefits that accrue from collaborative working, cost-benefit analyses and work documents with justified recommendations will cover all the assessment criteria. For AC2.4, a professional discussion could examine why a specific course of action was followed, together with the reasons for rejecting other courses of action and what the consequences might be.

For learning outcome 3, work products such as agreements to show how collaborative arrangements are managed, a stakeholder engagement plan, performance and operational reports arising from the collaborations, and the results of monitoring, review and evaluation showing the effectiveness of collaborative relationships can be used for all criteria. For AC3.3 and AC3.4, witness testimony will identify the effectiveness and extent of the relationships with other organisations. For AC3.5, a log or reflective journal can be used to review the factors that made collaborative working arrangements successful and how these arrangements can be sustained.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.

# Unit 16: Optimise the Use of Technology

**Unit reference number:** F/506/2064

**Level:** 5

**Credit value:** 6

**Guided learning hours:** 29

---

## Unit summary

Technology continues to change the way businesses operate, for example:

- computing and the supporting networks that enable the instant, secure completion of business transactions wherever the parties are located
- additive manufacturing that enables the small scale production of customised components
- inventories controlled through 'just-in-time' systems.

The impact of technological change has been to improve business efficiency. Some businesses have successfully exploited technological change and other developments, while other businesses have seen their competitive edge slip by failing to exploit technology.

Learners will learn how to optimise the use of technology and understand that it is necessary to establish the availability of technology and the capacity it offers businesses. Learners will gain understanding of the need to have a technology strategy and will recognise that there are legal implications associated with the use of technology in areas such as privacy and security. Learners will scope out how the technology can be extended to improve business systems and operations. They will develop, implement and manage procedures to ensure that technology is used efficiently and effectively in ensuring that business objectives are supported.

## Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

| Learning outcomes  | Assessment criteria   |
|--|---|
| 1. Understand the principles underpinning the optimisation of technology | 1.1 Explain how to keep up to date with technological developments<br>1.2 Analyse the requirements of organisational procurement processes<br>1.3 Evaluate the implications of technology for business continuity and crisis management plans<br>1.4 Evaluate the legal implications of changes to the use of technology<br>1.5 Analyse the requirements of a technology strategy   |
| 2. Be able to scope the use of technology                                | 2.1 Establish evaluation criteria for the use of technology including extent of use, value, efficiency and quality<br>2.2 Evaluate the current use of technology against agreed criteria<br>2.3 Identify the scope for improvement including training, adaptations to existing systems and the implementation of new systems<br>2.4 Identify the strategic implications of changes to the use of technology<br>2.5 Assess the risks, limitations and benefits of changes to the use of technology |

| Learning outcomes  | Assessment criteria   |
|--|---|
| <p>3. Be able to optimise the use of technological solutions</p> | <p>3.1 Specify technological requirements and priorities, including the input of others in accordance with organisational technology strategy</p> <p>3.2 Take action to ensure the compatibility of technological plans and systems with other systems, processes and plans</p> <p>3.3 Recommend technological solutions that meet the specified objectives</p>   |
| <p>4 Be able to manage the use of technology</p>                 | <p>4.1 Develop procedures that address all aspects of the technology and their implications</p> <p>4.2 Take action to ensure that everyone using the technology is adequately trained and equipped</p> <p>4.3 Promote the benefits of technology</p> <p>4.4 Use monitoring techniques that are appropriate to the nature of the work carried out and the system</p> <p>4.5 Take prompt corrective action in the event of problems arising</p> |



## Unit amplification

---

### **AC 1.1 Explain how to keep up-to-date with technological developments**

- *Technological developments:* hardware; software; networking; cloud computing; applications, e.g. manufacturing; design; distribution; finance; marketing; back office functions
- *Keeping up to date:* research and development; literature scanning; trade fairs; liaison with IT suppliers; demonstrations; competitor analysis

### **AC 1.2 Analyse the requirements of organisational procurement processes**

- *Organisational procurement:* direct procurement, e.g. material for production; indirect procurement, e.g. maintenance resources; procurement process; business case for acquisition; tendering; supplier selection; negotiation; delivery; payment; reasons for standard procurement process, e.g. openness; best value; fraud minimisation; use of information technology in procurement

### **AC 1.3 Evaluate the implications of technology for business continuity and crisis management plans**

- *Implications of technology:*
  - o business continuity plans – identifying business critical activities; monitoring risks to business critical activities; maintaining business critical activities when risk occurs; recovering business critical activities; generating reports
  - o crisis-management plans – identifying potential crisis events; assessing risk; monitoring risk; automated warning; initiating responses; monitoring crisis responses; generating reports

### **AC 1.4 Evaluate the legal implications of changes to the use of technology**

- *Legislation:* Health and Safety at Work Act 1974; Computer Misuse Act 1990; Data Protection Act 1998; The Freedom of Information Act 2000; Copyright, Design and Patents Act (1988); Telecommunications Act (1984); Interception of Communications Act (1985)
- *Legal implications:* working conditions when using technology; access to computer-based information; security of computer-based information; rights of access to information; respecting copyrights; use of telecommunications systems

