

BSB 7.0

BSBOPS301

**MAINTAIN
BUSINESS
RESOURCES**

BSBOPS301

Maintain business resources

Release 1

Learner Guide

Aspire Version 1.1



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Before you begin

This Learner Guide is based on the unit of competency *BSBOPS301 Maintain business resources*, Release 1. Your trainer or training organisation must give you information about this unit of competency as part of your training program. You can access the unit of competency and assessment requirements at: www.training.gov.au.

How to work through this Learner Guide

This Learner Guide contains a number of features that will assist you in your learning. Your trainer will advise which parts of the Learner Guide you need to read, and which Practice Tasks and Learning Checkpoints you need to complete. The features of this Learner Guide are detailed in the following table.

Feature of the Learner Guide	How you can use each feature
Learning content	Read each topic in this Learner Guide. If you come across content that is confusing, make a note and discuss it with your trainer. Your trainer is in the best position to offer assistance. It is very important that you take on some of the responsibility for the learning you will undertake.
Examples	These highlight key learning points and provide realistic examples of workplace situations.
Practice Tasks	Practice Tasks give you the opportunity to put your skills and knowledge into action. Your trainer will tell you which practice tasks to complete.
Summaries	Key learning points are provided at the end of each topic.
Learning Checkpoints	There is a Learning Checkpoint at the end of each topic. Your trainer will tell you which Learning Checkpoints to complete. These checkpoints give you an opportunity to check your progress and apply the skills and knowledge you have learnt.

Foundation skills

As you complete learning using this guide, you will be developing the foundation skills relevant for this unit. Foundation skills are the language, literacy and numeracy (LLN) skills and the employability skills required for participation in modern workplaces and contemporary life.

The following table provides definitions for each foundation skill.

Foundation skill area	Foundation skill description
Reading	<ul style="list-style-type: none"> Identifies and interprets information from a range of sources, including organisational policies and procedures
Writing	<ul style="list-style-type: none"> Uses clear and succinct language and appropriate layout to provide information, advice and support materials
Oral communication	<ul style="list-style-type: none"> Presents information or advice choosing language appropriate to the context and needs of the audience Uses active listening and questioning to confirm understanding
Numeracy	<ul style="list-style-type: none"> Selects and uses appropriate tools to aid with estimation and other resource assessment requirements Uses a combination of informal and some formal written mathematical equations to represent the outcomes of the resource allocation process
Enterprise and initiative	<ul style="list-style-type: none"> Takes some personal responsibility for adherence to organisational procedures and protocols
Teamwork	<ul style="list-style-type: none"> Uses collaborative techniques to engage personnel in consultations and negotiations
Planning and organising	<ul style="list-style-type: none"> Plans a range of routine tasks and required resources, accepting goals and aiming to achieve them within allocated timeframes Evaluates effectiveness of decisions in terms of how well they met stated goals
Problem solving	<ul style="list-style-type: none"> Identifies and takes responsibility for addressing predictable problems in familiar work contexts
Technology	<ul style="list-style-type: none"> Follows routine procedures for using digital technology to enter, store and retrieve information directly relevant to role Identifies purpose and some specific functions of some common digital tools used in work contexts

What do you already know?

Use the following table to identify what you may already know. This may assist you to work out what to focus on in your learning.

Topic	Key outcome	Rate your confidence in each section
Topic 1: Advise on resource requirements	1A Calculate current business resource needs	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1B Calculate estimates of future business resource needs	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1C Provide advice on equipment, materials and suppliers	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1D Identify resource shortages and their impact	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 2: Acquire resources	2A Obtain resources according to timelines and organisational requirements	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2B Store resources according to requirements	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2C Review resource acquisition processes	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 3: Monitor resource use and maintenance	3A Confirm resources are being used safely	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3B Use and monitoring resources effectively	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3C Consult with individuals and teams to allocate resources	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident



Topic 1 | Advise on resource requirements

- 1A Calculate current business resource needs
- 1B Calculate estimates of future business resource needs
- 1C Provide advice on equipment, materials and suppliers
- 1D Identify resource shortages and their possible impact on operations

1A Calculate current business resource needs

Business resources are the stock, facilities, equipment and staff an organisation needs to operate.

Resources include fixed assets such as buildings, cars or furniture and consumable assets such as paper, stationery, cleaning products and kitchen supplies.

Businesses calculate their resource requirements by keeping track of existing resources, their cost to the organisation and their rate of usage. When they have this information, they can plan what resources will be needed going ahead.

The types of resources held by an organisation depend on its size and what kind of business it conducts. For example, a small panel-beating company with three employees may have a computer, a printer/scanner unit and a portable Eftpos machine in its office. In contrast, a large recruitment company with two hundred staff may have hundreds of computers and the office furniture to go with them, several high-volume multifunction printer and copiers, and videoconferencing and interview rooms.

Here is a list of some of the main types of resources used by businesses.

Facilities

Facilities are the buildings or rooms an organisation uses to carry out its business activities. A business may have various buildings in different areas of a city, in several states, or even in different countries. These could be offices, showrooms, warehousing, or retail and storage spaces. These facilities may be owned, hired or leased by the organisation.

Equipment

Equipment is the tools, machinery, vehicles and IT devices an organisation uses in the course of its business activities. Equipment may be owned, hired or leased by the organisation.

For example, a recruitment company may have large meeting and training rooms furnished with equipment such as a videoconferencing system, electronic whiteboard, overhead projector and DVD player. An organisation may even hire out their meeting rooms to other organisations.

Hardware and software

Information technology hardware and software can make up a large proportion of an organisation's resources and is used to carry out administrative, planning and communication tasks, as well as to monitor and control other resources. Hardware and software may include:

- computers, monitors and peripheral equipment, such as keyboards and mice
- software programs and subscriptions to web-based applications
- portable electronic devices, such as smartphones and laptops
- printers
- modems/Wi-Fi routers.

Outside the office, IT infrastructure is vital in operating machinery, transporting goods, and managing processing plants, factories and warehouses. It is also used for product development, testing, quality assurance and many other critical business activities.

Human resources

Human resources are the people who work for an organisation. They are an essential part of an organisation's structure. Decisions regarding whether to increase or decrease human resources depend on a range of factors including supply and demand for the organisation's products and services, as well as economic and technological factors. For example, an organisation may need to hire additional casual or part-time staff to deal with an especially busy period.

Stock and supplies

Stock is the material an organisation sells or deals with; for example, books, pharmaceuticals, building materials or wine grapes. Stock may also be fixed assets such as machinery or vehicles. Supplies include consumables such as stationery, fuel and packaging. Managing stock and supplies, or monitoring consumption and reordering, is a major part of an organisation's day-to-day operations.

Raw materials

Raw materials are the materials required to produce or manufacture goods; for example, a building company needs concrete, and a pharmaceutical company needs chemicals. The cost of purchasing raw materials will affect the sale price of the finished product. For an organisation to price their products competitively, they need to purchase raw materials that meet their quality requirements and their budget.

Information

The information held by an organisation is another important business resource. This could be in the form of data, such as a customer database that allows the organisation to analyse sales trends and market services. It could also be in the form of knowledge held by the company, such as a preferred supplier list or product designs.

The information held by an organisation is often referred to as an intangible asset. Intangible assets do not have a physical presence (unlike tangible assets such as buildings, equipment or supplies). They are hard to quantify, but can be very valuable. For example, if a company has a good understanding of a target market, this is an important asset to its financial success.

Understand business requirements

The requirements of a business are influenced by a range of factors, including its resource needs.

If you are responsible for identifying business needs in your workplace, you need to understand that company's requirements. The requirements of a business will determine its resource needs. For example, a company that regularly produces hard-copy reports for clients will require a regular supply of high-quality printing paper. On the other hand, a company that corresponds with clients electronically will require high-speed internet, a server or cloud-based data storage and computers with fast processor speeds.

Some of the factors that influence business requirements are outlined below.

Mission statement, goals and objectives

A company's mission statement summarises the goals, objectives and purpose of the business. A company's mission statement will influence their resource requirements. For example, a franchise coffee chain that aims to deliver products that are ethically sourced, will need to source their coffee from suppliers who meet those specific requirements.

Business plans

An organisation's business plan details how it will accomplish its mission statement. It is a formal document that describes the business objectives, strategies and financial forecast.

A company's business plan can influence their resource requirements. For example, a coffee chain that aims to deliver ethically sourced products needs to have a strategy for ensuring their supplies are from environmentally sustainable sources.

A business plan should also outline management and accountability channels that show who is responsible for what and who to contact if you need support.

Work health and safety (WHS)

Business resources need to meet work health and safety guidelines; for example, if a business is purchasing office furniture, the furniture may need to meet particular ergonomic guidelines. Many companies have written policies outlining work health and safety guidelines.

It is against the law for employees to work in a hazardous or unsafe environment, and organisations have a responsibility to provide a safe and healthy workplace by reducing risks wherever possible.

Quality assurance and procedures manuals

Quality assurance is an ongoing process that ensures standards are met, and continuous improvement is possible. It requires a commitment from all staff to work together to produce the highest quality products or services for its customers. Quality assurance systems are usually outlined in a procedures manual.

The quality assurance processes within a business may influence their resource needs. For example, an organisation may be permitted to use a specific supplier only after meeting quality specifications.

