



Australian Government

SITXFIN602 Manage revenue

Release 1

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Modification History

The version details of this endorsed unit of competency set are in the table below. The latest information is at the top.

Version	Comment
1.0	New unit.

Unit Descriptor

This unit describes the performance outcomes, skills and knowledge required to make, implement and monitor pricing decisions to maximise yield and business profitability.

Application of the Unit

The unit applies to supplier organisations in the tourism, travel and hospitality industries, in particular to the accommodation, tour operations and tour wholesaling sectors. It applies to senior personnel who work autonomously and are responsible for making strategic business decisions.

Licensing/Regulatory Information

No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.

Pre-Requisites

Not applicable.

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Not applicable.

Elements and Performance Criteria

Elements describe the essential outcomes of a unit of competency. Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.

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|--|---|
| 1. Analyse and forecast business activity. | <ul style="list-style-type: none"> 1.1 Analyse existing performance data and budget targets. 1.2 Interrogate and compare sources of business activity from different distribution channels and market segments. 1.3 Evaluate external market factors, competitor activity and changing customer demand patterns. 1.4 Develop scenarios and forecasts around future business performance and revenues. |
| 2. Make pricing decisions. | <ul style="list-style-type: none"> 2.1 Confirm nett delivery costs, both fixed and variable. 2.2 Review and incorporate distributor commissions or mark ups. 2.3 Set standard and promotional rates for different times, trading periods and market segments based on analysis of forecasts and pricing options and optimum yield. 2.4 Assess the need for <i>special conditions</i> and apply as required. 2.5 Clearly and accurately document pricing structures and associated terms and conditions with consideration of consumer protection requirements. |
| 3. Implement pricing decisions. | <ul style="list-style-type: none"> 3.1 Communicate pricing initiatives to colleagues and to <i>internal and external partners</i> and distribution channels. 3.2 Establish mechanisms and collateral to support pricing decisions in different market segments. |
| 4. Monitor pricing initiatives. | <ul style="list-style-type: none"> 4.1 Monitor revenue results achieved through pricing and distribution initiatives on a timely basis. 4.2 Adjust initiatives based on results and broader business and market analysis. 4.3 Record performance data for future analysis. |

Required Skills and Knowledge

This section describes the skills and knowledge required for this unit.

Required skills

- critical thinking skills to interrogate complex business information and develop business strategies in response
- initiative and enterprise skills to recognise or proactively seek new opportunities
- literacy skills to:
 - interpret complex business performance information
- numeracy skills to:
 - analyse business performance data
 - calculate a range of different commission and mark-up structures
 - assess profitability scenarios
 - develop pricing structures
- planning and organising skills to coordinate timely analysis and decision-making
- problem-solving skills to develop strategic responses to business performance challenges
- technology skills to work with financial and forecasting models and online distribution channels.

Required knowledge

- key principles and terminology of revenue management:
 - dynamic and static pricing
 - matching supply and demand
 - shaping demand through price
 - perishability
 - responsiveness and timing
 - performance metrics
 - revenue generation index
 - market penetration index
- types of business performance data used in revenue management:
 - sources of business
 - financial reports
 - historical trends
 - market analysis
 - occupancy and load reports
 - no-show reports
 - supply and demand analysis
- mechanisms and collateral that support initiatives in different market segments:
 - channel management systems
 - global distribution systems

- online requirements – promotions, proprietary websites, third party websites
- types of promotions
- sector-specific factors that impact revenue management initiatives:
 - financial:
 - fixed and variable operating costs
 - profit margin requirements
 - industry commission and mark-up procedures
 - cost of distribution networks
 - external market factors:
 - competitor activity
 - complementary activity (events)
 - travel capacity
- aspects of consumer protection law that impact on pricing and distribution:
 - providing services as advertised
 - terms and conditions
 - refund requirements
 - cancellation fees
 - credit card surcharges.

Evidence Guide

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

Overview of assessment

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the ability to:

- develop, implement and monitor pricing initiatives for multiple products, trading periods and market segments
- integrate knowledge of:
 - revenue management principles
 - financial factors affecting revenue management
 - industry distribution and marketing considerations.

Context of and specific resources for assessment

Assessment must ensure use of:

- a real or simulated business operation for which revenue management initiatives can be developed
- current information and communications technology
- current industry and business data.

Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit:

- evaluation of completed pricing structures for specific products, trading periods and market segments
- use of case studies to assess ability to analyse business data and develop effective pricing in response
- written or oral questioning to assess knowledge of, industry interrelationships, distribution networks, mark-up and commission structures and legal requirements
- review of portfolios of evidence and third-party workplace reports of on-the-job performance by the individual.

Guidance information for assessment

The assessor should design integrated assessment activities to holistically assess this unit with other units relevant to the industry sector, workplace and job role, for example:

- SITTPPD503 Research and analyse tourism data
- SITTPPD601 Develop tourism products.

Range Statement

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

Special conditions may include:

- block out dates
- inclusions
- payment requirements
- stay controls.

Internal and external partners may include:

- external organisations:
 - agency networks
 - global distribution systems
 - local, state or national tourism organisations
 - own website managers
 - third party website managers
- internal colleagues:
 - accounting
 - front line service
 - management
 - sales and marketing.

Unit Sector(s)

Cross-Sector

Competency Field

Finance