### **AC 1.5 Analyse the requirements of a technology strategy**

- *Technology strategy:* objectives; alignment with business objectives; creating value; generating efficiency; integration of internal business activities; integration of business systems with external systems, e.g. suppliers, fiscal authorities; technology use to exploit business opportunities and develop competitive advantage; resource requirements; monitoring and review processes

## Information for tutors

---

### Suggested resources

#### Books

Bocij P, Chaffey D, Greasley A and Hicjkie S – *Business Information Systems: Technology, Development and Management for the E-Business*, 3rd edition (Financial Times/Prentice Hall 2005) ISBN 978-0273688143

Turban E, Leidner D, McLean E and Wetherbe J – *Information Technology for Management: Transforming Organizations in the Digital Economy*, 6th edition (John Wiley & Sons, 2007) ISBN 978-0471787129

#### Websites

[www.managementhelp.org](http://www.managementhelp.org) – The Free Management Library, information on the use of information technology in business

[www.open.edu](http://www.open.edu) – The Open University, offers a course on knowledge management technology

#### Podcasts

The Bottom Line Podcasts and Downloads chaired by Evan Davies and Stephanie Flanders. The podcasts bring together practitioners to discuss current business matters. Many podcasts touch on topics relevant to the unit, for example the podcasts on hyperconnectivity and tech slowdown consider aspects of technology use. They can be searched through and downloaded from [www.bbc.co.uk/podcasts/series/bottomline/all](http://www.bbc.co.uk/podcasts/series/bottomline/all).

#### Journals

*E-Commerce Times* (ECT News) – has current stories about the use of technology in business, it can be found at:

[www.ecommercetimes.com/](http://www.ecommercetimes.com/)

*The Economist* (The Economist Newspaper Ltd) – has a business section and articles on the use and application of technology in business. There is an archive with articles and surveys on business and technology usage

### Assessment

To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria and the requirements of the Assessment Strategy.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meets the assessment criteria, centres should apply the Unit Assessment Guidance provided and the requirements of the Assessment Strategy given below.

Wherever possible, centres should adopt a holistic approach to assessing the units in the qualification. This gives the assessment process greater rigour and minimises repetition, time and the burden of assessment on all parties involved in the process.

## Unit assessment requirements

This unit must be assessed in the workplace in accordance with the Skills CFA Assessment Strategy for Business Administration, Customer Service and Management and Leadership in *Annexe A*. Simulation is not allowed, all evidence of occupational competence should be generated through performance under workplace conditions; this includes evidence of achievement for knowledge-based learning outcomes and associated assessment criteria.

## Unit assessment guidance

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the requirements. Centres can adapt the guidance as appropriate for learners and the particular assessment context.

Sources of evidence for demonstrating achievement of learning outcome 1 could include work products such as stakeholder mapping and change analyses to which the learner has contributed. These can be augmented by the learner keeping a log or reflective journal with witness statements. Explanatory narratives could be used to identify the learner's specific contributions. These sources of evidence should show clearly how and why the learner considered the need for optimising the use of technology. In learning outcomes 2, 3 and 4 the log or reflective journal should ensure that the learner reflects on the approach adopted for the practical aspect of this unit and any lessons learned from putting theory into practice.

For learning outcome 2, work products such as a traceability matrix, a project scope statement, meetings records, risk assessments and discussion papers will cover all the assessment criteria. For AC2.1, a professional discussion could consider how and why particular evaluation criteria are selected, together with reasons why others are unsuitable. For AC2.4, a log or reflective journal could explore the strategic implications and identify those that are the most significant when considering the impact of technological change.

For learning outcome 3, work products such as proposals and recommendations to develop technical solutions to improve business activities, technical specifications and records of actions to integrate technical systems with other systems will cover all the assessment criteria. For AC3.3, witness testimony could identify how the proposed technological solutions were identified from the range of solutions that were considered, together with their benefits.

For learning outcome 4, work products such as process specifications, training programmes, promotional presentations and materials, monitoring records on the functioning of technologically-based systems and logs of actions taken in response to problems will cover all the assessment criteria. A witness statement could similarly support the achievement of all criteria and confirm the performance indicated through work products. For AC4.3, a log or reflective journal could be used to explore the factors to be considered in selecting appropriate methods to promote the benefits of technology to a range of stakeholders.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.

# **Unit 17: Manage Product and/or Service Development**

**Unit reference number: Y/506/2068**

**Level: 5**

**Credit value: 5**

**Guided learning hours: 23**

---

## **Unit summary**

Innovation in the provision of services and products allows businesses to maintain their competitive advantage whether it is by offering locker deliveries to customers who have shopped online or producing and marketing unusually flavoured ice-creams.

Learners will gain understanding of the product life cycle and its stages, and its need to be reviewed to ensure that it meets changing market needs such as technology, for example mobile telephones have a short life cycle due to the continuous change in technology and consumer requirements from the product.

