

Learner Resource & Assessment

Maintain Business Resources

BSBADM311



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Maintain Business Resources

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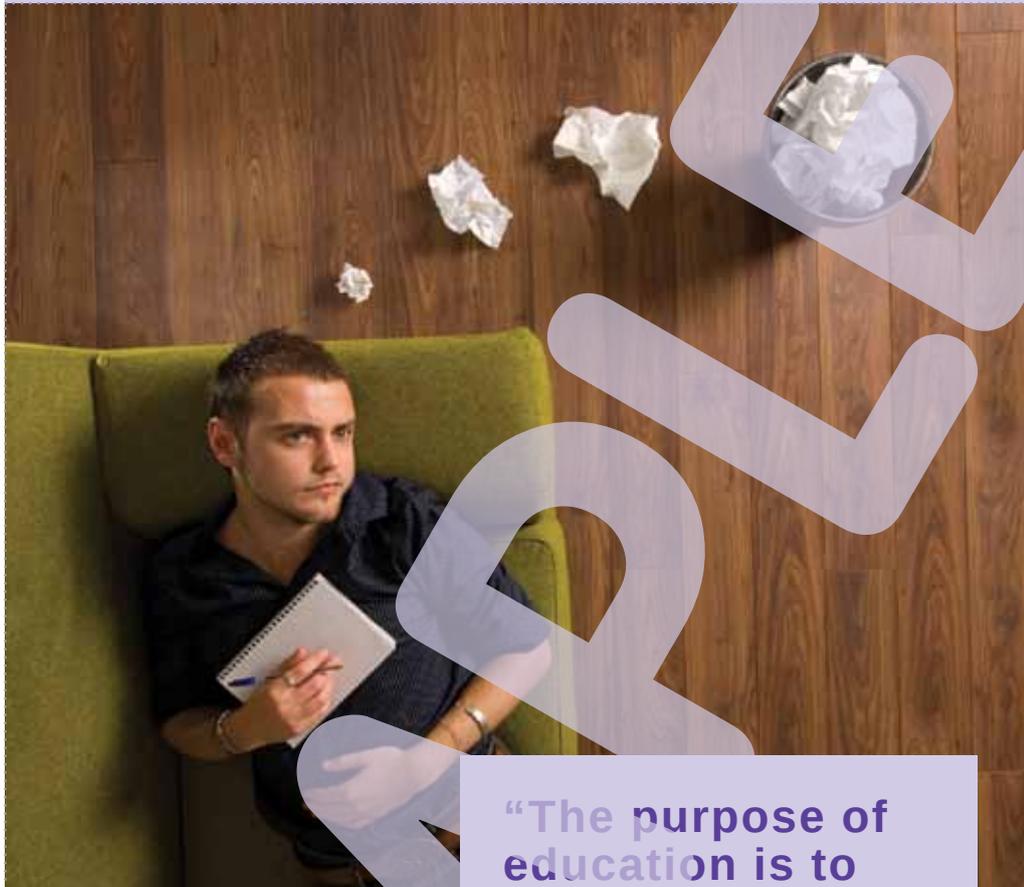
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About BSB Business Services Training Package



“The purpose of education is to replace an empty mind with an open one.” Malcolm Forbes

About the Business Services Industry

The BSB Business Services Training Package covers a diverse range of industries and occupations. Business Services covers a range of cross-industry functions and services supporting the commercial activities of all industries.

Defining Qualifications

When units of competency are grouped into combinations that meet workplace roles, they are called qualifications. These qualifications are aligned to Australian Qualifications Framework (AQF). Each qualification will have 'packaging rules' which establish the number of core units, number and source of elective units and overall requirements for delivering the qualification.

Delivery and Assessment of Qualifications

RTOs must have the qualifications (or specific units of competency) on their scope to deliver nationally recognised delivery and assessment. RTOs are governed by and must comply with the requirements established by applicable national frameworks and standards. RTOs must ensure that training and assessment complies with the relevant standards.

Qualification Training Pathways

A pathway is the route or course of actions taken to get to a destination. A training pathway is the learning required to attain the competencies to achieve career goals. Everyone has different needs and goals, therefore requires a personalised and individual training pathway.