Legislation and industry standards

All organisations need to operate in line with government legislation. For example, organisations must follow industrial relations laws relating to minimum wage and leave entitlements.

Legislation can have an impact on the resource requirements of an organisation. For example, to ensure adherence to environment protection laws, a manufacturing company may need to purchase equipment to safely store and transport chemicals. Or, a company that collects data from members of the public may need to purchase software that ensures it can be safely stored in order to meet the requirements of the *Privacy Act 1988* (Cth).

Other relevant legislation that may have a bearing upon business resources include:

- work health and safety laws
- the *Equal Employment Opportunity Act 1987* (Cth)
- the *Dangerous Goods Act 1985* (Cth)
- anti-discrimination laws.

Organisational policies, procedures and guidelines should incorporate legislative requirements.

Your organisation may also need to comply with industry standards, such as codes of practice. Industry standards are recommended practices and are not legally binding. Industry standards are available through the relevant industry body.

Example

Calculate current business resource needs

A small company that imports silk flowers has recently opened for business. The company's mission is to become a recognised importer of quality silk floral items. The company guarantees 100 per cent customer satisfaction and values friendly service.

'Our purpose is to increase our customers' appreciation of handmade silk flowers and other silk products and to provide customers with beautiful, unique and artistic decorations.'

To fulfil its mission, the company needs to ensure its products are high quality, stay up to date with its catalogue and offers, and maintain stock levels to satisfy customer demand quickly and reliably. In addition, the company needs to ensure it has an excellent customer service team.

To accomplish its mission statement, the organisation's business plan is to:

- achieve sales of \$1.5 million in 2023
- open a gift shop with a five-year lease
- employ another floral designer by December 2021
- establish an annual growth rate of 25%
- expand its website in 2021
- expand its product range by adding 10 new flowers and flower arrangements in 2021.

Calculating current resource needs

Most organisations use a stock-control system to keep track of resources, their cost to the organisation and their rate of usage.

The stock-control system can be computerised or manual; the basic principles are the same. It helps maximise efficiency because it aims to ensure that stock is available whenever it is required. Problems can arise if such systems are not in place. For example, if an organisation runs out of invoice stationery, delays in billing customers could follow, which may affect the organisation's cashflow.

Stocktaking

Most organisations do routine stocktakes to check existing resources. This information may be kept on a computer database or in hard copy format.

The two most widely used inventory accounting systems are:

- periodic and
- perpetual systems.

Businesses that use the periodic system perform stocktaking periodically; for example, at the end of the financial year.

Businesses that use the perpetual system, update their inventory continuously – every item of stock that enters and exits the organisation is recorded.

Assets register

Most organisations use a fixed assets register to keep track of their assets. This register identifies and lists each asset with its date of acquisition and cost. It also allocates a unique identifying number to each asset. When assets are sold or discarded, they are removed from the assets register.

Item description	Cost	Date purchased	ID number
Motor vehicles			
Mitsubishi Triton	\$24,954.00	25/06/19	1010
Total	\$24,954.00		
Hardware			
Xerox facsimile	\$2,800.00	10/04/20	2010
Modem	\$635.00	13/03/19	2020
Overhead projector	\$590.00	04/09/18	2030
Total	\$4,025.00		
Equipment			
8 x Dell computers	\$20,500.00	03/08/16	3010
Compaq colour monitor	\$760.00	02/02/17	3020
3 x Pentium computers	\$12,475.00	02/02/17	3030
Compaq notebook	\$1,345.00	04/09/16	3040
QuarkXpress software	\$2,390.00	06/06/14	3050
Total	\$37,470.00		
Fixtures and fittings			
Sliding door cabinet	\$350.00	05/05/18	4010

Item description	Cost	Date purchased	ID number
Corner work station	\$599.00	05/05/16	4020
Reception desk	\$445.00	05/05/18	4030
4 x Carrera chairs	\$646.00	04/09/17	4040
Slimline blinds	\$590.00	05/05/17	4050
Bookcase/cupboard	\$230.00	05/05/10	4060
Total	\$2,860.00		

Perpetual inventory system

The perpetual inventory system requires that accounting records show the amount of inventory on hand at all times. This system uses stock cards to record stock movements. A stock card is held for every line of stock and updated each time stock is added or removed. The balance on the cards should match the stock that is physically on hand at any given time.

The perpetual inventory system requires more record keeping than the periodic system and is often used by large organisations.

The table below is an example of a stock card for a printing company. The company needs to have a minimum of 15 reams of paper on hand at any time. As soon as the stock gets down to this level, it triggers the purchase of another 35 reams.

On 3 January 2020, the business had only 15 units of paper so more were ordered. On 6 January 2020, 35 more units were added to the inventory.

Stock card - Item: A4 photocopy paper									
Date	In			Out			Balance		
	Unit	Cost (\$)	Total (\$)	Unit	Cost (\$)	Total (\$)	Total units	Unit cost (\$)	Total cost (\$)
03/01/20							15	5.00	75.00
06/01/20	35	5.00	175.00				50	5.00	250.00
15/03/20				10	5.00	50.00	40	5.00	200.00
31/03/20				15	5.00	75.00	25	5.00	125.00
20/04/20				10	5.00	50.00	15	5.00	75.00
02/05/20	35	5.00	175.00				50	5.00	250.00
20/05/20				15	5.00	75.00	35	5.00	175.00
30/05/20				20	5.00	100.00	15	5.00	75.00

Periodic inventory system: formula

In a periodic inventory system, sales are recorded as they occur but the inventory is not updated. The value of goods purchased is recorded, as is the amount received when goods are sold. However, stock details are not tracked between stocktakes. Stock control is based on a manual count of the stock on hand and does not involve keeping continuous records of stock.

If you use the periodic system, you need to know what your beginning inventory is. You then add the new stock purchases to the beginning inventory figure. Then you count what inventory is left (the ending inventory) and subtract that from your beginning inventory and purchases figure. The figure you have left indicates how many stock items have been sold. Use the following basic formula:

$$\text{Beginning inventory} + \text{purchases} - \text{ending inventory} = \text{goods sold}$$

Periodic inventory system: manual tracking

In this system, purchase orders, invoices and delivery dockets provide a record of stock movement. Because manual counting is the only way to tell whether new stock is needed, it is common to count stock on a weekly basis.

In order to determine the cost of goods sold and goods in stock, you must count and value stock at the end of each financial year. For small businesses, it is unrealistic to keep track of each item sold via a perpetual inventory system, so periodic stocktaking is the typical approach. However, there are difficulties in keeping track of stock that are associated with this system because stolen and damaged stock is considered sold.

Regardless of the inventory accounting system used, it is good practice to perform a physical inventory at least once a year.

Example

Calculate current business resource needs

Alexi works in the office of an organisation that sells stationery. His organisation uses a periodic stocktaking system. At the end of the financial year, he has to physically record stock movements.

Alexi collects information including purchase orders, invoices and delivery dockets. He identifies what stock the organisation held at the beginning of the financial year and the stock it has purchased. Alexi then counts the stock the organisation has left over. From this, he can work out how many items have been sold and their cost. By counting stock and comparing the invoices of stock sold with the current inventory, he can also work out and report on how much stock is missing.

Valuation of inventories

An inventory is a detailed list of all the items in stock.

Organisations need to value their inventory at the end of the accounting period. The same method is used from one period to the next, allowing a clear comparison of results. The method chosen affects the calculation of net profit and the amount of income tax payable.

The most common valuation methods used under an inventory system

- First in, first out (FIFO)
- Last in, first out (LIFO)
- Average cost

First in, first out (FIFO) method

The FIFO method manages stock and allocates costs on the assumption that goods are sold in the order in which they were bought. It relies on the fact that an organisation sells its oldest stock first.

The FIFO method is often used by organisations that sell perishable goods in which the oldest goods purchased are the first used or sold. Stock on hand represents the most recent acquisitions and therefore may have an increased value if the cost per unit has increased. FIFO results in higher reported assets and equity.

The example below shows units of the same stock that were bought over four months. It shows how much each unit was worth and the total cost of the purchase. Notice that the price per unit increases over the four months.

Month purchased	Quantity	\$ Price per unit	\$ Total cost
January	100	10.00	1,000.00
February	200	15.00	3,000.00
March	150	20.00	3,000.00
April	200	25.00	5,000.00

This table shows units sold, their FIFO price and the FIFO ending inventory (how much stock is left and what it is worth). For example, in January 50 units are sold at a cost of \$10.00 each, leaving 50 units worth \$10.00 each in the ending inventory. In February, 150 units are sold, using the remaining January stock and some of the new February stock, leaving 100 units worth \$15.00 each. In March, 150 units are sold using the remaining February stock and some of the March stock.

Month sold	Quantity sold	FIFO \$ price	FIFO ending inventory
January	50	50@10	50@10
February	150	50@10 100@15	100@15
March	150	100@15 50@20	100@20
April	200	100@20 100@25	100@25

Last in, first out (LIFO) method

The LIFO method manages stock and allocates costs on the assumption that the last units acquired are the first units sold. Inventory on hand is assumed to come from earlier acquisitions. It specifies that a company sells its newest inventory first. In other words, the most recently purchased stock is the first used or sold. Stock on hand represents old acquisitions and therefore may have a decreased value if the cost to replace it has since increased. LIFO results in lower reported assets and equity.

