



**Australian Government**

# **SITXCRI601 Manage a business continuity crisis**

**Release 1**

# SITXCRI601 Manage a business continuity crisis

## 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	Comments
1.0	New unit.

## Unit Descriptor

This unit describes the performance outcomes, skills and knowledge required to identify the ramifications of a crisis on business continuity and to respond with strategies that ensure the financial viability of the organisation. It requires the ability to identify and interpret information relevant to the crisis and the business operation and to assess and adapt business operations to manage the crisis.

Managing business continuity is a complex process which involves the use of a range of other interrelated skills, such as financial analysis, budgeting, developing operational plans and adapting the provision of products to meet the needs of a market in crisis. These skills are found within other units.

## Application of the Unit

This unit applies to all tourism, travel, hospitality and event sectors and to any small, medium or large organisation. The crisis could be of a magnitude that affects the operation of an entire organisation, department or particular project.

It applies to senior managers and owner-operators who operate with significant autonomy and are responsible for making a range of strategic management 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

### Elements and Performance Criteria

<p>Elements describe the essential outcomes of a unit of competency.</p>	<p>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.</p>
<p>1. Identify and acknowledge the crisis.</p>	<p>1.1 Consider impacts on business operation through early identification of <i>triggers</i> for a downturn in business.</p> <p>1.2 Access and interpret <i>information</i> relevant to the crisis.</p> <p>1.3 Identify and acknowledge <i>internal</i> and <i>external crises</i>.</p>
<p>2. Assess impacts on the viability of the business.</p>	<p>2.1 Involve <i>key people</i> in the assessment of the crisis.</p> <p>2.2 Review <i>organisational documents</i> to ascertain current financial and operational status of the business.</p> <p>2.3 Produce new financial forecasts based on known information about the crisis.</p> <p>2.4 Produce a range of forecast options based on reasonable and worst case predictions of impacts.</p> <p>2.5 Monitor the severity of the crisis and adjust forecasts according to swiftly changing circumstances.</p> <p>2.6 Ascertain the severity of business impacts and develop <i>recommendations</i> to ensure financial viability of the organisation.</p>
<p>3. Adapt business operations to manage the crisis.</p>	<p>3.1 Develop and implement an emergency operational plan to manage the crisis.</p> <p>3.2 Involve key people in the management of the business crisis and integrate their perspective.</p> <p>3.3 Implement accepted recommendations for changing business operations.</p> <p>3.4 Communicate new practices to key people including external suppliers.</p> <p>3.5 Re-align <i>staffing arrangements</i> to control wage costs.</p> <p>3.6 Gain staff confidence in current managerial activity and their commitment to the business in crisis.</p> <p>3.7 Re-align products and services to meet current market needs.</p> <p>3.8 Re-negotiate with suppliers to achieve optimum profitability during the crisis.</p> <p>3.9 Implement promotional and public relations activities to assure consumer confidence.</p>
<p>4. Monitor and</p>	<p>4.1 Monitor business activity and profitability throughout all stages</p>

evaluate business operations.

of the crisis.

- 4.2 Seek internal and external feedback on the effectiveness of emergency business operations.
- 4.3 Identify and respond to inadequacies in emergency operational plan to account for changing circumstances.
- 4.4 Continually adapt business operations to ensure business continuity.

## Required Skills and Knowledge

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

### Required skills

- communication skills to:
  - consult with others on complex operational, financial and management issues
  - communicate difficult operational changes
  - impart confidence to staff throughout a crisis
  - assure consumer confidence through promotional and public relations activities
- critical thinking skills to evaluate the severity of crisis impacts on business operations and to re-align practices to ensure the financial viability of the organisation
- literacy skills to:

read and interpret complex and unfamiliar reports about external crises and a range of complex internal business management plans and reports

- research the internal and external factors that may impact on business performance
- write clear, accurate and complex emergency operational plans
- numeracy skills to interpret and analyse financial information, including forecasts and previous performance data, and to develop financial estimates and scenarios
- planning and organising skills to manage a cohesive and changeable response to crises and produce reports within tight timelines
- problem-solving skills to:
  - identify, acknowledge and immediately respond to crises
  - react to swiftly changing circumstances
- self-management skills to take responsibility for managing a business in crisis and for the outcomes of emergency management practices
- teamwork skills to involve key staff members in the assessment and management of a business crisis
- technology skills to use accounting software packages.

### Required knowledge

- for the specific industry sector and organisation:
  - the key characteristics of internal and external crises
  - impacts of crises on the provision of products and services and business viability
  - historical impacts of crises on tourism, hospitality and event operations
  - the major triggers for a downturn in customer sales
  - consultative mechanisms commonly used by organisations
  - promotion and public relations activities commonly used by organisations during a crisis
  - the role of key external people and organisations in managing a business crisis
  - techniques to adapt business operations to manage a business in crisis
- for the specific organisation:

- the roles and responsibilities of key staff members and external consultants
- the contents and role of organisational documents in managing the business
- a range of formats for and inclusions of emergency operational plans
- the features and functions of financial software programs for preparing and monitoring financial reports.