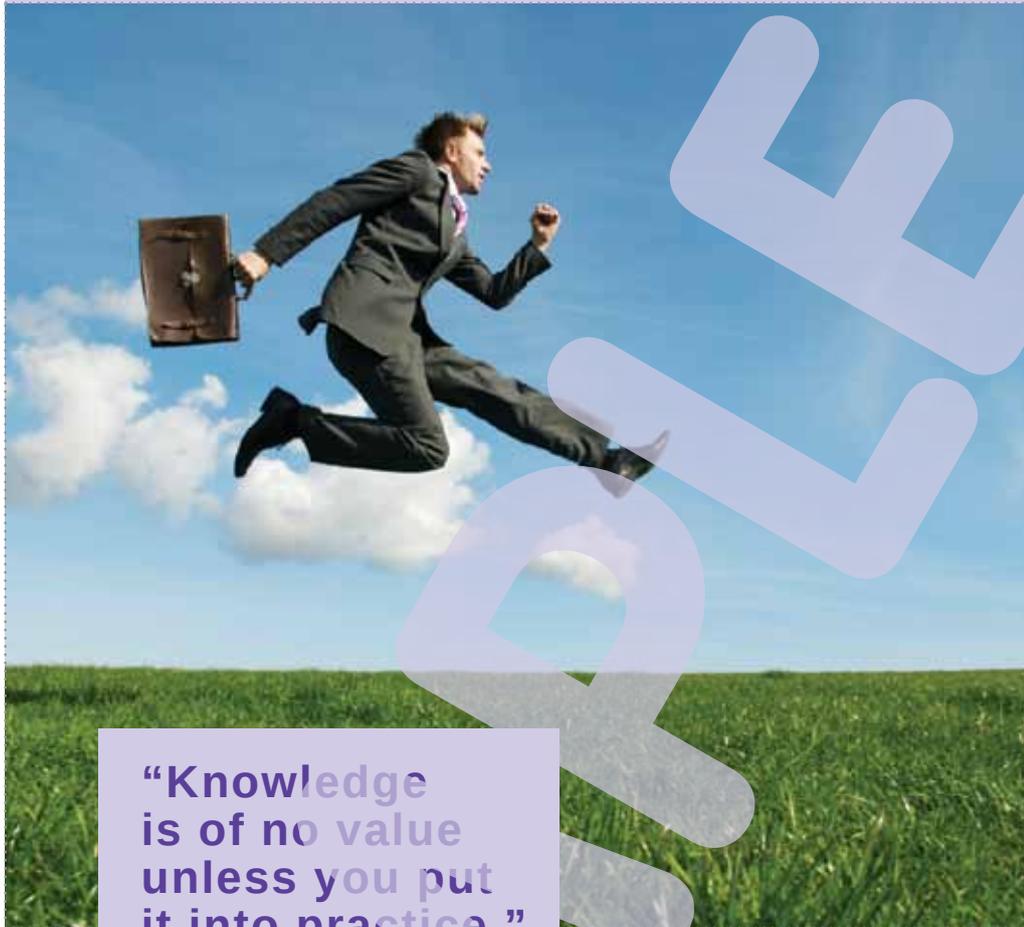
Foundation Skills

Foundation Skills are the non-technical skills that support the individual's participation in the workplace, in the community and in education and training.

ACSF

This Assessment meets the five ACSF core skills as described in the Foundation Skills mapping.

Introduction



“Knowledge is of no value unless you put it into practice.”

Anton Chekhov

This unit standard, BSBADM311 Maintain Business Resources is about being able to determine, administer, and maintain resources and equipment to complete a variety of tasks.

This unit applies to skilled operators and apply a broad range of competencies in various work contexts. They may exercise discretion and judgement using appropriate theoretical knowledge of business resources and their maintenance to provide technical advice and support to a team.

This manual is broken up into three Elements. They are:

- 1. Advise on Resource Requirements**
- 2. Monitor Resource Usage and Maintenance**
- 3. Acquire Resources.**

There are activities throughout this workbook. These require the Learners to think about their experience or reactions, or to try and complete some research through reading or accessing the Internet. The activities will also help Learners towards

completing the Assessment Task by assisting them to think about issues involved in the Assessment Tasks.

Learners will then be asked to complete an Assessment Pack for this unit of competency. The information contained in this workbook will assist them. These tasks can be completed as they work through the workbook, rather than leaving it all to be completed at the end of their study.

Finally, at the end of this workbook you will find a list of useful resources that you may use for further information. You will need to have access to an Internet terminal. Throughout the text, there are references to websites for further information and for some activities.