This table below shows units sold, their LIFO price and the LIFO ending inventory (how much stock is left and what it is worth). For example, in February 150 units were sold. Using the last in first out principle, new stock has to be sold first. This means that the 200 units bought in February have to be sold first. One hundred and fifty of these are sold at a cost of \$15.00, leaving the old stock of 50 bought for \$10.00 and the remaining 50 valued at \$15.00.

Month sold	Quantity sold	LIFO \$ price	LIFO ending inventory
January	50	50@10	50@10
February	150	150@15	50@10 50@15
March	150	150@20	50@10 50@15
April	200	200@25	50@10 50@15

Average cost method

The average cost is the total cost divided by the number of units produced or purchased. The average cost method values inventory sold at the average cost of inventory purchased. The average cost system records the average cost of stock, not the actual cost. Under this system the average unit cost is calculated as follows.

$$\text{(Cost of goods in store + cost of purchases)} \div \text{total units on hand} = \text{unit cost}$$

This method of valuing stock is common in companies that produce consumable or perishable items because it simplifies costing and pricing. If average costs are not used, the company must track each item's production costs in order to accurately calculate stock value.

The table below shows an example of the average cost method. In this example, there are 50 units on hand at \$4.50 per unit. The organisation purchases an extra 75 units at \$5.00 per unit. This is calculated as follows:

Goods in store	$\$4.50 \times 50$	= \$225
Purchases	$\$5.00 \times 75$	= \$375
Total cost	$\$225 + \375	= \$600
Total units on hand	$50 + 75$	= 125
Average unit cost	$\$600 \div 125$	= \$4.80 per unit

Practice Task 1

Question 1

Which of the following documents would help you understand a business's resource needs?
Tick all that apply.

- Induction materials
- Business plans
- Mission statement, goals and objectives
- Promotion policy
- Industry standards

Question 2

Which of the following legislative acts relate to maintaining business resources?
Tick all that apply.

- Privacy act
- Environmental protection laws
- Corporations act
- Work health and safety laws
- Dangerous goods act

Question 3

What is the formula used to calculate goods sold when using a periodic inventory system?

Question 4

Which of the following statements are correct? Select yes or no for each one.

- | | | |
|---|-------|------|
| a) Periodic inventory systems using manual tracking is more appropriate for small businesses than perpetual inventory systems | » Yes | » No |
| b) The periodic inventory system requires more record keeping than the perpetual inventory system | » Yes | » No |
| c) The FIFO method for managing stock and calculating costs is often used by organisations that sell perishable goods | » Yes | » No |
| d) The average cost method is often used by companies that sells perishable goods | » Yes | » No |

1B Calculate estimates of future business resource needs

As well as estimating their current resource needs, businesses also need to calculate their future resource needs.

If a company is planning on expanding in the future, it will need to estimate how many staff it needs to cope with that expansion. It may also need to estimate future needs for additional space – such as a larger office – as well as office furniture, computers and software subscriptions.

A company's business plan should indicate any future resource needs. To estimate future business needs, it may also be necessary to consult with staff. This can be done using a range of methods including face-to-face interviews and surveys.

Periodic forecast

A periodic forecast estimates what resources an organisation may need in the future. Periodic forecasts are needed to prevent shortages of materials, consumables, stock or human resources.

Periodic forecasts are based on information from stock monitoring processes such as inventories, analysing advice prepared about resources needed, and consulting with individuals and teams about their resource needs. Forecasts can also be informed by government and industry statistics, economic conditions and seasonal considerations.

Periodic forecasts allow an organisation to plan for the future. You need to be aware of your organisation's processes for periodic forecasting and ensure that these are factored into any resource acquisitions you are involved in.

Future staffing needs

Before you can advise on future staffing requirements, you need to collect information. One source of information is the company's business plan. Or, your company may have a list of upcoming projects which will outline their future activities.

If there is a need for more staff in the future, this may have additional implications for business needs. For example, if new staff are employed, the company may need more office space or new office furniture. Alternatively, a restructure of the organisation may mean that certain jobs will be shared or made redundant. This could also have implications for resource requirements in that the business may need to move to smaller premises. All these situations involve forecasting and identifying what resources need to be acquired.

Future staff requirements can be identified in two ways. You can use information about tasks and activities from the organisation's business plan or list of upcoming projects. Or, you could consult with staff by undertaking face-to-face interviews, or gather information using a survey.

If a business plan identifies the creation of a new position, this may mean that the organisation requires:

- additional office space
- new office furniture
- a new vehicle
- additional software subscriptions
- additional storage (e.g. staff lockers)

Example

Calculate estimates of future business resource needs

Laila is an office manager for a small architectural business. The business has just won a major contract and will need to bring on at least four more staff, including two architects, a drafts person and a project manager.

Laila consults with her manager, the human resources manager and the deputy director to get a better understanding of what resources will be required to accommodate the new staff. Based upon the consultations, she learns that one of the architects will only need to be part-time and the project manager will need access to project management software.

Laila also reads the contract details to get a better understanding of what it will involve. They indicate that the project manager will most likely need to visit numerous local building sites on a regular basis.

Based on this information, Laila decides that the following resources are required:

- new project management software
- two new office desks and chairs
- two new laptops
- one new storage cabinet
- a company car or hire car.

Practice Task 2

Question 1

Which of the following might inform a periodic forecast? Tick all that apply

- Cost of office furniture
- Existing inventories
- Advice from management about the resources needed
- Information gathered from consultations about staff resource needs
- Economic conditions within the state and nation

Question 2

Identify one way of gathering information about future staff needs.

Question 3

Which of the following resources will a business need when employing additional staff?
Tick all that apply

- Additional office space
- New office furniture
- New stationery supplies
- Latest accounting software
- Additional software subscriptions or accounts

1C Provide advice on equipment, materials and suppliers

When you provide advice on equipment, materials and suppliers, it needs to be clear, concise accurate and complete

Employees who are responsible for providing advice on equipment, material and suppliers may also be required to provide advice on options for resource acquisition (i.e. which items to buy and from whom).

Any advice you give needs to be in accordance with your organisation's policies and guidelines.

Factors that determine choice of equipment, materials and suppliers

There will most likely be a range of suppliers who can provide your organisation with the equipment and materials it needs

Some suppliers are cheaper than others and the quality of their products will vary. Some of the factors that might need to be considered when recommending equipment, material and suppliers are listed below.

Budget

- Every organisation has a budget. Your organisation might have a monthly budget for consumable items or a five-year budget for major projects.
- If you are providing advice on equipment and materials, you need to know how much your organisation has budgeted for these supplies. You will then be able to recommend equipment and materials in the allotted price range.
- You could also to keep a list of the preferred price range as a handy reference when you are researching suppliers and ordering supplies.

Purchase/hire/lease

- You may need to research the costs of different acquisition options. For example, would it be cheaper for your organisation to hire equipment, rather than purchase it? Would it be cheaper for the company to outsource a task, rather than have it done in-house?
- Hiring and leasing equipment may be cheaper than purchasing it. Some suppliers have an arrangement that allows an initial hire or lease from them before buying later at a reduced cost. Leasing equipment means that you always have the most up-to-date models. If you are considering hiring or leasing, make sure you understand as the terms of the lease.
- Many organisations outsource tasks. An organisation can save money by outsourcing because they do not need to acquire additional materials and equipment. One of the disadvantages of outsourcing tasks is that the organisation loses control of the process.
- When purchasing a resource, you need to take the initial outlay, insurance, maintenance costs and depreciation into account.

Storage facilities

- The storage facilities an organisation needs depend on the products or services it sells. For example, cold storage is needed for perishable products.
- Storage solutions could be on or off site. The location of storage facilities may have cost implications. For example, an off-site storage space may increase transport costs.

Availability

- The availability of resources is an important factor to consider. Some products have a short lead-time, which means they can be supplied quickly. Others have a long lead-time, which means that the waiting period may be many months.
- How urgently does your business need the resource? The answer to this question will determine how important availability is when making purchasing decisions.

Warranty

- Warranty conditions can influence a company's purchasing decisions. Some suppliers offer extended warranties on their products for an upfront fee.
- Make sure you understand warranty conditions when you are providing advice on materials and equipment. The warranty conditions may require that equipment is used in a certain way, or regularly serviced. These may also have cost implications.

Running costs

- You may need to consider the running costs of equipment. For example, a photocopier with a power-save facility may be preferable to other photocopiers because it reduces your company's power bills. The research you do comparing running costs will enable your organisation to make the most economical choice.

Gathering information

You will need to gather information about a range of suppliers, including the price and quality of their products and services and their reliability.

This may require you to source additional information. This information could come from:

- colleagues
- suppliers
- catalogues, brochures and advertising materials and/or trade journals.

Example

Provide advice on equipment, material and suppliers

Mona works for a small research and consulting firm that has decided to hire out one of its rooms as a training facility.

Mona's manager has asked her to investigate whether it is more economical to purchase equipment to furnish the room or to hire it as it. She tells Mona that the following equipment is required: an electronic whiteboard, a projector and screen, a smart television and a videoconferencing system.

Mona talks to her manager to confirm the budget. She collects information on the upfront costs, installation, depreciation, insurance, maintenance and upkeep that would be involved in purchasing these resources.

Mona also researches the hiring costs and their terms and conditions. She charts the likely rate of hiring per year.

