Australian Government

SITXMGT002 Establish and conduct business relationships

Release: 1

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Modification History

Not applicable.

Application

This unit describes the performance outcomes, skills and knowledge required to establish and manage positive business relationships. It requires the ability to use high-level communication and relationship building skills to conduct formal negotiations and make commercially significant business-to-business agreements.

The unit applies to all industry sectors, and to individuals who take responsibility for making decisions about purchasing or marketing activities. They also oversee the maintenance of contracts or agreements. This could include senior operational personnel, sales and marketing personnel, managers or owner-operators of small businesses. Agreements may relate to corporate accounts, service contracts, agency agreements, venue contracts, rate negotiations, preferred product agreements, supply agreements and marketing agreements.

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

Pre-requisite Unit

Nil

Competency Field

Management and Leadership

Unit Sector

Cross-Sector

Elements and Performance Criteria

ELEMENTS	PERFORMANCE CRITERIA
Elements describe the essential outcomes.	Performance criteria describe the performance needed to demonstrate achievement of the element.
1. Build business relationships.	1.1. Establish relationships in line with organisational requirements and protocols.
	1.2. Use effective communication skills and techniques to build business relationships.
	1.3. Proactively identify and take up opportunities to maintain

	regular contact with customers and suppliers.
2. Conduct negotiations.	2.1. Use negotiation techniques in line with professional and organisational protocols to maximise benefits of relationship for all parties.
	2.2. Incorporate feedback and input from colleagues into negotiation where appropriate.
	2.3. Communicate results of negotiations to appropriate colleagues and stakeholders within appropriate timeframes.
3. Make formal business agreements.	3.1. Confirm agreements in writing according to organisational requirements, using formal contracts where appropriate.
	3.2. Obtain approvals for all aspects of formal agreements according to organisational procedures.
	3.3. Evaluate and act on the need for specialist advice as required.
4. Foster and maintain business relationships.	4.1. Proactively seek, review, and act upon information needed to maintain sound business relationships.
	4.2. Honour agreements within scope of individual responsibility, complying with agreed terms.
	4.3. Take account of agreed performance indicators.
	4.4. Make adjustments to agreements in consultation with customer or supplier and share information with appropriate colleagues.
	4.5. Nurture relationships through regular contact and use of effective interpersonal and communication styles.

Foundation Skills

Foundation skills essential to performance in this unit, but not explicit in the performance criteria are listed here, along with a brief context statement.

SKILLS	DESCRIPTION
Reading skills to:	• interpret potentially complex agreements, conditions and contracts.
Writing skills to:	• develop or participate in the development of formal commercial agreements.
Oral communication skills to:	• conduct at times complex negotiations of significant commercial value.
Numeracy skills to:	• evaluate commercial data and cost structures.
Problem-solving skills to:	• evaluate potentially complex internal and external issues that affect professional relationships and business negotiations and identify appropriate options to resolve them

	• anticipate and respond to challenges in the negotiation process.
Initiative and enterprise skills to:	• proactively seek opportunities for building business relationships.

Unit Mapping Information

SITXMGT501 Establish and conduct business relationships

Links

Companion Volume implementation guides are found in VETNet -
https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=68c40a93-e51d-4e0f-bc06-899dff092694