



Australian Government

SITXCRI004 Manage a business continuity crisis

Release: 1

SITXCRI004 Manage a business continuity crisis

Modification History

Not applicable.

Application

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 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 covered in other units.

This unit applies to all tourism, travel, hospitality and event sectors and to any size 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.

The skills in this unit must be applied in accordance with Commonwealth and State/Territory legislation, Australian/New Zealand standards and industry codes of practice.

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

Pre-requisite Unit

Nil

Competency Field

Crisis Management

Unit Sector

Cross-Sector

Elements and Performance Criteria

ELEMENTS

Elements describe the

PERFORMANCE CRITERIA

Performance criteria describe the performance needed to

*essential outcomes.**demonstrate achievement of the element.*

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

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 complex and unfamiliar reports about external crises and complex internal business management plans and reports - research the internal and external factors that impact on business performance.
Writing skills to:	prepare clear, accurate and complex emergency operational plans.
Oral communication skills to:	- consult with others on complex operational, financial and management issues - communicate difficult operational changes.
Numeracy skills to:	- interpret and analyse financial information from forecasts and previous performance data - develop financial estimates and scenarios.
Problem-solving skills to:	- evaluate the severity of crisis impacts on business operations and re-align practices to ensure the financial viability of the organisation - react to swiftly changing circumstances.
Planning and organising skills to:	manage a cohesive and changeable response to crises and produce reports within tight timelines.
Self-management skills to:	take responsibility for managing an organisation in crisis and for the outcomes of emergency management practices.
Technology skills to:	use accounting software packages.

Unit Mapping Information

Supersedes and is equivalent to SITXCRI002 Manage a business continuity crisis.

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=68c40a93-e51d-4e0f-bc06-899dff092694>

Assessment Requirements for SITXCRI004 Manage a business continuity crisis

Modification History

Not applicable.

Performance Evidence

Evidence of the ability to complete tasks outlined in elements and performance criteria of this unit in the context of the job role, and:

- identify and assess potential ramifications of at least two internal and two external crises on business continuity
- for each of the above internal and external business continuity crises:
 - develop a clear, accurate and complex emergency operational plan
 - assess and adapt business operations to manage business continuity
 - implement the emergency operational plan and monitor, evaluate and adapt the plan based on outcomes.

Knowledge Evidence

Demonstrated knowledge required to complete the tasks outlined in elements and performance criteria of this unit:

- trigger factors for downturns in tourism, travel, hospitality and event business:
 - 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
 - government restrictions on travel
 - impending economic recession or crisis
 - in destinations used by the business, including warnings of impending:
 - natural disasters
 - political and civil uprisings

- terrorism acts
 - wars
- pandemics
- ramifications of an internal crisis on business continuity:
 - breakdown or complete failure of key equipment
 - accident, death, major injury or illness, or repatriation of a customer, tour guide or tour manager
 - destruction of infrastructure
 - failure of marketing program
 - financial loss through non-compliance with the law or litigation
 - death, family crisis, fraud, long-term illness or professional incompetence of a key employee
 - media coverage of business accident, incident or impending failure
 - major work health and safety accident or near miss incident
- ramifications of an external crisis on business continuity:
 - breakdown or complete failure of supplier equipment
 - plane crash
 - for destinations used by the business:
 - chemical spill
 - civil uprising
 - destruction of tourism infrastructure
 - health epidemics or pandemics
 - natural disaster
 - radiation leak
 - terrorism
 - financial recession or crisis for the source market
 - industrial dispute
- key characteristics of internal and external crises
- impacts of crises on the provision of products and services and business viability
- promotion and public relations activities commonly used by organisations during a crisis
- techniques to adapt business operations to manage an organisation in crisis
- organisational policies and procedures:
 - roles and responsibilities of key staff members and external consultants
 - contents and role of business documents in managing the organisation
- key people involved in the assessment of a business continuity crisis:
 - business accountants
 - customers and their families
 - colleagues
 - consultants:
 - crisis management

- marketing
 - public relations
- financial controllers
- insurance brokers and providers
- legal representatives
- suppliers
- business documents used to determine current financial and operational status of an organisation:
 - budgets
 - business plans
 - current contracts relating to current financial and operational business matters
 - financial reports and forecasting
 - product costings and published tariffs and price lists
 - reports
 - tenders, proposals or bids
 - terms and conditions for credit provision
- sources of crisis information:
 - health advisory notices and vaccination information issued by government bodies
 - press releases and emergency advice notices issued by:
 - emergency services organisations
 - industry associations and organisations
 - local, state, territory or federal governments
 - destination marketing companies
 - regional, state and national tourism offices
 - franchisors
 - staff, contractor and supplier reports on:
 - accidents
 - breakdown or complete failure of key equipment
 - death
 - injury
 - major work health and safety incidents
- options to ensure financial viability of organisations in continuity crisis:
 - cancelling unprofitable products or services
 - closing particular departments
 - moving premises to a less costly location
 - price rises or reductions
 - re-aligning product style and pricing to meet current market needs
 - reducing staff hours, or staff redundancies
 - sale of equipment
 - scaling promotional activities up or down

- temporary closure of affected locations
- formats for and inclusions in emergency operational plans
- features and functions of financial software programs for preparing and monitoring financial reports.

Assessment Conditions

Skills must be demonstrated in a tourism, travel, hospitality or event industry business. This can be:

- an industry workplace; or
- a simulated industry environment set up for the purposes of assessment.

Assessment must ensure access to:

- computers, software programs, printers and communication technology used to administer crisis management
- current commercial plans and financial reports
- current crisis information
- a team. This can be:
 - a team in an industry workplace who are assisted by the individual during the assessment process; or
 - individuals who participate in role plays or simulated activities, set up for the purpose of assessment, in a simulated industry environment operated within a training organisation.

Assessors must satisfy the Standards for Registered Training Organisations' requirements for assessors.

Links

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