For expensive items, such as the videoconferencing system, Mona also investigates the rent-to-buy option. It seems to be a cost-effective way to get brand new equipment without upfront costs. One supplier also offers companies the chance to try the equipment for 12 months to make sure it is right for their needs. After the 12 months, the business will have the option to buy at a reduced cost, or upgrade to the latest equipment.

Presenting information

Once information about equipment and materials and suppliers has been gathered, it needs to be presented to relevant staff

The information could be presented in a range of ways including a:

- memo or email
- report
- oral presentation.

The method you use to present the information will depend upon your organisation's guidelines and policies. For example, your company may require that all advice be provided in a written format that is then approved by at least two managers. If you are unsure about your company's requirements, check with your supervisor.

Your advice should include:

- costs or quotes
- a detailed description of the item or service
- delivery time frame
- warranty information
- supplier details
- storage requirements (where applicable) and
- running costs (where applicable).

You should also note how each option fits with the allocated budget. If your recommended supplier is above the allocated budget, you could list all the options and explain why you recommend this particular supplier. For example, perhaps this supplier is the only one that can deliver the resources within the required time.

Clear, concise presentation

Here are some general principles you can follow to help ensure your presentation is clear, concise and meets the needs of your audience.

Consider the audience and what they need to know; present all the information that will help them decide on equipment, material and suppliers, such as brand, size and cost per item)

At the beginning of the document or presentation, clearly state the purpose of the document or presentation

Present the information in a logical sequence

Use plain English and avoid jargon

If you need to use technical terms, make sure you explain what those terms mean

If you are presenting detailed statistical or financial data, make sure you present it in a way that easy for your readers to understand. Tables, charts and graphs are a good way of presenting statistical and financial data

Structure

Regardless of whether you are providing the information in an oral presentation or in writing, there are a range of ways you could structure the information. The structure needs to be logical and make sense to the audience.

Summarise the main points, followed by your recommendations

Provide details of each option, with advantages and disadvantages of each, along with a detailed list of suppliers

Present the information in a table that compares quotes, costs, availability and other relevant factors

Summarise current and future resource requirements, potential suppliers, recommendations and quotes

Tips for making oral presentations

Here are some tips for making an oral presentation.

Use an appropriate tone	<ul style="list-style-type: none"> • Tone is the mood or attitude suggested by a presentation. • Certain tones are always inappropriate, including forcing your ideas onto your audience or using a sarcastic tone. • The safest tone to adopt is calm, objective and courteous.
Look at your audience	<ul style="list-style-type: none"> • Try to give your audience the sense that you are speaking to them; shift your gaze from front to back and side to side. • Avoid reading your presentation. If you need to look at your notes, do so briefly.
Speak loudly and express yourself clearly	<ul style="list-style-type: none"> • Be aware of any speech mannerisms you have that may reduce the clarity of your communication – such as mumbling, whispering or racing through the presentation – and try to avoid them as much as possible.
Respond to questions	<ul style="list-style-type: none"> • If you are not sure you understand a question from the audience, repeat it back to them to check your interpretation is correct. • If you don't know the answer to a question, say so, and offer to find the answer. If the person accepts your offer to follow up, make sure you do so.

Sources: The art of thinking: A guide to critical and creative thought (2004) by Vincent Ryan Ruggiero

Here are some tips for writing clearly and concisely.

Keep it brief	<ul style="list-style-type: none"> • Use short sentences • Cut out unnecessary words (e.g. don't say: 'The issue was carefully considered', just say: 'The issue was considered').
Use simple, concrete language	<ul style="list-style-type: none"> • Don't use a long word when a shorter word will do (e.g. 'use' not 'utilise'). • Be precise – avoid vague terminology such as 'the current circumstances'. • Avoid 'flowery' language (i.e. descriptions that are elaborate and flamboyant).
Use an appropriate layout for your document	<ul style="list-style-type: none"> • Use tables to set out information where appropriate – they make it easy to compare different options. • Use bullet points for list items so the information easier to scan.

Practice Task 3

Question 1

When providing advice on equipment, material or suppliers, which of the following pieces of information would you need to communicate? Tick all that apply.

- Staff preferences for equipment or supplier
- Online reviews for equipment
- Warranty conditions
- Storage requirements
- Acquisition options (purchase, hire or lease)

Question 2

Which of the following statements about providing information on resources are correct?
Select yes or no for each one.

- a) The safest tone to use in a presentation is calm, objective and courteous. » Yes » No

- b) Details of each resource option including advantages and disadvantages of each, along with a detailed list of suppliers should be provided to the intended audience. » Yes » No

- c) Spend time exploring each main point, followed by the preferences of colleagues. » Yes » No

- d) Information should be presented in a table that compares quotes, costs, availability and other relevant factors. » Yes » No

1D Identify resource shortages and their impact

An organisation must always have sufficient resources to run smoothly and efficiently.

Businesses can ensure they have sufficient resources by keeping track of the resources on hand, ordering new stock when appropriate and monitoring stock usage.

Most organisations use stocktaking to determine the levels of stock on hand and gather information from various sources to predict future stock needs. For example, stationery may be required for a large mail-out, promotional materials may be needed for a trade fair or a computer may be required for a new staff member.

Impact of shortages on operations

Resource shortages can have a serious impact on an organisation.

Negative consequences of resource shortages include:

- clients and customers being inconvenienced
- potential reduction in customers' brand loyalty
- clients losing confidence in the organisation (if poor performance is evident)
- financial loss or reputational damage
- a decrease in productivity (e.g. staff wasting time trying to locate resources)
- limiting the organisation's ability to achieve its goals.

In the following table two situations are outlined where a business doesn't have the resources it needs for a given task, along with the consequences on business operations.

Example of resource shortage	Impact on business operations
An employee needs a digital recorder to capture data from a customer focus group. The digital recorder needs AAA batteries and none are available.	<ul style="list-style-type: none"> ▪ Valuable time is wasted. ▪ The customers in the focus group are inconvenienced by being held up. ▪ Another employee needs to come in to take notes manually, affecting their other deadlines.
A group of company directors are making a presentation to staff. Senior staff have flown in from interstate for the day. The directors' presentation is in PowerPoint format, however no one has hired a data projector.	<ul style="list-style-type: none"> ▪ Everyone's time is wasted as office staff spend time printing the slides, so they can be viewed in hard copy. ▪ The company directors cannot show the video they planned to, lessening the quality of the presentation. ▪ The presentation is cut short, meaning they are unable to share some of their valuable insights.

Ways to identify and therefore avoid resource shortages:

- use stock cards to record stock accurately
- discuss resource requirements at the appropriate time, e.g. a staff meeting
- find substitutes when a regular supplier cannot deliver
- consult equipment maintenance records to ensure maintenance is being carried out at the specified frequency.

Example

Identify resource shortages and their possible impact on operations

Branko works for an organisation that sells industrial sewing machines. Part of his role is to prepare information for trade fairs where the machines are exhibited and to order the stock to fulfil client orders.

Branko spends a lot of time preparing for a trade show. He orders promotional material to be printed and has copies of the price list updated and reprinted. The costs of the trade show registration fee and the printing are high, but the potential for increased sales is expected to be worth it.

The show is a big success and many orders flood into Branko's organisation. However, he forgot to order new stock and clients are forced to wait up to four months for delivery. This delay is unacceptable to some clients who choose to order machines elsewhere.

Practice Task 4

Question 1

Which of the following negative consequences might an organisation experience due to a resource shortage? Tick all that apply.

- Clients could lose confidence in the organisation
- Employees will be required to work fewer hours
- Customers' brand loyalty might waver
- The organisation could suffer financial loss or reputational damage
- It could affect productivity (e.g. staff wasting time trying to locate resources)

Question 2

Identify two steps staff can take to help identify and avoid resource shortages

Summary

- Business resources are the stock, facilities, equipment and staff an organisation needs to fulfil its business aims.
- An organisation calculates its resource needs according to its specific requirements.
- Stock is accounted for using periodic and perpetual stock accounting systems.
- 'First in, first out' (FIFO); 'last in, first out' (LIFO); and 'average cost' are techniques for valuing inventories.
- When advising managers on the purchasing of resources, communication needs to be clear, concise and relevant.
- When presenting recommendations about equipment purchases, make sure the information is accurate, sufficient, clearly laid out and written in plain English.
- Preventing stock shortages ensures the smooth running of an organisation.

Learning Checkpoint 1

Advise on resource requirements

Part A

1. How would consulting an organisation's business plan help you to calculate their current and future resource requirements? Explain your answer.

2. You need to present a written report to your manager outlining relevant information about three different suppliers. Which of the following techniques would you use to structure your report? Tick all that apply.
 - Summarise the main points, followed by your recommendations
 - Provide details of each option, with their advantages and disadvantages, along with a detailed list of suppliers
 - Present the information in a table that compares quotes, costs, availability and other relevant details
 - Provide a detailed background to the report including the financial position of the organisation and current resources being used organisation-wide
 - Summarise current and future resource requirements, potential suppliers, recommendations and quotes

3. A business needs to submit a tender document by 2.00pm that includes coloured graphs and illustrations. At 11am, an office worker discovers that the colour copier is out of toner and there is none in stock.

What are two potential impacts of this resource shortage?