Learners will learn how to establish the need for new or improved products and/or services by understanding the 'marketplace'. Consumers must have an appetite for purchasing innovative products and services that are cost effective to contribute to business success. Competitor business activity will have an impact as competitors seek to establish the superiority of their own products and services.

## Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

| Learning outcomes   | Assessment criteria  |
|---|--|
| <p>1. Understand the development of new or improved products and/or services</p>        | <p>1.1 Analyse the stages of the development process, product life cycle and their requirements</p> <p>1.2 Explain the requirements of market segmentation</p> <p>1.3 Analyse the factors affecting buyer behaviour</p> <p>1.4 Evaluate the use of market analytical tools when developing new or improved products and/or services</p>  |
| <p>2. Be able to establish the need for new or improved products and/or services</p>    | <p>2.1 Establish criteria by which the need for new or improved products and/or services will be evaluated</p> <p>2.2 Evaluate customers' and potential customers' perceptions of the uses, value and quality of proposed products and/or services</p> <p>2.3 Identify competitor activity that may have an impact on the market for new or improved products and/or services</p> <p>2.4 Assess the likely impact of customers' culture and behaviour on potential sales</p> |
| <p>3. Be able to manage the development of new or improved products and/or services</p> | <p>3.1 Take action to ensure that proposals are consistent with organisational strategy, objectives and values</p> <p>3.2 Assess the costs of developing new or improved products and/or services</p> <p>3.3 Assess the viability of products and/or services by carrying out viability tests</p> <p>3.4 Evaluate the degree of success of new or improved products and/or services</p>  |

## Unit amplification

---

### **AC 1.1 Analyse the stages of the development process, product life cycle and their requirements**

- *Product life cycle:* to include introduction, growth, maturity, saturation, decline; characteristics of life cycle stages; marketing use of product life cycle; product adoption groups
- *Development process:*
  - o product – idea; design; development; launch; sources of supply
  - o market factors to be considered – market size; segmentation; customer perceptions

### **AC 1.2 Explain the requirements of market segmentation**

- *Market segmentation:* division of target market; purpose; benefits; segmentation techniques, e.g. demographic; geographic; psychographic, behavioural; subsets of consumers; purpose
- *Segment targeting:* marketing techniques; product positioning; product differentiation; price discrimination; advertising

### **AC 1.3 Analyse the factors affecting buyer behaviour**

- *Buyer behaviour:*
  - o buyer characteristics – knowledge; attitudes; personality; preferences; lifestyle; motivation
  - o influences on buyer – marketing to include product, price, promotion, place; environment to include economic, social, technological
  - o buyer decisions – desire; information search; evaluation; purchase; post purchase behaviour

### **AC 1.4 Evaluate the use of market analytical tools when developing new or improved products and/or services**

- *Market analysis tools:* environmental scanning; environmental analysis, e.g. PESTLE analysis; marketing mix as an analytical tool; market research; consumer research; pilot marketing; web analytics; coolhunting; forecasting

## Information for tutors

---

### Suggested resources

#### Books

Bradley N – *Marketing Research: Tools and Techniques*, 3rd edition (OUP Oxford, 2013) ISBN 978-01996550900

Clark K B and Wheelwright S C – *Managing New Product and Process Development: Text and Cases* (The Free Press, 1992) ISBN 978-0029055175

#### Websites

[www.businesscasestudies.co.uk](http://www.businesscasestudies.co.uk) – *The Times 100* – case studies on a range of product development and marketing subjects

[www.managementhelp.org](http://www.managementhelp.org) – The Free Management Library – information on range of marketing topics

#### Podcasts

The Bottom Line Podcasts and Downloads chaired by Evan Davies and Stephanie Flanders. The podcasts bring together practitioners to discuss current business matters. Many podcasts touch on topics relevant to the unit, for example the podcasts on rejuvenation and new marketing consider aspects of product and service development. They can be searched through and downloaded from [www.bbc.co.uk/podcasts/series/bottomline/all](http://www.bbc.co.uk/podcasts/series/bottomline/all).

#### Journal

*The Economist* (The Economist Newspaper Ltd) – has a business section and articles on innovation, competitiveness and product development. A subscription is required.

### Assessment

To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria and the requirements of the Assessment Strategy.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meets the assessment criteria, centres should apply the Unit Assessment Guidance provided and the requirements of the Assessment Strategy given below.

Wherever possible, centres should adopt a holistic approach to assessing the units in the qualification. This gives the assessment process greater rigour and minimises repetition, time and the burden of assessment on all parties involved in the process.

## Unit assessment requirements

This unit must be assessed in the workplace in accordance with the Skills CFA Assessment Strategy for Business Administration, Customer Service and Management and Leadership in *Annexe A*. Simulation is not allowed, all evidence of occupational competence should be generated through performance under workplace conditions; this includes evidence of achievement for knowledge-based learning outcomes and associated assessment criteria.

## Unit assessment guidance

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the requirements. Centres can adapt the guidance as appropriate for learners and the particular assessment context.