This unit contributes the attainment of National Certificates.



ELEMENT 1:

Advise on Resource Requirements



Performance Criteria Element 1

- 1.1 Calculate estimates of future and present business resource needs in accordance with organisational requirements
- 1.2 Ensure advice is clear, concise and relevant to achievement of organisational requirements
- 1.3 Provide information on the most economical and effective choice of equipment, materials and suppliers
- 1.4 Identify resource shortages and possible impact on operations

Providing Valuable Advice on Resource Requirements

Calculate Estimates of Business Resource Needs

Resources are the economic or productive factors required to accomplish an activity, or a means to undertake an enterprise and achieve a desired outcome. Business has specific categories of resources and can be grouped under several categories:

- **Financial Resources**

Financial resources concern the ability of the business to 'finance' its chosen strategy. For example, a strategy that requires significant investment in new products, distribution channels, production capacity, and working capital will place great strain on the business finances. Such a strategy needs to be very carefully managed from a finance point-of-view.

- **Human Resources**

The heart of the issue with Human Resources is the skills-base of the business. What skills does the business already possess? Are they sufficient to meet the needs of the chosen strategy? Could the skills-base be flexed / stretched to meet the new requirements?

- **Physical Resources**

The category of physical resources covers a wide range of operational resources concerned with the physical capability to deliver a strategy. These include:

- Production facilities including raw materials, stock, and supplies
- Marketing facilities
- Information technology including hardware and software
- Intangible Resources (resources that do not always have a physical presence)
 - › Goodwill
 - › Reputation
 - › Brands
 - › Intellectual Property.

Organisations usually have an intention that resources will be attained, used and maintained in a particular way. These are often referred to as organisational requirements. The organisational requirements will usually describe how resources are intended to be used by those within the organisation and may be found in:

- The vision, mission, and goals
- Organisational objectives
- Policy and procedures
- Access and equity principles and practice

- Business and performance plans
- Defined resource parameters
- Ethical standards
- Legal and organisational policies, guidelines, and requirements
- Management and accountability channels
- Manufacturer's and operational specifications
- Quality and continuous improvement processes and standards
- Quality assurance and/or procedures manuals
- Security and confidentiality requirements
- Work Health and Safety (WHS) practices.

Requirements come also from outside the organisation. Legislation (laws), Codes of Practice, and Standards all make demands on organisations. Some of these include:

- Related Industry Codes of Practice (<http://www.business.gov.au/business-topics/selling-products-and-services/fair-trading/Pages/codes-of-practice.aspx>)
- Fair Work Australia (<http://www.fwa.gov.au/>)
- Legislation such as:
 - Anti-discrimination legislation (http://www.hreoc.gov.au/info_for_employers/law/index.html)
 - Privacy laws (www.privacy.gov.au/law/act)
 - Workplace Health and Safety (WHS) (www.safeworkaustralia.gov.au).

The availability of resources when needed is an important aspect of organisational success. What will be needed, in what quantity, and when is crucial to business. The goal of resource estimating is to estimate the resources needed for each activity within your job role so they can be obtained in the most effective manner.

Once you have amassed this information and are clear on the actual needs, calculations must be made to estimate. Efficient and effective use of resources can often make or break a project. Resources can also be limited, difficult to obtain, and expensive.

At this point, you are ready to list the resource types and quantities. For human resources, you know the job titles, skill sets, and experience level. You know the type, brand, cost, and capacity of the equipment resources that are needed. You know the amounts of consumable materials that are required. You can enter and compile this information and submit it as part of your resource proposal.

In your situation, and without extensive training, you would not be expected to provide more than a 'guestimate' of what is going to be required. However, that 'guestimate' must be based on good information and be as reliable as possible, given the constraints.

Using what is called 'expert judgement' is one way to manage this. This is an estimation based on the experience of one or more experts on the particular activity. Another method is to examine data from previous activities or periods.

It is often useful to conduct some form of alternative analysis. This could be a 'What If' analysis, 'Cost Benefit' analysis, or some other preferred by your organisation.

- **What If Analysis**

A *What If Analysis*, also known as the *Sensitivity Analysis*, uses existing data, along with estimated data points, to calculate a range of probable outcomes. This information allows a marketer to make more informed decisions. This analysis helps you find a solution when data is limited.