4. George works in a factory that makes widgets. On Monday, 100 widgets are made at a cost of \$1.00 per widget. On Tuesday, another 100 widgets are made at a cost of \$1.10 per widget. On Wednesday, 150 widgets are made at a cost of \$1.20 per widget.
 - a) On Thursday, George wants to sell 100 widgets at an average cost. What is the average cost of each widget and the total sale amount (if he were to sell at cost price)?

- b) What is the value of the remaining stock at the average cost?

Part B

Read the case study and answer the questions that follow.

Case study

Maya is an office administrator at a market research company. She needs to purchase some new office chairs for the company. She has sourced information about three options and created a comparison table. Look at Maya's table and answer the following questions.

Product: Ergonomic chair	Supplier 1: OfficeWorld	Supplier 2: Fab Furniture	Supplier 3: Comfort
Brand	Executive	Boardroom	SuperSave
Model	TSF/201	2001-93	RS90
Price	\$280.00	\$260.00	\$155.00
Features	Adjustable seat Metal base Adjustable arms	Fabric covering Mahogany finish Padded wood	Mesh fabric Adjustable arms Plastic base
Other	Fully assembled	Fully assembled	Assembly required
Availability	10 days from order	2 weeks from order	Immediate delivery
Extras	Delivery included 2 year guarantee	\$30 delivery per chair 1 year guarantee	\$20 delivery per chair

1. Maya needs to buy 20 chairs. How much would each option cost, including delivery?

2. Maya has been told that the chairs need to be fully adjustable. Her manager wants the chairs delivered in the next two weeks. Her budget is \$5,500. Which supplier do you think Maya should recommend?

3. If the recommended supplier's price is higher than the allocated budget, how could Maya justify her recommendation?

4. Maya needs to present the information to her manager and two other team leaders. What information should Maya include in her advice?

5. One of the team leaders asks Maya a question and she isn't sure she's understood it correctly. What should she do?



Topic 2 | Acquire resources

- 2A Obtain resources according to timelines and organisational requirements
- 2B Store resources according to organisational requirements
- 2C Review resource acquisition processes

2A Obtain resources according to timelines and organisational requirements

Once the need for a resource has been identified, you will need to obtain it according to the requirements of the organisation, including the specified timeline.

All organisations have requirements for acquiring resources. It is important to familiarise yourself with these requirements in your organisation.

Resources need to be acquired in a cost-effective manner. This means carrying out research to find out which suppliers offer the most appropriate products or services at the best price. Resources should be acquired according to business timelines to prevent shortages. It may be your responsibility to make sure goods are ordered and arrive on time.

Complying with acquisition policies, plans and procedures

Company policies, plans and procedures provide information and guidance on how to acquire resources.

If you are responsible for acquiring resources, you will need to ensure compliance with the organisation's policies, plans and procedures.

A company might have a specific purchasing policy, or policies relevant to resource acquisition, or both. Policies set the framework for acquisition. For example, a company that sells house paint might have a policy designed to reduce their carbon footprint. The policy might state that the company aims to:

- purchase equipment, material and supplies from environmentally sustainable companies and
- make their operations energy efficient (e.g. using solar energy at head office and in stores)

When an employee is investigating lighting options, they would therefore consider the energy efficiency of the different options. Or, when a staff member is purchasing stationery, they might prioritise a company whose paper comes from sustainably harvested sources.

Policies also help to ensure compliance with state and federal legislation. For example, state legislation might prohibit companies from selling lead-based house paint. This legislation would be incorporated in company policy which would then determine which supplier the company uses.

Plans and procedures give guidelines and details on how policies are to be implemented. For example, the house paint business mentioned above would have procedures outlining the disposal of damaged stock to ensure they are complying with their policies around environmental sustainability and legislation governing the safe disposal of toxic substances.

Policies, plans and procedures are usually stored on a company's intranet. This is particularly common in larger organisations. Smaller businesses may have the documents in a filing system or an internal computer server.

If you are not sure where these documents are located, you should ask your supervisor. It is important that you know where they can be found and are familiar with their content and intent.

The other major requirement to consider when obtaining resources is the company's budget. Budgets are developed and managed to control and allocate spending. There are also budget-related policies and procedures so that the organisation can control income and expenditure.

Example

Obtain resources according to requirements

Eco-sense Builders is a domestic building company with a commitment to sustainable building practices such as reusing and recycling materials, minimising waste and using sustainable products. This vision is reflected in their new purchasing policy, which has the following goals:

- clearly stating and delegating sustainability responsibilities to all employees with respect to purchasing activities
- providing an adequate, responsible financial budget model for the sustainable purchasing of goods and services
- providing a transparent process of managing and balancing risks with operational priorities and activities
- establishing measurable objectives and targets to manage sustainable purchasing practices
- ensuring that all purchasing activities meet social, economic and environmental aspects (triple bottom line)
- encouraging suppliers to embrace sustainable products
- communicating appropriate sustainability information to stakeholders.

Australian consumer law

Legislation governing consumer rights is standard across all businesses in Australia.

The legislation – Australian Consumer Law (ACL) – was introduced on 1 January 2011. It means that all consumers have the same rights and all vendors have the same responsibilities regardless of where the business is based in Australia.

This law sets out numerous requirements for vendors of goods and services. It is also important for purchasers of goods and services to understand their rights.

The following table shows some of the main features of ACL.

False statements

It is illegal to make false, misleading or deceptive statements about goods or services.

Treatment of other businesses

Businesses are required to treat other businesses in a professional and conscionable manner.

Transactions covered

Under ACL, purchases to the value of \$40,000 are guaranteed to be safe, appropriate for purpose, free of damage, have an acceptable appearance and match samples or demonstrator items. These guarantees also apply to motor vehicles purchased to transport goods on public roads.

(Purchases outside these limitations are covered by other Australian laws and by legal arrangements such as contracts. Businesses can seek advice from an accountant or lawyer in these matters.)

Legal rights of consumers

The legal rights of consumers will be upheld and businesses are obliged to ensure that this happens.

Contracts and guarantees

Businesses may not include unfair terms in their contracts, are obliged to honour guarantees that they have offered at the time of sale, and have to comply with all Australian sales legislation that applies to their type of business.

Cost-effectiveness

Cost-effectiveness is a key issue to consider when obtaining resources.

Cost-effectiveness is not simply about obtaining the cheapest goods and services. Resources bought cheaply are not a good buy if the organisation can't benefit from them. For example, buying a large quantity of batteries that are about to reach their use-by date is not a cost-effective purchase. You need to use your judgment on a purchase-by-purchase basis.

Cost-effective resources are good value *and* fit for purpose. Some methods of acquiring cost-effective resources include the following.

Bulk purchasing

Bulk purchasing means buying a large quantity of the same item. Buying in bulk reduces the cost per unit and can reduce how much you pay for supplies and products in the long run. However, it can have drawbacks: upfront expenditure, potential for spoilage, greater storage requirements and wastage (if you buy more than you need). The potential for drawbacks must all be factored into the purchase. Organisations use bulk purchasing when their periodic forecasts indicate that they need large amounts of a resource.

Discounts

There are other ways to find discounts apart from bulk purchasing. To secure a contract, some suppliers will reduce the cost of their products or services. E.g. a company that sells office supplies may offer a discount to a large government department in order to win a contract that is worth a lot of money.

Some suppliers offer a discount to new customers if purchases are made within a certain time frame. If you are responsible for purchasing resources, make sure that you are aware of discount options before buying.

Sometimes the resource requirements of an organisation coincide with a sale. Sales help an organisation to save money. Planning to buy during sale times can reduce overall costs.

Prompt payment

Some suppliers encourage customers to pay bills quickly by having a 'prompt payment' policy. This means the supplier will offer a discount if a bill is paid within a certain time period, such as seven days after receiving the invoice. Complying with a prompt payment policy can lead to significant savings for a large organisation. However, the organisation needs to have the funds on hand in order to pay promptly. This is another reason why forecasting cashflow and business needs is important.

Other options

Purchasing items outright is not the only option for acquiring resources. Many companies hire or lease equipment and vehicles. Hiring and leasing equipment has numerous advantages including reducing storage and maintenance costs (items can be returned when they are no longer needed) and allowing easy updates to technology.

Buying second-hand or refurbished items is another purchasing option that can save companies money.

Obtain resources within required timelines

When obtaining resources for your business you need to consider timelines.

Deciding when to order goods or services will depend on when those goods or services can be delivered. For example, if a supplier can reprint your company's letterhead stationery within 24 hours, you will only need to order it a few days beforehand. However, if your business needs to purchase parts for a specific piece of equipment that are only available from an overseas supplier, you may need to place an order weeks in advance.

Deal with unexpected situations

Sometimes you may encounter unexpected and challenging situations relating to timing.

If you are responsible for obtaining resources, make sure you know when the resources are needed and how long it will take for the items to arrive. You may need to contact suppliers to find out how long it will take them to deliver the product or service.

The difficulties you may encounter include: the resource is out of stock, the colour or model is unavailable, or a shipment has been delayed due industrial action or severe weather conditions.

You will need to demonstrate initiative in these circumstances. Discuss how shortages should be managed with the appropriate person in your organisation. If an item is needed urgently, you may have to order an alternative product or obtain the resource from another supplier.

Example

Obtain resources according to timelines and requirements

Dimity works in the office of a department store that sells clothing, kitchenware and electrical appliances. A decision has been made to remodel the store and Dimity has been asked to advertise for tenders. The remodelling needs to start in the next six months and must be completed ten weeks before Christmas, as this is the store's peak trading period.