Sources of evidence for demonstrating achievement of learning outcome 1 could include work products such as market research results, development plans, keeping a log or reflective journal and witness statements. Explanatory narratives could be used to identify the learner's specific contributions. These sources of evidence should show clearly how and why the learner made the choices they did and the decisions they took, in relation to managing product and/or service development. By keeping a log or reflective journal the learner can reflect on the approach adopted for the practical aspect of this unit in learning outcomes 2 and 3 and any lessons learned from putting theory into practice.

For learning outcome 2, work products such as horizon scans, surveys and reports analysing buyer behaviour, and competitors' activity will cover all the assessment criteria. A log or reflective journal could be a source of evidence for demonstrating achievement of AC2.2 and AC2.3, allowing the learner to discuss the usefulness of customer perceptions and conducting a competitor analysis, and how the insight is used in establishing the need for new or improved products and/or services. A professional discussion for AC2.4 could allow the range of customer perceptions and their significance for sales to be examined in detail.

For learning outcome 3, work products such as development proposals for new or improved products/services, financial assessments and the associated records of relevant discussions will cover all the assessment criteria. A witness statement could evidence the achievement of AC3.1, allowing the learner's actions and their impact on product/service development to be considered. A log or reflective journal could be used for AC3.2 and AC3.3, allowing the learner to discuss the issues considered when deciding how to assess the costs and viability of new products/services.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.



# **Unit 18: Manage Strategic Marketing Activities**

**Unit reference number: L/506/2293**

**Level: 5**

**Credit value: 7**

**Guided learning hours: 28**

---

## **Unit summary**

Products that are effectively marketed bring benefits to businesses leading them to being seen as market leaders or technological innovators. These benefits bring growth and profits.

Learners will gain understanding of how marketing strategies are developed and aligned to other functional activities to contribute to a business's success. Learners will learn how to identify and evaluate markets for products and services and how to use suitable marketing techniques to promote products and services.

In managing strategic marketing activities, learners will consider marketing and pricing techniques and a communication strategy that can also monitor the success of a specified product or service in its market.

## Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

| Learning outcomes  | Assessment criteria  |
|--|--|
| 1. Understand the strategic management of marketing activities                   | 1.1 Analyse concepts underpinning strategic marketing in business practice<br>1.2 Assess the scope of strategic marketing activities and how they affect a business<br>1.3 Evaluate the relationship between the marketing and other business functions<br>1.4 Analyse the planning principles involved in developing a marketing strategy<br>1.5 Analyse a range of tools to evaluate a strategic marketing plan<br>1.6 Explain the advantages and limitations of a range of marketing strategies |
| 2. Be able to evaluate a market  | 2.1 Evaluate existing and potential markets against agreed strategic criteria<br>2.2 Identify features of actual and potential offerings through an evaluation of competitors' products and/or services  |
| 3. Be able to develop a marketing and marketing communications strategy and plan | 3.1 Evaluate a range of marketing communications frameworks<br>3.2 Define marketing messages that are consistent with strategic objectives, organisational culture and values<br>3.3 Specify communications media that are likely to reach the identified target customers<br>3.4 Integrate marketing communications within operational processes  |

| Learning outcomes  | Assessment criteria  |
|--|--|
| <p>4. Be able to manage strategic marketing activities</p> | <p>4.1 Set pricing strategies that are consistent with organisational strategy, objectives and values and which optimise the potential for sales</p> <p>4.2 Manage the implementation of marketing strategies, plans and activities in accordance with organisational policies, values and priorities</p> <p>4.3 Monitor the performance of products and/or services and subcontractors against agreed success criteria</p> <p>4.4 Adapt marketing strategies, plans and activities in the light of feedback and/or changing circumstances</p> |

## Unit amplification

---

### **AC 1.1 Analyse concepts underpinning strategic marketing in business practice**

- *Strategic marketing*: alignment with business strategy; purposes, e.g. improve competitive advantage; develop markets, product/service development
- *Strategic marketing concepts*: marketing mix; market dominance (leader, challenger, follower, nicher); differentiation/segmentation; market lifecycle (penetration, growth, maturity, decline); thinking on marketing strategy, e.g. Borden, Ansoff, Kotler; Porter

### **AC 1.2 Assess the scope of strategic marketing activities and how they affect a business**

- *Scope of strategic marketing activities*: time horizons; geographic; product/service promotion; product/service development; impact on complementary strategic activities
- *Impact on business*: business strategy; business operations; organisational structure; profitability; efficiency; culture; stakeholder perceptions

### **AC 1.3 Evaluate the relationship between the marketing and other business functions**

- *Marketing and other business functions*: purchasing; supply chain management; manufacturing; finance; advertising; customer service; reasons for linkages

### **AC 1.4 Analyse the planning principles involved in developing a marketing strategy**

- *Planning principles*: marketing strategy provides framework for marketing objectives and marketing plans; formulate marketing objectives in a SMART framework with milestones; resource requirements; sign off on objectives; performance review mechanisms; contingency plans
- *Developing a marketing strategy*: environmental scanning to include internal and external environments; integration of marketing strategy with business strategy; stakeholder engagement; implementation arrangements; explicit strategy formulation; strategy agreement; strategy sign off