You are planning a new product launch and need to project the profit margin for the product. You know what the fixed costs will be, but variable costs depend on several factors that are not defined. *What If Analysis* takes the known factors (in this case, fixed price) and estimates of unknown factors (variable costs such as raw material costs, product pricing and sales) and determines a range of probable profit margins. This information can be very helpful in deciding if a new product will likely provide enough margin to justify further investment.

Precise response data like leads, click-through rates, conversions and sales is valuable in making decisions about future marketing efforts. These are all times when a *What If Analysis* is useful.

While a *What If Analysis* doesn't predict a specific outcome, it does provide a precise range of probable outcomes. By varying the input data, decision makers can see how those changes impact the probability of desired outcomes.

- **Cost-Benefit Analysis (CBA)**

CBA is a quick and simple technique that you can use for non-critical financial decisions.

1. *Brainstorm Costs and Benefits*

Brainstorm and make a list of all of the costs associated with the project. Then, do the same for all of the benefits of the project. Once you have the costs and benefits, think about the lifetime of the project. What are the costs and benefits likely to be over time?

2. *Assign a Monetary Value to the Costs*

Costs include the costs of physical resources needed, including the human resource cost involved in all phases of a project. Costs are often relatively easy to estimate (compared with revenues). Include all related costs such as training, decreases in productivity while new systems or technology are being introduced and how much will this cost? Consider also any costs that will continue to be incurred once the project is finished such as increased overheads.

3. Assign a Monetary Value to the Benefits

Along with the financial benefits that you anticipate, there are often intangible, or soft, benefits that are important outcomes of the project. For example, what is the impact on the environment, employee satisfaction, or health and safety? What is the monetary value of that impact? It's important to consult with other stakeholders and decide how you'll value these intangible items.

4. Compare Costs and Benefits

Finally, compare the value of your costs to the value of your benefits, and use this analysis to decide your course of action. This is done by calculating your total costs and your total benefits, and comparing the two values to determine whether your benefits outweigh your costs. At this stage it's important to consider the payback time, to find out how long it will take for you to reach the breakeven point – the point in time at which the benefits have just repaid the costs.

For simple examples, where the same benefits are received each period, you can calculate the **payback period** by dividing the projected total cost of the project by the projected total revenues, per period:

Total cost / total revenue (or benefits) per period = length of time (payback period).

Cost-Benefit Analysis struggles as an approach where a project has cash flows that come in over a number of periods of time, particularly where returns vary from period to period. In these cases, use *Net Present Value* (NPV) and *Internal Rate of Return* (IRR) calculations together to evaluate the project, rather than using Cost-Benefit Analysis. (These also have the advantage of bringing "time value of money" into the calculation.)

Also, the revenue that will be generated by a project can be very hard to predict, and the value that people place on intangible benefits can be very subjective. This can often make the assessment of possible revenues unreliable.

Providing Advice on Business Resources

The next step is to give the advice to managers to allow them to obtain the requirements. This needs to be completed in a timely fashion or the information contained may be less useful. Your organisation may have a format for doing this and if so, you must comply with this. Check carefully with the person requesting the information to see if there is an organisational or preferred format that you should use.

Regardless, there are certain standards that must be met. The information that you provide must be:

- Clear
- Concise
- Relevant to the organisational needs.

If the information is not specifically about the current and present needs, or only those included in the brief, you are wasting your time and that of the receiver. Remember:

- **Don't Give Advice Too Soon**

Wait until the person is done talking and even give them a little longer to pause and ponder. Ask them to clarify what they are actually seeking. Even when they have finished talking you should ask them to restate their situation or problem. You might find that by having them restate the issue, they clarify some issues and reduce it down to the targeted area they really want to discuss.

- **Don't Talk Too Long**

So many times the person asked will unleash a torrent of advice on all levels and all topics (even those not asked about). Use bite size chunks that are digestible by others.

- **Ask Many Questions**

You should ask a lot of clarifying questions prior to offering advice. Ask about hardware and software, culture, processes. Get a good feel for the context prior to giving suggestions. This will help you get a clear picture and get information beyond what they have provided.



- **Provide a Disclaimer**

When you are ready to answer add a disclaimer, in your comments up front. Something like “This may not be true for you, but I have done this...” or maybe “Your setup differs from mine quite a bit and this may not even help, but here is what I would try”. By making this up-front statement, you convey that they are the bottom line on using the suggestions ‘as is’ or modify them through their understanding before slamming ahead.