Dimity also needs to order stock: clothing is needed in one month, kitchenware is needed in two weeks and electrical appliances are needed urgently.

Dimity contacts the suppliers for clothing, kitchenware and electrical appliances to find out if the products are available at the required time. She creates a 'to-do' list with the required time frame and priority against each item for easy tracking.

Practice Task 5

Question 1

What actions could you take to ensure you're complying with company policy when acquiring resources?

Question 2

Which of the following methods can be used to acquire cost effective resources?
Tick all that apply.

- Bulk purchasing
- Discounts and sales
- Buying close to the expiration date
- Prompt payment
- Buying second-hand or refurbished items

Question 3

Which of the following statements about overcoming delays in resource acquisition are correct? Select yes or no for each one.

- | | | |
|--|-------|------|
| a) Any delays in obtaining resources must be discussed with appropriate personnel in the organisation. | » Yes | » No |
| b) When informed of potential delays in receiving resources, an alternative supplier can be used. | » Yes | » No |
| c) A delay in resource acquisition could be overcome by sourcing an alternative product. | » Yes | » No |
| d) Delays can be avoided by communicating with suppliers prior to the purchase of resources to find out about delivery timeframes. | » Yes | » No |

2B Store resources according to requirements

For many organisations, storing resources is an important issue.

Resources need to be stored according to organisational requirements to ensure they are safe and in compliance with relevant legislation. There are specific laws regarding how to store hazardous substances and dangerous goods.

Resources can be stored at an organisation's premises or off site, though keeping resources off-site may have cost implications because they may need to be transported further. Regardless of where they are kept, resources need to be easy to locate and protected from damage and theft.

Storing resources

After resources are obtained, decisions need to be made about how those resources will be stored.

When storing resources several key factors need to be considered. Resources should be:

- easy to locate
- protected from damage and theft
- not dangerous to workers
- easy to monitor so they do not become out-of-date.

There are numerous potential consequences of not storing resources appropriately and safely.

Resources could be damaged or written off because of exposure to water, heat, cold, light, dust or pests.

Valuable resources could be stolen.

When resources are difficult to locate, delays in filling orders might be caused.

When resources are difficult to monitor, this could lead to spoilage.

Staff could be injured if resources are not stored safely.

Organisational requirements

Organisations requirements around storage should be outlined in their policies, procedures and instruction manuals.

Here are some examples of policies and procedures relating to storage.

Easy to locate	<ul style="list-style-type: none"> All items are to be labelled when they are received Similar items are to be stored together in a designated space A designated receiving area is to be set aside for sorting items
Protected from damage or theft	<ul style="list-style-type: none"> Products are to be stored in the correct way (e.g. perishable products in a freezer) Staff are not to take company-owned items home Client records are to be kept in a locked filing cabinet
Not dangerous to workers	<ul style="list-style-type: none"> Walkways and doorways are to be kept clear in storage spaces Staff are to keep storage rooms clean and tidy Clear instructions about how to move and retrieve goods safely are to be provided
Easy to monitor	<ul style="list-style-type: none"> All items are to be given a barcode label Staff are to place new inventory behind old inventory to ensure the newest goods are used last.

Where storage is outsourced to a third-party, such as a storage facility, it is important to check that the storage facility can meet your company's needs. For example, you may need to check that the facility can safely store perishable or fragile items. Some storage facilities provide specialised storage for these items, such as climate-controlled units.

Legislation regarding storage in the workplace

In Australia, much of the legislation regarding the storage of resources in the workplace differs according to state or territory.

Here are some examples of legislation relevant to storage in the workplace.

Storing hazardous chemicals	<p>Any Australian business that stores hazardous chemicals in the workplace needs a hazardous chemical register</p> <p>A hazardous chemical register is a list of all hazardous chemicals stored, handled and used in the workplace</p>
Transporting hazardous chemicals and dangerous goods	<p>Each state and territory has different laws about transporting hazardous chemicals and dangerous goods</p> <p>Drivers who transport hazardous chemicals and dangerous goods to a storage facility, for example, may need a special licence</p>

Manual handling	<p>Employees may be at risk of injury when storing or retrieving resources. Some manual tasks, such as repetitive movements and sustained or awkward postures, can cause significant, long-lasting injuries and disorders</p> <p>If businesses do not effectively manage hazardous manual tasks, it can result in a breach of WHS laws. However, employees have a responsibility to ensure they follow instructions relating to work health and safety</p>
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Example

Store resources according to requirements

Maya works as an office assistant for a company that imports fabric for upholstery and interior decor. A container of fabric is about to arrive from overseas and Maya's manager asks her to find suitable short-term storage until the fabric can be sold, as there is no room at the company's premises.

Maya calls around local warehousing companies and finds that two of them have storage room available on the arrival date. She requests details from both companies and decides to choose the cheaper option. Maya contacts the company and arranges for the stock to be collected from the docks and stored.

Two weeks later, the stock is sold and Maya's manager agrees to meet the buyer at the warehouse. When they arrive, they find that the fabric has water damage due to a leak in the warehouse roof. When the manager complains, he is told that the warehouse is not guaranteed waterproof.

Maya did not tell the warehouse manager that the stock had to be kept dry when she made the arrangement. Additionally, the terms and conditions that Maya signed clearly stated that the warehouse was not suitable for perishable or delicate goods.

Record keeping and filing

Organisations need procedures for record keeping and filing, as well as for protecting data and information.

You must always follow organisational procedures for filing information to ensure it is not lost and can be readily retrieved by authorised personnel. It is good practice for employees to log off when leaving their computer and not share their login details with colleagues.

Electronic filing systems are common. In most cases software allows information to be retrieved using one of many fields such as surname or reference number. Electronic filing systems use a password instead of the traditional 'key and lock' system used for filing cabinets. Both practices help to ensure information is protected.

Companies that routinely collect and store sensitive or confidential information about individuals – such as social and market research companies – must comply with the *Privacy Act 1988* (Cth).

The Privacy Act requires businesses to securely store information and follow strict protocols around the sharing the information with other people or businesses. It also includes information on the length of time that personal information can be stored. Individuals have the right to request that information be removed from a system under some circumstances.

Below are some examples of other record keeping procedures.

Suppliers

Information about suppliers can be stored as a reference for the organisation and its employees. This information may be filed or stored electronically. It is not confidential so does not have to be locked or password protected.

Policies and procedures

Organisational policies and procedures may be in hard copy, however in most businesses, policies and procedures are only available electronically to ensure that staff can only access the most recent versions.

Staff information

Staff information is stored so that human-resource functions (recruitment, induction, professional development, performance appraisal) can be undertaken, and to meet duty-of-care and WHS obligations.

This information should be stored in a locked filing cabinet or password-protected database or electronic files with limited access.

Practice Task 6

Question 1

When storing resources, which of the following factors need to be considered by organisations?

- The resources are easy to locate
- The resources are visible
- The resources are easy to monitor so they do not become out-of-date
- The resources are kept in their original packaging
- The resources are protected from damage

Question 2

Identify one policy or procedure an organisation could implement to ensure their resources are easy to locate.

Question 3

Which of the following statements are correct? Select yes or no for each one.

- a) Every Australian business that stores hazardous chemical needs a hazardous chemicals register. >> Yes >> No
- b) WHS legislation regarding the transportation of dangerous goods is the same for every state and territory. >> Yes >> No
- c) If a worker injures themselves at work, the business will be in breach of WHS laws. >> Yes >> No
- d) Electronic filing systems allow information to be retrieved using one or many fields such as a person's last name or a reference number. >> Yes >> No
- e) Any company that collects information about individuals needs to comply with the Privacy Act 1988 (Cth). >> Yes >> No
- f) Only employees who have access to confidential and sensitive information need to log off when leaving their computer >> Yes >> No

2C Review resource acquisition processes

As part of your role, you may need to review your company's acquisition processes.

You may also need to identify improvements in acquisition processes. There are many reasons why processes for efficiently acquiring resources fall short. Whatever the reason, if it is your responsibility to deal with these problems, keeping a record of problems and finding solutions will help you deal with similar situations in the future.

Understanding acquisition processes

Before you review your company's resource acquisition processes, you need to firstly understand those processes.

These acquisition processes could include any of the following:

- tender processes
- non-tender processes
- contract supplier ordering processes
- internal approvals processes.

Tender processes

A tender process is when an organisation advertises its need for goods or services from an external source. This process tends to be used when the organisation is making a significant financial outlay or seeking a long-term relationship with a supplier.

First, the organisation prepares a tender document (often referred to as a 'request for tender'). This document details the goods or services required and sets out the criteria that the supplier must meet. For example, if a school needs a new sports building, the school board would create a tender document detailing the work to be done. The document would cover the building requirements, timelines, standards, and required qualifications and experience of the suppliers.

Next, the request for tender is advertised and all interested parties are invited to obtain a copy of the tender document and submit their tender by a certain date.

When a company responds to a tender (submits a 'tender response'), they outline their offer to provide goods or services in line with the request for tender. The tender response includes details of:

- how much the goods or services will cost
- the experience or expertise the supplier can offer and
- any other information that is called for by the tender document.

The reason for using the tender process is to attract a large pool of 'tenderers' (i.e. the people or companies that offer their goods or services). The tender process is also used to avoid favouritism in government dealings, as it allows any suitable company to submit a tender.