**AC 1.5 Analyse a range of tools to evaluate a strategic marketing plan**

- *Tools:* key performance indicators (KPI); balanced scorecard; financial ratios; data collection; quantitative techniques; qualitative techniques
- *Evaluate a strategic marketing plan:* performance review; evaluation against agreed criteria; strategy development

**AC 1.6 Explain the advantages and limitations of a range of marketing strategies**

- *Marketing strategies:*
  - o advantages – explicit purpose; market insights; market understanding; targeted plans; guides to action; opportunities for development
  - o limitations – inflexible; incomplete framework; misidentification of relevant factors; misinterpretation of data/information underpinning strategy

## Information for tutors

---

### Suggested resources

#### Books

Gilligan C and Wilson R M S – *Strategic Marketing Planning*, 2nd edition (Routledge, 2009) ISBN 9781856176170

West D, Ford J and Ibrahim E – *Strategic Marketing: Creating Competitive Advantage*, 2nd edition (OUP Oxford, 2010) ISBN 9780199556601

#### Journal

*Journal of Strategic Marketing* (Taylor and Francis Group) – a subscription is required

#### Websites

[www.businesscasestudies.co.uk](http://www.businesscasestudies.co.uk) – *The Times 100*: case studies on a range of marketing subjects

[www.managementhelp.org](http://www.managementhelp.org) – The Free Management Library: information on range of marketing topics

#### Podcasts

The Bottom Line Podcasts and Downloads chaired by Evan Davies and Stephanie Flanders. The podcasts bring together practitioners to discuss current business matters. Many podcasts touch on topics relevant to the unit, for example the podcasts on digital marketplaces and marketing consider aspects of strategic marketing. They can be searched through and downloaded from [www.bbc.co.uk/podcasts/series/bottomline/all](http://www.bbc.co.uk/podcasts/series/bottomline/all).

### Assessment

To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria and the requirements of the Assessment Strategy.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meets the assessment criteria, centres should apply the Unit Assessment Guidance provided and the requirements of the Assessment Strategy given below.

Wherever possible, centres should adopt a holistic approach to assessing the units in the qualification. This gives the assessment process greater rigour and minimises repetition, time and the burden of assessment on all parties involved in the process.

## Unit assessment requirements

This unit must be assessed in the workplace in accordance with Skills CFA Business Administration, Customer Service and Management and Leadership Assessment Strategy in *Annexe A*. Simulation is not allowed for this unit. All evidence of occupational competence should be generated through performance under workplace conditions; this includes evidence of achievement for knowledge-based learning outcomes and associated assessment criteria.

## Unit assessment guidance

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the requirements. Centres can adapt the guidance as appropriate for learners and the particular assessment context.

Sources of evidence for demonstrating achievement of learning outcome 1 could include work products such as marketing strategies, marketing plans, a log or reflective journal and witness statements. Explanatory narratives could identify the learner's specific contributions. These sources of evidence should show clearly how and why the learner made their choices and decisions in relation to managing strategic marketing activities. By keeping a log or reflective journal, the learner can reflect on the approach adopted for the practical aspect of this unit in learning outcomes 2, 3 and 4 and any lessons learned from putting theory into practice.

For learning outcome 2, work products such as market evaluations and analyses of competitor products/services that combine narrative, statistical, and graphical analyses will cover all the assessment criteria. A log or reflective journal could evidence AC2.1 and AC2.2 allowing the learner to discuss the insights, validity of market evaluations and competitor analyses to use in developing strategic marketing plans and activities. A professional discussion for AC2.1 and AC2.2 could help validate the evidence from work products and the reflective journal.

For learning outcome 3, work products such as reports and discussion records that show marketing messages and the communications media, will cover all the assessment criteria. A witness statement could evidence AC3.1, AC3.2 and AC3.3 stating the learner's contribution to defining marketing messages, specifying communication frameworks and media and identifying their effectiveness. For AC3.4, evidence could be an observation record of the practical activities undertaken and the implementation issues considered by the learner, in order to embed marketing communications in operational processes.

For learning outcome 4, work products such as discussion records, agreements about the pricing strategies, implementation plans, reviews and recommendations to modify plans demonstrate the practical oversight of strategic marketing activities and will cover all the assessment criteria. A witness statement could be used to evidence the achievement of AC4.1, allowing the learner's contributions to determining pricing strategies and the associated issues before a particular approach to pricing is adopted.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.

