



Australian Government

SITXFIN006 Manage revenue

Release: 1

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Modification History

Not applicable.

Application

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

The unit applies to senior personnel who work autonomously and are responsible for making strategic business decisions.

It applies to supplier organisations in the tourism, travel and hospitality industries, in particular to the accommodation, tour operations and tour wholesaling sectors.

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

Pre-requisite Unit

Nil

Competency Field

Finance

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. Analyse and forecast business activity.	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	2.1.Confirm net, fixed and variable delivery costs.

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| decisions. | 2.2. Review and incorporate distributor commissions and mark-ups.
2.3. Set standard and promotional rates for different times, trading periods and market segments based on analysis of forecasts, pricing options and optimum yield.
2.4. Assess the need for special conditions and apply as required.
2.5. Document pricing structures and associated terms and conditions, with consideration of consumer protection requirements. |
| 3. Implement pricing decisions. | 3.1. Communicate pricing initiatives to colleagues, internal and external partners, and distribution channels.
3.2. Establish mechanisms and collateral to support pricing decisions in different market segments. |
| 4. Monitor pricing initiatives. | 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. |

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 business performance information.
Numeracy skills to:	- analyse business performance data - calculate different commission and mark up-structures - assess profitability scenarios.
Problem-solving skills to:	- interrogate complex business information and develop business strategies in response - develop strategic responses to business performance challenges.
Technology skills to:	work with financial and forecasting models and online distribution channels.

Unit Mapping Information

SITXFIN602 Manage revenue

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 SITXFIN006 Manage revenue

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:

- using each of the following at least once, develop, implement and monitor a total of six different pricing initiatives for:
 - products
 - services
 - trading periods
 - market segments
- demonstrate consideration of the following factors when determining each of the above pricing initiatives:
 - revenue management principles
 - industry distribution and marketing considerations.

Knowledge Evidence

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

- key principles and terminology of revenue management:
 - dynamic and static pricing
 - market penetration index
 - matching supply and demand
 - performance metrics
 - perishability
 - responsiveness and timing
 - revenue generation index
 - shaping demand through price
- types of business performance data used in revenue management:
 - financial reports
 - historical trends
 - market analysis
 - no-show reports
 - occupancy and load reports
 - sources of business

- 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
 - travel capacity
 - special conditions:
 - block out dates
 - inclusions
 - payment requirements
 - stay controls
- aspects of consumer protection law that impact on pricing and distribution.

Assessment Conditions

Skills must be demonstrated in an operational tourism, travel, hospitality or event business operation for which revenue management initiatives can be developed. This can be:

- an industry workplace
- a simulated industry environment.

Assessment must ensure access to:

- current information and communications technology
- current industry and business data.

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

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