Because it is important to specify every detail of a project, organisations on both sides of the process sometimes hire a consultant known as a tender writer. A large organisation that is constantly issuing tenders or tendering for jobs may have a tender writer on staff.

Example

Review resource acquisition processes

Gabrielle works as an office assistant. Her organisation has an idea for a new product but they want an external company to develop it for them. It is decided that a tender process will be used to find the external company.

Gabrielle designs a criteria list for interested companies to respond to when submitting their tender. She places this information on the Australian Tenders website and waits for companies to respond. Gabrielle receives 10 applicants; four meet the requirements of her company. The four applicants are then asked to submit detailed tenders, outlining exactly what they can offer and how much it will cost. Two tenderers meet the organisation's criteria and they are asked to come in for a formal interview.

Non-tender processes

Not all resources for an organisation are obtained via a tender process. In fact, most business transactions are not tendered.

The non-tender process is much simpler and involves a company contacting a supplier directly to obtain goods or services. This form of obtaining goods and services is used in all businesses, large and small.

The non-tender process may involve asking for quotes from suppliers, or simply placing an order using a purchase order form. This process tends to be used when the financial outlay is small, when there is a preferred supplier or when the transaction is simple and straightforward. In contrast to the tender process, you may tell the potential suppliers your budget if applicable.

You may still need to do some research when acquiring goods or services in this way. For example, you might need to obtain pricelists, check stock levels and request samples before placing an order.

Resources purchased using the non-tender process include products that have been discounted or equipment that is leased for a short period.

Processes for ordering from contracted suppliers

For contracted supplier ordering, one supplier is contracted to the organisation to provide certain goods or services for a specified period. Being a contracted supplier is a privileged position and contractors usually win the position by providing cost-effective and reliable products or services. For example, an organisation may contract the servicing of all its equipment to a company that is able to attend to any technical problems in less than one hour.

Here is an example of a contract agreement summary.

Contract agreement summary

This document is a plain-English summary of the agreement between Brooms and Buckets (the supplier) and Astral Pty Ltd (the client). For legal purposes and further detail, please refer to the full contract document.

From 1 July 2015, Brooms and Buckets will be responsible for the following cleaning services to Astral Pty Ltd:

- supplying two cleaners, Monday to Friday for two hours between 5.00pm and 7.00pm
- cleaning carpets and furniture, emptying rubbish bins and cleaning the kitchen
- removing all kitchen and office rubbish to the downstairs rubbish skip
- removing all paper and cardboard recycling to the downstairs recycling skip.

These services will be supplied at Astral Pty Ltd's offices: Level 3, 200 Miller Street, West Melbourne.

Brooms and Buckets will not be responsible for any of the following:

- cleaning toilets
- filling or emptying dishwasher
- washing dishes
- cleaning the refrigerator
- cleaning up after parties
- disposing of outsize rubbish items.

Internal approvals processes

Having an internal approvals process means that resource purchases need to be approved by someone in authority in the organisation. For example, you may need your manager to sign a purchase order before you can order the resource.

The internal approvals process ensures that purchases are not duplicated, reduces ordering mistakes (as a second person checks all orders) and protects companies from fraud or mismanagement.

Internal approval processes are put in place to make sure that acquisitions stay within budget and that the resources purchased are really needed by the organisation.

Reviewing resource acquisition processes

Resource acquisition processes need to be regularly reviewed to identify potential improvements.

For example, is the tender process attracting suitable contractors? Are contracted suppliers fulfilling their contract agreement? Other problems that may arise include overrunning the budget and receiving unsuitable resources from suppliers.

All reviews of resource acquisition processes should include feedback from employees. This is because employees will have first-hand knowledge of whether processes are effective. For example, employees are often the first people to know when required stock has not turned up. They will know about customer complaints about products which do not meet their expectations or deliveries that have not been fulfilled.

If there is a problem with a supplier, keep a record of it. If you need to terminate (end) a contract with a supplier, this information will be useful. Once acquisition problems have been identified, new and improved processes can be considered.

To identify improvements in acquisition processes, you need to look into:

- cost analysis
- supply contracts
- changes in technology.

Cost analysis

Cost analysis is the process that identifies an organisation's operating costs. The acquisitions made by your organisation will vary depending on the nature of the business. Costs that may need to be analysed include consumables, maintenance, insurance and contracts with suppliers.

You may need to collect information from invoices and other purchase documentation to find out your organisation's costs. These costs are then analysed to find out whether they are necessary and reasonable. Cost analysis is also used to make sure acquired resources are within budget and to prepare estimates for budget plans.

Supply contracts

Supply contracts are established with suppliers who can deliver a product or service to meet the requirements of an organisation. A contract may be for a short or long term.

Supply contracts benefit organisations by allowing them to order resources as they are needed, without renegotiating prices for each order. Often an organisation will pay less by using supply contracts than they would pay for multiple small orders. Supply contracts mean that the quality of resources remains consistent. They also minimise delays in acquiring resources.

You may have to compare the prices your organisation pays for supply contracts with prices offered by other suppliers. You may find that the best supplier was not chosen for the contract, and you may have to recommend the services of another supplier.

You can evaluate a supply contract by looking at:

- discounts offered
- delivery options
- ease of ordering.

Changes in technology

Organisations need to be aware of and keep up with technological changes and advancements. New technology can benefit an organisation and allow them to keep up with competitors. For example, barcoding software could help a business track their stock in a more efficient way.

Although new technology can be very beneficial to companies – and in some cases is absolutely necessary – before considering an investment in new technology, it is important to consider the benefits and goals carefully. For example, if the goal of purchasing new technology is to save staff time, examine whether the technology will actually achieve that goal. Technology that makes it easier for staff to communicate with each other won't necessarily save staff time. In some cases, refining existing policies may eliminate the need for new technology.

Source: Michael Mankins. (2016) Is technology really helping us get more done? *Harvard Business Review*.

Example

Review resource acquisition processes

Sacha is the office assistant for a web design company. The web developers have the most up-to-date computer software, but their hardware has not been renewed for several years. Jude, the head of the design team asks Sacha to order five new high-definition monitors. She tells Sacha that she has the budget so he can place the order today. Sacha places the order with the organisation's preferred supplier.

The monitors arrive and the developers are delighted. However, when the manager gets back from a business trip and sees the screens, she is annoyed as the purchase is not within budget. The head of the design team does not have the authority to approve equipment purchases. The purchase of a much-needed scanner has to be put on hold while the manager tries to compensate for the unauthorised expenditure.

Practice Task 7

Question 1

Why might a company use a tender process to acquire goods and services?

Question 2

Which of the following statements explain why organisations need to perform a cost analysis?
Tick all that apply.

- To identify the cheapest possible resources
- To identify operating costs such as consumables, maintenance, insurance and services
- To evaluate whether additional staff should be hired
- To review whether the costs are necessary and reasonable
- To identify whether the acquired resources are within budget

Question 3

How do supply contracts benefit an organisation?

Summary

- Organisations need policies for acquiring and storing resources so they can create a safe workplace, reduce spoilage and waste, avoid shortages and ensure budgets are met.
- Resources need to be acquired in a cost-effective manner.
- Resources need to be acquired according to specified timelines to prevent shortages and wastage.
- Unexpected and challenging situations may arise which delay the arrival of resources.
- Delays should be discussed with an appropriate person in the organisation and may require ordering an alternative product or obtaining the resource from another supplier.
- Resource acquisition processes need to be regularly reviewed so necessary improvements can be made.

Learning Checkpoint 2

Acquire resources

Part A

1. Identify two procedures designed to ensure that resources in storage are protected from damage or theft.

2. Which of the following could be evaluated to identify potential improvements in resource acquisition? Tick all that apply.

- Cost analysis
- Supply contracts
- Staff preferences
- Changes in technology
- Changes in government policy

3. Identify two procedures that can be used in a business to protect data.

Part B

Genova Industries is a medium-sized engineering company. The business has a purchasing policy which states that the company is committed to environmental and social responsibility.

The policy notes that these responsibilities relate specifically to the following issues: human rights, equal opportunity, positive impacts on society, environmental responsibility and ethical trading practices.

Danni, an administrative office at Genova Industries, needs to purchase some new office furniture for the CEO, specifically, a new office chair, desk, computer, filing cabinet and espresso machine. All items need to be delivered within one month.

1. Given the company's policy concerning ethical, environmental and social responsibility, and Danni's timeframe, what are three factors Danni should consider when acquiring these resources?

2. Danni needs some more information about how to implement the purchasing policy. What documents should she consult? Where she is likely to find those documents?



Topic 3 | Monitor resource use and maintenance

- 3A Confirm resources are being used safely
- 3B Use and monitor resources effectively
- 3C Consult with individuals and teams to allocate resources

3A Confirm resources are being used safely

Employers and employees have rights and responsibilities regarding workplace health and safety.

As part of your role, you may be required to confirm that your company's assets and equipment are being handled safely, in accordance with organisational requirements and work health and safety (WHS) legislation. WHS legislation is designed to prevent workplace disease, injury and death.

You need to be aware of your own obligations when handling equipment and any obligations you have to monitor the safe use of equipment by others.

Organisational requirements

In accordance with WHS legislation, employers have a duty of care towards their employees.