## 12 Further information and useful publications

To get in touch with us visit our 'Contact us' pages:

- Edexcel, BTEC and Pearson Work Based Learning contact details: [qualifications.pearson.com/en/support/contact-us.html](http://qualifications.pearson.com/en/support/contact-us.html)
- books, software and online resources for UK schools and colleges: [www.pearsonschoolsandfecolleges.co.uk](http://www.pearsonschoolsandfecolleges.co.uk)

Key publications

- *Adjustments for candidates with disabilities and learning difficulties, Access and Arrangements and Reasonable Adjustments, General and Vocational qualifications* (Joint Council for Qualifications (JCQ))
- *Supplementary guidance for reasonable adjustments and special consideration in vocational internally assessed units* (Pearson)
- *General and Vocational qualifications, Suspected Malpractice in Examination and Assessments: Policies and Procedures* (JCQ)
- *Equality Policy* (Pearson)
- *Recognition of Prior Learning Policy and Process* (Pearson)
- *UK Information Manual* (Pearson)
- *Pearson Edexcel NVQs, SVQs and competence-based qualifications – Delivery Requirements and Quality Assurance Guidance* (Pearson)

All of these publications are available on our website: [qualifications.pearson.com](http://qualifications.pearson.com)

Further information and publications on the delivery and quality assurance of NVQ/Competence-based qualifications are available at our website on the Delivering BTEC pages. Our publications catalogue lists all the material available to support our qualifications. To access the catalogue and order publications, please go to the resources page of our website.



# 13 Professional development and training

## Professional development and training

Pearson supports customers with training related to our qualifications. This support is available through a choice of training options offered on our website.

The support we offer focuses on a range of issues, such as:

- planning for the delivery of a new programme
- planning for assessment and grading
- developing effective assignments
- building your team and teamwork skills
- developing learner-centred learning and teaching approaches
- building in effective and efficient quality assurance systems.

The national programme of training we offer is on our website. You can request centre-based training through the website or you can contact one of our advisers in the Training from Pearson UK team via Customer Services to discuss your training needs.

## Training and support for the lifetime of the qualifications

**Training and networks:** our training programme ranges from free introductory events through sector-specific opportunities to detailed training on all aspects of delivery, assignments and assessment. We also host some regional network events to allow you to share your experiences, ideas and best practice with colleagues in your region.

**Regional support:** our team of Regional Quality Managers, based around the country, are responsible for providing quality assurance support and guidance to anyone managing and delivering NVQs/Competence-based qualifications. The Regional Quality Managers can support you at all stages of the standard verification process as well as in finding resolutions of actions and recommendations as required.

To get in touch with our dedicated support teams please visit our website at: [qualifications.pearson.com/en/support/contact-us.html](http://qualifications.pearson.com/en/support/contact-us.html)

**Online support:** find the answers to your questions in *Knowledge Base*, a searchable database of FAQs and useful videos that we have put together with the help of our subject advisors to support you in your role. Whether you are a teacher, administrator, Assessment Associate (AA) or training provider, you will find answers to your questions. If you are unable to find the information you need please send us your query and our qualification or administrative experts will get back to you.

## 14 Contact us

We have a dedicated Account Support team, across the UK, to give you more personalised support and advice. To contact your Account Specialist:

**Email:** wblcustomerservices@pearson.com

**Telephone:** 0844 576 0045

If you are new to Pearson and would like to become an approved centre, please contact us by:

**Email:** wbl@pearson.com

**Telephone:** 0844 576 0045

## **Annexe A: Assessment strategy**

---

### **Skills CFA Assessment Strategy Competence units (S/NVQ)**

**Business Administration**

**Customer Service**

**Management and Leadership**

## 1. Introduction

This Assessment Strategy provides principles and guidance to Awarding Organisations for the assessment of competence-based units and qualifications (including Scottish Vocational Qualifications and National Vocational Qualifications) within Business Administration, Customer Service and Management and Leadership in England, Scotland, Wales and Northern Ireland.

This document outlines Skills CFA principles in regards to:

- external quality control of assessment
- requirements of assessor and verifiers
- evidence
- employer direct model.

These principles are in addition to the generic criteria that Awarding Organisations must meet for delivery of qualifications as required by the qualification regulators, for example Ofqual's Regulatory Arrangements for the Qualifications and Credit Framework and any regulatory requirements specified by the SQA Accreditation.

This strategy should only be used for the assessment of the Business Administration, Customer Service and Management and Leadership competence-knowledge based units and qualifications owned by Skills CFA. Units which have been imported by Skills CFA into their apprenticeships or competence-based qualifications will be assessed in compliance with their relevant assessment strategies. Awarding Organisations may assess knowledge-only units as they see fit.

## 2. External quality control of assessment

The quality of the assessment process is the responsibility of Awarding Organisations. However, Skills CFA encourages flexibility and innovation of approach, alongside robust systems to support quality control. Awarding Organisations are also encouraged to detail their approach to external verification, risk assessment and data requests.

### 2.1 External verification

- Awarding Organisations are responsible for the competence of external verifiers. It is the responsibility of Awarding Organisations to monitor centres' performance in accordance with regulatory requirements.
- Awarding Organisations must consistently apply external verification processes at all assessment centres delivering competence-based qualifications. These should be underpinned by standard risk assessment and risk management processes.