- **Observe Their Reactions Carefully**

As you provide the advice, keep a lookout for their reactions. Do they tilt their heads and strain to listen? This is a good sign. Do they roll their eyes at your words? This is not good. The reactions will not be as dramatic as this most times, but if you remain sensitive you will catch signs of acceptance or rejection of your ideas. If they are accepting, you can continue to offer more. If they appear to be rejecting, then you may want to stop talking or ask more questions such as, “Am I even close to understanding your issues?”

- **Don't be Forceful**

No one respects people who think they are an expert in all areas. Your opinions, perspectives, and advice may be rejected if you are too pushy in providing it. Never tell people that you have the answer and if they don't do what you have told them, they are fools. Just provide possible solutions and encourage them to try it. Make no demands in word, inflection, or body language.

When giving advice always remember that the other person may take it differently to what you intend. They may think that you are acting in a superior fashion or acting above how you should in your job role. Keeping a modest attitude and provide advice only when it is requested will go a long way toward assisting others.

Provide Information on the Most Economical and Effective Choice of Equipment, Materials, and Suppliers

As was said earlier, the recommendations that you provide must be the best you can supply, but there is a limit to the time you should spend chasing quotations also. Many organisations have policies that detail preferred suppliers.

Where there is a quality system in place, the organisation will send specifications for products that they purchase to various suppliers. From the responses three or four preferred suppliers may have been selected who are able to meet the requirements within an agreed price range.

Preferred suppliers may also have been selected on pricing either through the prices generally or the arrangements that have been agreed. These could include:

- **Number of quotations that must be received**

Many organisations always require a minimum of three quotes for purchases.

- **Cost of Items**

Again, purchases may be restricted to a dollar amount. For example, anything over a given amount will need to be approved by a manager or finance department.

Make sure that you are perfectly clear on any requirements of the organisation and follow their guidelines precisely. If there are no guidelines, the following process will prove helpful.

Sourcing Supplies Process

You need to start with good preparation, clear objectives, and an awareness of common pitfalls to identify with the right suppliers.

1. Source Suppliers

Suppliers may be found through:

- Existing suppliers or competitors' suppliers
- Trade journals, trade associations, and Chambers of Commerce
- Directories – in the library or on the Internet
- Business directory websites
- Suggestions from friends and other employees.

Make up a shortlist and email each supplier, explaining your exact requirements.

- Ask suppliers to send you product details, price lists, and other relevant information
- You can often obtain better terms by letting suppliers know that they are competing for your order.

2. Understand the Seller Priorities

At this stage, you probably have a list of respondents and you should be applying your attention to supply. Establish how urgently or soon you need the order delivered to your business premises.

- Find out all you can about the state of your potential supplier's order book. For example, there may be spare capacity that the supplier needs to fill.
- Identify what the supplier's likely objectives might be. For example, a company moving into a new market may set out to build market share initially, rather than make profits. This may give you more bargaining power on price issues.

Determine the supplier's negotiating strengths. Define what the supplier can offer that you value. This may include:

- Availability – for example, time-sensitive or immediate delivery
- Quality – for example, a product with a track record or recognised brand name
- Other factors, such as exclusivity, after-sales service or flexible payment terms.

Be aware that the supplier's negotiating strength increases in direct proportion to your need for the product. Establish what the supplier will value most. This may include factors such as:

- Immediate payment
- Larger volume purchases
- A commitment to repeat orders.

Be alert to clues about what the supplier cannot concede to. For example, if cash flow is tight, the supplier may be unable to offer you the flexible credit terms you would like. You should leave room for anticipating the supplier's approach as a strength to your sourcing strategy. In other words:

- Assess what you think the supplier's negotiating strategy will be
- Find out what the supplier knows of any weaknesses in your negotiating position.

Match or identify several suppliers you believe can offer the quality of product and service you need. Compare them in terms of:

- Product suitability and reliability
- Reputation, based on references
- Quality and flexibility of service
- Location and ease of communication
- Speed and frequency of delivery
- Price range and order size.

For long-term supply contracts, make the effort to visit those suppliers that seem to meet your quality standards. To assess how they are likely to perform, ask yourself:

- Are they professional, or sloppy?
- Do they have too much work, or not enough?
- How eager are they for your business?
- Do they have the necessary equipment and space to cope with your order?
- Do they appear to be financially stable?