## 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:

- identify and assess the ramifications of a crisis on business continuity
- assess and adapt business operations to manage a business continuity crisis
- develop clear, accurate and complex emergency operational plans
- implement an emergency operational plan and monitor, evaluate and adapt the outcomes over a period of time
- integrate knowledge of the key characteristics of internal and external crises and impacts on business viability.

#### **Context of and specific resources for assessment**

Assessment must ensure use of:

- a real or simulated tourism, hospitality or event industry business operation or event facing a business continuity crisis
- computers, software programs, printers and communication technology used to administer crisis management
- current commercial plans and financial reports
- crisis information
- a team so that consultative actions can be implemented.



**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 a portfolio, prepared by the individual, incorporating documents used for the management of a business or event crisis:
  - summary of crisis research material
  - recommendations for managing the situation
  - an emergency operational plan detailing strategies to ensure the financial viability of the organisation
- direct observation, using role plays, of the individual consulting with and briefing key staff members on emergency operational practices
- use of case studies and problem-solving exercises so the individual can identify and evaluate the impacts of different types of crises on tourism, hospitality and event businesses
- written and oral questioning to assess knowledge of:
  - the key characteristics of internal and external crises
  - historical impacts of crises on tourism, hospitality and event operations
  - the major triggers for a downturn in customer sales
- 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:

- BSBFIM601A Manage finances
- BSBMGT515A Manage operational plan
- SITHKOP501 Design and cost menus
- SITTPPD503 Research and analyse tourism data
- SITTPPD601 Develop tourism products
- SITXFIN501 Prepare and monitor budgets.

## 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.

***Triggers*** may include:

- changes in the length and regularity of holidays taken by the source market
- changes in the popularity of:
  - destinations
  - style of tourism, travel and hospitality products
  - budget or premium product
- closure of major transport suppliers:
  - airlines
  - coach companies
  - cruise operators
- closure of the operation of multiple suppliers in a destination
- downturn in local economic growth
- global financial downturn
- impending economic recession or crisis
- in destinations used by the business, warnings of impending:
  - natural disasters
  - political and civil uprisings
  - terrorism acts
  - wars.

***Information*** relevant to the crisis may be sourced from:

- emergency services reports
- health advisory notices and vaccination information issued by local and international bodies
- industry associations and organisations
- industry journals
- informal discussions and networking with internal and external colleagues
- media reports on external crises
- press releases and emergency advice notices issued by:
  - local, state, territory or federal governments
  - destination marketing companies
  - regional, state and national tourism offices
  - franchisors

**Internal** crises may be:

- staff, contractor, supplier reports on:
  - accidents
  - breakdown or complete failure of key equipment
  - death
  - injury
  - major work health and safety incidents
- travel warning advice issued by the federal government for Australian travellers.
- breakdown or complete failure of key equipment
- customer, tour guide or tour manager:
  - accident
  - death
  - major injury or illness
  - repatriation
- destruction of infrastructure
- failure of marketing program
- financial loss through:
  - non-compliance with the law
  - litigation
- key employee:
  - death
  - family crisis
  - fraud
  - long term illness
  - professional incompetence
- media coverage of business's:
  - accidents
  - incidents
  - impending failure
- major work health and safety accident or near miss incident.

**External** crises may be:

- breakdown or complete failure of supplier equipment
- for destinations used by the business:
  - chemical spill
  - civil uprising
  - destruction of tourism infrastructure
  - health epidemics or pandemics
  - natural disaster (cyclone, earthquake, fire, flood, tsunami, etc.)

**Key people** may include:

- outbreak of war
- political coup
- radiation leak
- terrorism
- financial recession or crisis for the source market
- global financial crisis
- industrial dispute
- plane crash.
- business accountants
- customers and their families
- colleagues, including:
  - managers
  - operational staff
  - peers
  - supervisors
- contract tour guides and tour managers
- consultants:
  - crisis management
  - marketing
  - public relations
- financial controllers
- insurance brokers and providers
- legal representatives
- suppliers
- travel insurance providers.
- brochures
- budgets:
  - departmental
  - entire organisation
  - product specific
  - project specific
  - revenue and expenditure items
- contracts with:
  - other businesses to whom products and services are supplied
  - suppliers
- customer surveys
- plans:
  - business
  - marketing

**Organisational documents** may include:

- operations
- product development
- project
- product costings and published tariffs and price lists
- reports:
  - current financial status
  - financial forecasting
  - staff feedback
  - wage cost
- tenders, proposals or bids
- terms and conditions:
  - credit provision
  - provision of products and services to customers.

***Recommendations*** may include:

- cancellation of impending departures to affected destinations
- cancellation of unprofitable products or services
- closure of particular departments
- moving premises to a less costly location
- price rises or reductions
- re-alignment of product style and pricing to meet current market needs
- reduction of staff hours or staff redundancies
- sale of equipment
- scaling up or down of promotional activities
- temporary cancellation of products within affected destinations
- temporary closure of:
  - accommodation wings or floors
  - internal venues:
    - cafes
    - restaurants
    - retail outlets.

***Staffing arrangements*** may include:

- non-use of casual staff
- re-assigning duties
- reducing permanent employee hours
- redundancies.

## **Unit Sector(s)**

Cross-Sector

## **Competency Field**

Crisis Management