### 2.2 Risk assessment

- Awarding Organisations must carry out standard risk assessments for all qualification assessment centres that are delivering competence-based qualifications. Identified risks must be managed appropriately.
- Awarding Organisations must retain evidence to prove that a risk assessment has been carried out for each approved centre, and that a strategy to minimise any identified risk has been implemented.

### 2.3 Data requests

- Each quarter, Awarding Organisations must provide registration and achievement data at all qualification levels and unit levels (where possible) to Skills CFA.

### 3. Requirements of assessors, external and internal verifiers

Candidates may be assessed, moderated or verified at work either by several appointed individuals.

#### 3.1 Assessors

The primary responsibility of an Assessor is to assess candidates' performance in a range of tasks and to ensure the evidence submitted by the candidate meets the requirements of the assessment criteria.

It is important that an assessor can recognise occupational competence as specified by the national standard. Assessors therefore need to have a thorough understanding of assessment and quality assurance practices, as well as have in-depth technical understanding related to the qualifications for which they are assessing candidates.

To be able to assess candidates, Assessors must:

- hold an appropriate qualification, as specified by the appropriate regulatory authority, confirming their competence to assess candidates undertaking competence-based units and qualifications. Assessors holding older qualifications must be able to demonstrate that they are assessing to the current standards;

**OR**

- be working toward an appropriate qualification, as specified by the appropriate regulatory authority. An Assessor working towards an appropriate qualification must ensure their decisions are countersigned by a suitably-qualified assessor/verifier and should be supported by a qualified assessor throughout their training period.
- be "occupationally competent" Assessors must provide current evidence of competence, knowledge and understanding in the areas to be assessed. This will normally be achieved through demonstrating competence in the roles which are to be assessed or demonstrated by relevant experience and continuing professional development (CPD) which may include the achievement of qualifications relevant to the areas being assessed.
- have a full and current understanding of the units of competence and requirements of the qualifications being assessed, including the quality of assessment and the assessment process.

It is the responsibility of approved centres to select and appoint assessors.

### 3.2 External quality assurer (EQA)<sup>1</sup>

The primary responsibility of EQAs is to assure quality of internal verification and assessments across the centres for which they are responsible. EQAs must have a thorough understanding of quality assurance and assessment practices, as well as in-depth technical knowledge related to the qualifications that they are externally verifying.

EQAs must:

- hold an appropriate qualification as specified by the appropriate regulatory authority, confirming their competence to verify competence-based assessments. EQAs holding older qualifications must be able to demonstrate that they are verifying to the current standards;

**OR**

- be working toward an appropriate qualification, as specified by the appropriate regulatory authority. If EQAs are working towards an appropriate qualification, their decisions must be countersigned by a suitably qualified EQA<sup>2</sup> and should be supported by a qualified EQA throughout their training period.
- be “occupationally competent”. EQAs must demonstrate sufficient and current understanding of the qualifications to be verified, and know how they are applied in business.
- demonstrate competent practice in external verification of assessment, and demonstrate understanding of the principles and practices of external verification of assessment, including the quality of assessment and the assessment process.

It is the responsibility of the awarding body to select and appoint EQAs.

---

<sup>1</sup> Also known as External Verifier (EV)

<sup>2</sup> The need for countersigning the decisions of EQAs working towards a qualification, applies to England and Wales and not Scotland.

### 3.3 Internal quality assurer (IQA)<sup>3</sup>

A primary responsibility of IQAs is to assure the quality and consistency of assessments by the assessors for whom they are responsible. IQAs therefore need to have a thorough understanding of quality assurance and assessment practices, as well as sufficient technical understanding related to the qualifications that they are internally verifying. It will be the responsibility of the approved centre to select and appoint IQAs.

IQAs must:

- hold an appropriate qualification, as specified by the appropriate regulatory authority, confirming their competence to internally verify competence-based assessments and candidates. IQAs holding older qualifications must be able to demonstrate that they are verifying to the current standards;

**OR**

- be working toward an appropriate qualification, as specified by the appropriate regulatory authority. If an IQA is working towards an appropriate qualification, their decisions must be countersigned by a suitably qualified IQA<sup>4</sup> and should be supported by a qualified IQA throughout their training period.
- be “occupationally competent”. IQAs must demonstrate sufficient and current understanding of the qualifications to be internally verified, and know how they are applied in business.
- demonstrate competent practice in internal verification of assessment, and demonstrate understanding of the principles and practices of internal verification of assessment, including the quality of assessment and the assessment process.

Skills CFA and awarding organisations requires all assessors, moderators and verifiers to maintain current Business Administration, Customer Service and Management and Leadership competence to deliver these functions. Skills CFA recognises this can be achieved in many ways. However, such information must be formally recorded in individual CPD records that are maintained in assessment centres.

---

<sup>3</sup> Also known as Internal Verifier (IV)

<sup>4</sup> The need for countersigning the decisions of IQAs working towards a qualification, applies to England and Wales and not Scotland.