Your bargaining style will play a major role in determining the effectiveness of your sourcing strategy. Get quotes, including details like discounts and payment terms, to use in your negotiations.

- Ask them how often prices will rise, what influences will cause them to rise, and how you will be notified.
- Once you have narrowed the choice down to two or three suppliers, negotiate prices, discounts, and levels of service.
- For a healthy long-term relationship, do not negotiate too hard a price at the expense of quality.

3. Build Supplier Relations

Being straight, pleasant, and easy to deal with can be a critical factor in a sourcing strategy, and will likely get you good results.

- Build rapport with the seller.
 - Where possible, get to know someone before serious negotiations start.
 - Make it easy for your opposite number.
 - Find out what information they need to be able to justify the deal.
- Build partnerships with regular suppliers.
 - Visit suppliers and get to know the people who deal with your account.
 - Invite regular suppliers to meetings and keep them informed.
- Put most of your effort into:
 - Supplies you will spend the most on because five or ten items may account for 90 per cent of the money you spend.
 - Supplies crucial to your production.
- Avoid over-dependency on one supplier.
 - What happens if the supplier goes bust?
 - Alternative suppliers provide competition.
- Give most of your orders to just a few suppliers.
 - If appropriate, ask for bulk or cumulative discounts (e.g. if you order 10,000 units in the next year, you get a five per cent discount on all orders during that period).
- Treat suppliers well and they will treat you well.
 - Keep them up to date with your needs.
 - Build a relationship of trust.
 - Ask for their views and ideas.
- Consider establishing long-term partnerships with key suppliers. Cooperate to improve the goods and services supplied and relevant procedures and systems.

Once you have selected your preferred suppliers and have requested quotations for supply, you still have to choose the 'best' one to receive the actual order. This is done by comparing the options and prices. Cheapest is not always best. Look for the one that best meets your needs through conditions other than simply the number of dollars.

Negotiate with the suppliers to attempt to gain a better deal. When you finally make the purchase decision, confirm all details in writing and keep a copy.

Ensuring Supply and Preparing for Possible Shortages

All resources incur excesses and restrictions in supply. Even the best planning can still result in serious shortfalls; however without any planning it will always be more devastating!

Start by working out a priority list for the resources over which you have control in ordering. What is most important to keep the business running, contracts filled without compromising safety or quality? Make a list of these items or resources.

This is actually best done in a group through brainstorming to nothing is overlooked. If you are on your own, broaden your mind to include electricity, water, and other things that we take for granted.

Then create a second level list, and finally a third level list. At least now you should be clearly aware of where the business is most vulnerable.

Next, generate ideas for how each of the first level items could be protected. Stockpiling, guarantees from suppliers about priority for your organisation in delivery are two obvious methods. The first is expensive (having stock sitting-in-the-shelf for a longer than necessary period of time) and the second may not be possible unless your organisation is the largest buyer from a supplier. Again, brainstorming in a group could produce some really unusual, but useful ideas for this.

