PSPMNGT609B Formulate business strategies

Revision Number: 3

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Modification History

Release	TP Version	Comments
3	PSP12V1	Unit descriptor edited.
2	PSP04V4.2.	Layout adjusted. No changes to content.
1	PSP04V4.1	Primary release.

Unit Descriptor

This unit covers the requirement to develop, implement and review business strategies to attain the business unit's strategic objectives. It includes defining and implementing business strategies, reviewing the effectiveness of strategies and managing risk associated with the strategies.

In practice, formulating business strategies may overlap with other generalist or specialist public sector workplace activities such as complying with legislation, acting ethically, managing risk, networking, developing business cases etc.

This unit replaces and is equivalent to *PSPMNGT609A Formulate business strategies*.

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

Application of the Unit

Not applicable.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Not applicable.

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Elements are the essential outcomes of the unit of competency.	Together, performance criteria specify the requirements for competent performance. Text in ***bold italics*** is explained in the Range Statement following.

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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. **Define and implement business strategies**	1.1 *Business unit* objectives are formulated in accordance with the unit's strategic priorities. 1.2 Strategies are developed that relate to the business unit's strategic objectives. 1.3 Strategies are developed in consultation with key stakeholders including other business units and organisations, using a range of *communication strategies*. 1.4 Strategies and associated objectives are delegated to operational levels within the business unit. 1.5 Strategies are delegated to individuals, teams and groups in a manner which ensures understanding, and commitment. 1.6 Information on *business strategies* that specifies output targets and performance standards is given to individuals, teams and groups. 1.7 A system which includes key performance indicators is developed to monitor the implementation and effectiveness of strategies.
2. **Review the effectiveness of business strategies**	2.1 Strategies developed to attain the business unit's strategic objectives are reviewed in a timely fashion. 2.2 Strategies are reviewed in relation to attainment of key objectives, budgets, resources and timelines. 2.3 Multiple perspectives and *sources of information* are considered in determining the effectiveness of strategies. 2.4 The effectiveness of the strategy is reviewed against key performance indicators. 2.5 Recommendations on appropriate enhancements to the strategies and plans are formulated and acted upon in accordance with organisational *policy and procedures*.
3. **Manage risk associated with business strategies**	3.1 Risks associated with the implementation of the business unit's strategies are identified and evaluated. 3.2 *Risk* levels are assessed as acceptable or unacceptable and balanced against opportunities afforded by taking risks. 3.3 *Information sources* are utilised to assess levels of identified risks. 3.4 Risk treatments are selected and implemented. 3.5 Risk treatments are monitored and reviewed.

Required Skills and Knowledge

This section describes the essential skills and knowledge and their level, required for this unit.

Skill requirements

Look for evidence that confirms skills in:

- engaging in effective consultation with stakeholders
- negotiating and influencing
- applying environmental scanning
- using a variety of words and language structures to explain complex ideas to different audiences
- interpreting and explaining complex, formal documents and assisting others to apply them in the workplace
- preparing written strategies requiring reasoning and precision of expression
- using discussion involving exchanges of complex oral information
- responding to diversity, including gender and disability

Knowledge requirements

Look for evidence that confirms knowledge and understanding of:

- strategic planning processes
- business strategies
- risk management principles and processes
- organisational goals, policies and procedures
- evaluation and review methodologies
- jurisdictional legislation applicable to business strategies, including occupational health and safety and environmental and sustainability requirements
- equal employment opportunity, equity and diversity principles

Evidence Guide

The Evidence Guide specifies the evidence required to demonstrate achievement in the unit of competency as a whole. It must be read in conjunction with the Unit descriptor, Performance Criteria, the Range Statement and the Assessment Guidelines for the Public Sector Training Package.

Units to be assessed together	• *Pre-requisite* units that must be achieved prior to this unit:*Nil* • *Co-requisite* units that must be assessed with this unit:*Nil* • *Co-assessed units* that may be assessed with this unit to increase the efficiency and realism of the assessment process include, but are not limited: • PSPETHC601B Maintain and enhance confidence in public service • PSPGOV601B Apply government systems • PSPGOV602B Establish and maintain strategic networks • PSPLEGN601B Manage compliance with legislation in the public sector • PSPMNGT608B Manage risk • PSPMNGT610A Manage public sector financial resources • PSPPOL603B Manage policy implementation
Overview of evidence requirements	In addition to integrated demonstration of the elements and their related performance criteria, look for evidence that confirms: • the knowledge requirements of this unit • the skill requirements of this unit • application of the Employability Skills as they relate to this unit (see Employability Summaries in Qualifications Framework) • business strategies reflective of the unit's strategic priorities developed and implemented in a range of (2 or more) contexts (or occasions over time)
Resources required to carry out assessment	These resources include: • legislation, procedures and protocols related to formulation of business strategies • workplace scenarios and case studies to capture the range of situations likely to be encountered when formulating business strategies • guidelines for formulating business strategies for the public sector
Where and how to	Valid assessment of this unit requires:

assess evidence

- a workplace environment or one that closely resembles normal work practice and replicates the range of conditions likely to be encountered when formulating business strategies, including coping with difficulties, irregularities and breakdowns in routine
- business strategies reflective of the unit's strategic priorities to be developed and implemented in a range of (2 or more) contexts (or occasions, over time)

Assessment methods should reflect workplace demands, such as literacy, and the needs of particular groups, such as:

- people with disabilities
- people from culturally and linguistically diverse backgrounds
- Aboriginal and Torres Strait Islander people
- women
- young people
- older people
- people in rural and remote locations

Assessment methods suitable for valid and reliable assessment of this competency may include, but are not limited to, a combination of 2 or more of:

- case studies
- portfolios
- projects
- questioning
- scenarios
- authenticated evidence from the workplace and/or training courses

For consistency of assessment

Evidence must be gathered over time in a range of contexts to ensure the person can achieve the unit outcome and apply the competency in different situations or environments

Range Statement

The Range Statement provides information about the context in which the unit of competency is carried out. The variables cater for differences between States and Territories and the Commonwealth, and between organisations and workplaces. They allow for different work requirements, work practices and knowledge. The Range Statement also provides a focus for assessment. It relates to the unit as a whole. Text in **bold italics** in the Performance Criteria is explained here.

Business unit may refer to:	• a program • sub-program • cost centre • area • division • branch • production unit or section located within the organisation
Communication strategies may include:	• small group information sessions • computerised communications • in-house publications • oral presentations
Business strategies may include:	• programs, projects and plans used to attain the business unit's strategic objectives
Information sources for strategy review may include:	• statistical analyses • interviews with stakeholders • surveys • focus groups interviews • research on existing programs • solicited and unsolicited feedback • organisational reviews • workforce management data
Policy and procedure may include:	• Commonwealth and State/Territory legislation including equal employment opportunity and anti-discrimination law • national and international codes of practice and standards • the organisation's policies and practices • environmental/sustainability policies • government policy • codes of conduct
Risk management:	• is a logical and systematic process of identifying, analysing, assessing, treating, and monitoring risks related with any strategy, plan, process, program or procedure, that will enable the organisation to minimise losses and maximise

opportunities

- may be considered in relation to an organisation's:
  - people
  - assets
  - physical environment
  - reputation and image
  - legal issues
  - business continuity
  - finances

Risk information sources may include:

- computer modelling
- sensitivity analysis
- structured interviews
- statistical data
- questionnaires
- fault trees
- analysis of consequences - loss of money, time, labour, intangibles

Unit Sector(s)

Not applicable.

Competency field

Management.