## 4. Evidence

### 4.1 Evidence from Workplace Performance

- Evidence of occupational competence of all competence units at any level, should be generated and collected through performance under workplace conditions. This includes the knowledge-based learning outcomes and assessment criteria of the competence units.
- These conditions would be those typical to the candidate's normal place of work. The evidence collected under these conditions should also be as naturally occurring as possible. It is accepted that not all employees have identical workplace conditions and therefore there cannot be assessment conditions that are identical for all candidates. However, assessors must ensure that, as far as possible, the conditions for assessment should be those under which the candidate usually works.

### 4.2 Simulation

- Simulation can be applied to all units listed in Section 7.
- Where simulation is used for units at Level 2 and above, it should only form a small part of the evidence for the qualification.
- Evidence may be produced through simulation solely in exceptional circumstances. The exceptional circumstances, under which simulation is possible, are those situations that are not naturally or readily occurring, such as response to emergencies.
- Simulation must be undertaken in a 'realistic working environment' (RWE). A RWE is "an environment which replicates the key characteristics in which the skill to be assessed is normally employed". The RWE must provide conditions the same as the normal day-to-day working environment, with a similar range of demands, pressures and requirements for cost-effective working. Guidelines for using RWE can be found in Section 6.

## 5. Employer direct model

Skills CFA encourages the use of an employer direct model. The employer direct model is where colleagues, supervisors and/or managers in the workplace are involved in the assessment process. Under this model, the employer, with the agreement of their Awarding Organisation may choose between:

- Achieving the appropriate regulatory body approved unit qualifications for assessment; **OR**
- Demonstrating that the employer's training and development activity undertaken to prepare, validate and review these assessment roles, maps 100% to the National Occupational Standards which these qualifications are based on. The mapping process must be agreed by the Awarding Organisation as providing the equivalent level of rigour and robustness as achievement of the unit qualification

In order to use the employer direct model:

- **An organisation must:**
  - o have staff who have achieved, or be working towards achieving, appropriate regulatory body approved unit qualifications for assessment, moderation or verification; **OR**
  - o seek guidance and approval from an awarding organisation to demonstrate that they have:
    - appropriate processes in place to facilitate assessment, moderation or verification functions
    - carried out 100% mapping of the trainer, supervisor or managers' assessment, moderation or verification skills and knowledge to the National Occupational Standards upon which the qualifications above are based.
- **An Awarding Organisation must:**
  - o offer this model to employers only
  - o supply information on the requirements for internal and external moderation/verification activities to assessment centres.

## 6. Appendix A – Realistic Working Environment Guidelines

Realistic Working Environment (RWE) can be applied to all the units Section 7:

It is essential that organisations wishing to operate a RWE operate in an environment which reflects a real work setting. This will ensure that any competence achieved in this way will be sustained in real employment.

To undertake the assessment in a RWE the following guidelines must be met:

1. the RWE is managed as a real work situation
2. assessment must be carried out under realistic business pressures
3. all services that are carried out should be completed in a way, and to a timescale, that is acceptable in business organisations
4. candidates must be expected to achieve a volume of work comparable to normal business practices
5. the range of services, products, tools, materials and equipment that the candidates use must be up to date and available
6. account must be taken of any legislation or regulations in relation to the type of work that is being carried out
7. candidates must be given workplace responsibilities to enable them to meet the requirements of the units
8. customer perceptions of the RWE is similar to that found in the work situation being represented
9. candidates must show that their productivity reflects those found in the work situation being represented.

## 7. Appendix B – Simulation: a list of units

Simulation can only be applied to the following competence units:

### Business Administration

| Skills CFA Ref. | Unit title  | Level |
|-----------------|---|-------|
| B&A 3           | Work with others in a business environment          | 1     |
| B&A 4           | Health and safety in a business environment         | 1     |
| B&A 5           | Manage time and workload                            | 1     |
| B&A 6           | Use a telephone and voicemail system                | 1     |
| B&A 7           | Prepare text from notes                             | 1     |
| B&A 8           | Meet and welcome visitors in a business environment | 1     |
| B&A 9           | Handle mail   | 1     |
| B&A 10          | Use office equipment                                | 1     |

### Customer Service

| Skills CFA Ref. | Unit title  | Level |
|-----------------|---|-------|
| CS 2            | Communication in customer service                 | 1     |
| CS 3            | Record details of customer service problems       | 1     |
| CS 4            | Deal with customer queries, requests and problems | 1     |

### Management and Leadership

| Skills CFA Ref. | Unit title                          | Level |
|-----------------|-------------------------------------|-------|
| M&L 17          | Manage conflict within a team       | 3     |
| M&L 31          | Discipline and grievance management | 4     |
| M&L 44          | Manage redundancy and redeployment  | 4     |

**August 2017**

**For information about Edexcel, BTEC or LCCI qualifications visit [qualifications.pearson.com](http://qualifications.pearson.com)**

**BTEC is a registered trademark of Pearson Education Limited**

**Pearson Education Limited. Registered in England and Wales No. 872828  
Registered Office: 80 Strand, London WC2R 0RL.  
VAT Reg No GB 278 537121**