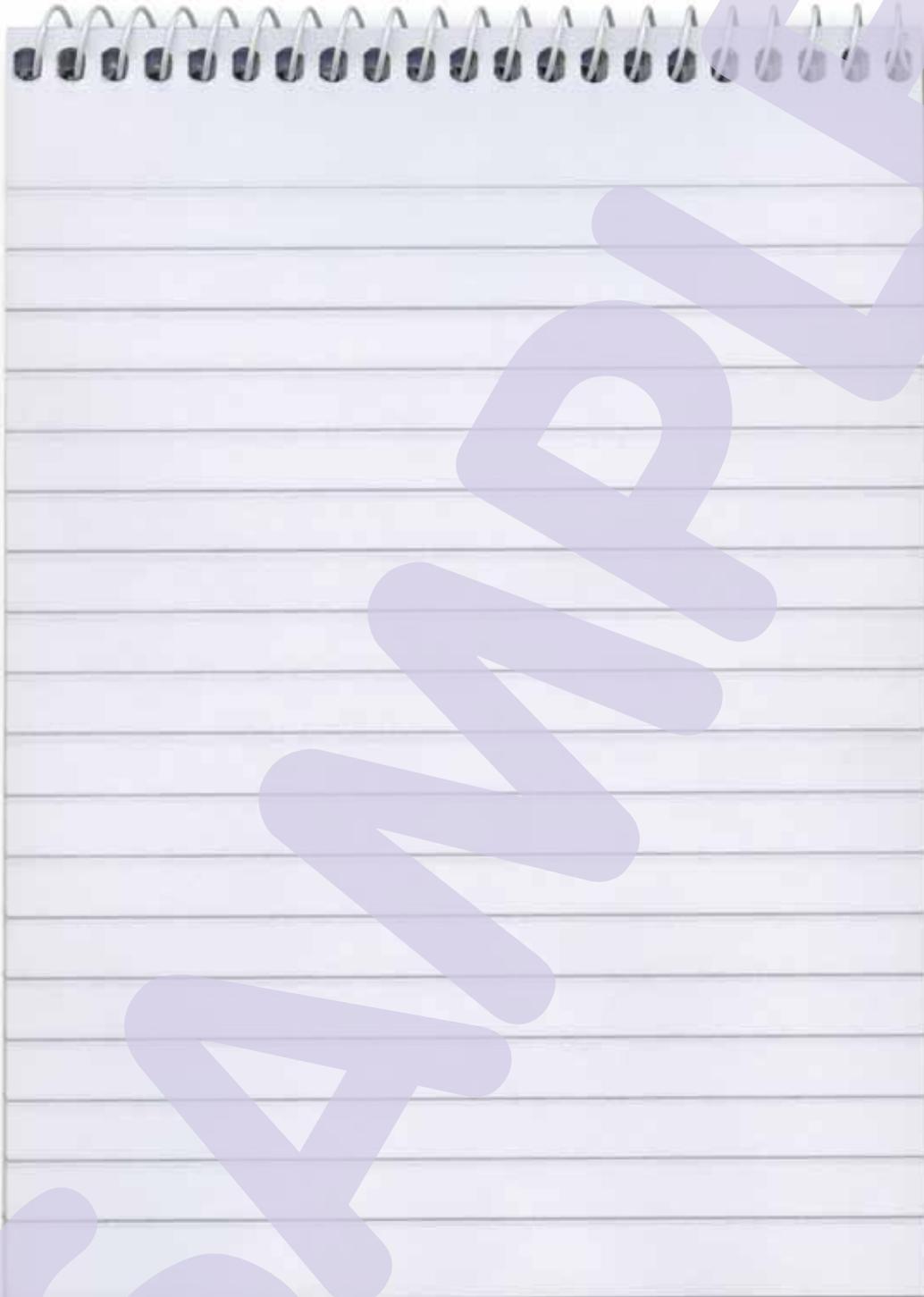
In any case, the first level priorities must be continually monitored and appropriate changes made quickly to ensure the most effective response. This process includes three functions:

1. Data collection from internal and external sources, including resource inventory and outcomes effectiveness
2. Data analysis to determine what revisions, if any, should be made to the plan(s)
3. Dissemination of the revised plan(s) to staff and suppliers.

Re-assessment should be done often enough to ensure an appropriate response to a potential situation, but not so often that it becomes burdensome for the group tasked with re-assessment.



Notes



Key Points Element 1



- **Estimates of future and present business resource needs must be calculated in the manner required by the organisation**
- **Ensure your advice is clear, concise, and will contribute to the achievement of organisational requirements**
- **Provide information on the most economical and effective choice of equipment, materials, and suppliers**
- **Identify possible resource shortages prior to lack of supply and understand the possible impact on operations.**

Element 1 – ‘True’ or ‘False’ Quiz

		True	False
Q	Resources are the economic or productive factors required to accomplish an activity, or a means to undertake an enterprise and achieve a desired outcome.		
Q	The availability of resources when needed is an important aspect of organisational success.		
Q	Rarely will the organisation have sent specifications for products that they purchase to various suppliers.		
Q	Efficient and effective use of resources can often make or break a project.		
Q	You would always be expected to provide more than a 'guesstimate' of what is going to be required.		
Q	For long-term supply contracts, make the effort to visit those suppliers that seem to meet your quality standards.		
Q	Check carefully with the person requesting the information to see if there is an organisational or preferred format that you should use.		
Q	When giving advice always remember that the other person may take it differently to what you intend.		
Q	Organisations rarely have an intention that resources will be attained, used, and maintained in a particular way.		
Q	Make sure that you are perfectly clear on any requirements of the organisation and follow their guidelines precisely.		