This means employers have a legal duty to eliminate or minimise risks to the health and safety of employees. For example, WHS legislation requires that as far as is reasonably practicable employers must ensure that:

- equipment is safe and adequately maintained
- substances such as toxic chemicals are used, handled and stored safely
- employees are provided with the information, instruction and training they need to work without risks to their health and safety.

Employees also have the responsibility to take care of their own health and safety in the workplace, as well as the health and safety of anybody who is affected by their work (e.g. colleagues and customers).

Some examples of organisational WHS requirements are outlined below.

Reporting requirements	<ul style="list-style-type: none"> ▪ All organisations have processes in place to report accidents, incidents, maintenance requests or breakdowns. ▪ You may have to fill out a report form and inform another member of staff whose role it is to register any WHS matter. ▪ Always be aware of the processes your workplace has in place to report a WHS incident.
Accessing areas and sites	<ul style="list-style-type: none"> ▪ Many workplaces have defined areas that only certain workers can access. ▪ Organisations that restrict access to an area for safety reasons need to display warning signs to make it clear to employees why the restrictions are in place. ▪ This may include loading zones where machinery routinely operates.
Using equipment	<ul style="list-style-type: none"> ▪ Whatever your role, you will be required to operate some kind of equipment at work and you will need to do this safely. ▪ This involves everything from having correct posture when working at a computer in an office, to operating heavy machinery in a factory. ▪ Some organisations only allow trained or supervised staff to operate certain equipment. If you have to use equipment, be aware of all the risks associated with using it. ▪ All equipment used in the workplace should be regularly maintained. You should familiarise yourself with your workplace policies and procedures for maintaining resources.
Making decisions	<ul style="list-style-type: none"> ▪ The person or team in the organisation that has the authority to purchase resources and maintain equipment must consider the WHS implications of their decisions. For example, when setting up a maintenance schedule, they will need to decide when and how often equipment needs to be checked and serviced to ensure it is safe to use. ▪ Individuals and teams may also need to collect information to identify and eliminate WHS hazards and risks. Hazards and risks are not the same. <ul style="list-style-type: none"> – A <i>hazard</i> is something with the potential to cause injury or disease. For example, storing chemicals is a hazard. – A <i>risk</i> is the likelihood of the hazard resulting in injury or disease. For example, the risk of storing chemicals is that there may be a chemical spill resulting in a workplace injury. <p>The likelihood of a hazard occurring varies from low risk to high risk, depending on the circumstances.</p>

Incident reports

If an employee is injured as a result of their work, your business may be required to record the details in an incident report.

Incidents categorised as 'notifiable incidents' need to be reported to the WHS regulator. WHS regulators are state- and territory-based and include organisations such as SafeWork NSW, SafeWork SA and WorkSafe ACT.

Notifiable incidents are:

- the death of an employee
- a serious injury or illness such as a serious head or eye injury
- a dangerous incident such as equipment falling from a height or the collapse of a structure.

If you are unsure whether a workplace incident is 'notifiable', you should contact your local state or territory-based regulator. Failing to report a 'notifiable incident' is an offence and businesses may be penalised if they do not comply with these regulations.

Source: Safe Work Australia

Regardless of whether a workplace injury is 'notifiable', your business may require writing up any injury sustained at work in an incident report. This information may be required for insurance purposes and can inform strategies on how to eliminate or reduce the risk of it happening again.

Example

Confirm resources are being used safely

When a box of new stationery arrives at her office, Samantha Goodall decides to carry it to the storeroom. Samantha trips over the storeroom step as she's carrying the box and sprains her ankle. An incident report is completed.

Because it is not a serious accident, the incident is not notifiable. However, the company has a policy of recording all injuries in an incident report for insurance purposes.

INCIDENT REPORT

Time and date of incident: Monday 8 July 2019 at 12.43pm.

Incident: A staff member trips over a step and injures her ankle.

Samantha Goodall was carrying a box of new stationery at head office and tripped over the step outside the storage room. Samantha twisted her ankle as a result of the incident. No other injuries were sustained.

Parties involved: Samantha Goodall was the only person involved in the incident.

Location of incident: At the entrance to the storage room.

Incident type: Tripping

Recommendations:

- Place a 'Beware of the Step' sign on the storage door entrance.
- Send out a memo reminding staff of policies regarding the manual handling of goods.

Practice Task 8

Question 1

Which of the following actions demonstrates safe resource handling? Tick all that apply.

- Using correct posture when working at a computer desk
- Scheduling regular equipment maintenance
- Operating equipment as per the manufacturer's instructions
- Using workplace equipment to perform job tasks
- Completing checks on equipment prior to use

Question 2

List three legal obligations employers have to their employees to ensure the safe use of equipment and materials.

Question 3

What actions should be taken by an employer when one of their employees is injured after using malfunctioning equipment? Tick all that apply.

- If the injury is serious, the employer is legally required to report it to the WHS regulator as soon as they become aware of it.
- If the injury is not serious, follow organisational policy regarding the reporting and investigation of the incident.
- Malfunctioning equipment to be tagged 'out of service' to prevent other workers from operating it.
- Schedule maintenance, service or repair of the equipment by a qualified professional.
- Allow other employees to continue working but to be extra cautious and use PPE (e.g. gloves and helmet) when operating the equipment.

3B Use and monitoring resources effectively

Most organisations have procedures and policies in place to regulate the use of company resources.

These procedures and policies relate, among other things, to the safe and efficient use of equipment, the acceptable use of digital technology, and the steps that need to be taken to avoid wastage.

It is important to know your organisation's policies regarding resource use. Written policies are typically available on a company's intranet or in a hard copy document. Organisations may also have unwritten expectations of limits to resource use. For example, there may be a general expectation that staff members do not hoard stationery supplies at their desk and only take the supplies they need.

Most organisations monitor resources use in a range of ways. For example, your company might use handheld barcode scanners for stocktaking, which transmit data into specialised software that generates a report on stock levels.

Digital technology, such as tablets and software applications, can also be used to monitor equipment usage, breakdowns, maintenance and repairs. It can be used to record the time worked by employees and to track the use of assets such as company cars or laptop computers.

Organisational policies for resource use

Common policies governing resource use relate to numerous factors.

The table below describes some of the common policies that inform resource use.

Time management

If your organisation has many resources available for use by multiple employees, you will see why it is important to have a procedure for controlling the amount of time an individual can use a particular resource. Imagine if your local library did not have time restrictions on book loans – one person could keep a popular book for a year, meaning no one else could access it.

Transport and travel

Most organisations need to organise travel for their employees at some time. Policies should be written to make travel arrangements, such as hiring a car or booking a flight, easy. An organisation may have a preferred travel agent or airline. Authorised employees may have access to a company credit card to pay for travel services. An organisation's transport policy may also indicate which dealership to buy vehicles from or where to have vehicles serviced.

Budget limits, order procedures and purchase authorities

A budget is a financial plan for making and spending money. All organisations have to work to a budget and policies are needed to prevent overspending. Some organisations have a policy that limits the amount of money that can be spent on consumable resources each month. Make sure you are aware of relevant budgets when you are tasked with acquiring resources.

You need to consider your budget before making purchasing decisions. You may need to seek approval from your manager before you can order a resource. Usually a purchase order form must be completed and submitted to a person who has the authority to approve it. You may be allowed to make purchases under a certain limit but when the purchase exceeds that limit, you need to seek approval from your supervisor or manager.

Recruitment and personnel

In many organisations, human resource officers are authorised to recruit personnel. They work with department supervisors to determine whether additional staff are needed for upcoming projects or work plans.

Organisational policies for recruiting staff vary and there are some differences between states and territories regarding discriminatory recruitment practices. Recruiters must be aware of and adhere to discrimination legislation as it relates to ethnicity, disability, age, religion, gender or sexuality.

Monitor resource use

Resources need to be monitored to keep track of consumption, to prevent shortages and to identify theft or misuse.

When planning budgets, managers use information from resource monitoring systems, such as data from an inventory system. It is used when stock needs to be ordered for the upcoming year.

There are a number of ways to monitor the use of resources.

Ways to monitor resource use:

- use an inventory system
- analyse data on the resource needs of an organisation
- use digital technology to monitor equipment usage, breakdowns, maintenance and repairs
- consult with individuals and teams about their resource use and needs.

Here are some other methods for monitoring resource use that you may encounter.

Register of use

Any business resource frequently used by employees needs to have a register of use. For example, a logbook is usually required to monitor the use of a company car and if you take it for a business trip you will be required to log the number of kilometres you travel.

Assets register

An assets register is a list of resources owned by an organisation. The register lists the asset with its date of acquisition and allocates a unique identifying number. When assets are sold or are no longer useable, they are removed from the assets register.

Spreadsheet programs

Spreadsheet programs are used to make calculations and present figures and graphs. Data is organised into columns and rows and formulas can be used to draw conclusions from the data. Formulas can be as simple as adding a row of numbers, or as complex as to perform a complicated equation.

An example of a spreadsheet program is Microsoft Excel. Microsoft Excel has numerous functions that allow the user to format and present data, such as options for table styles and colours.

The following table is extracted from an Excel spreadsheet. It shows which stock sold, and for how much, during a four-month period. Each month's figures are entered manually and the total is calculated by the spreadsheet program. This allows you to see changes in sales from month to month.

	January	February	March	April
Stock A	3,400	3,500	3,150	3,000
Stock B	4,522	4,800	4,144	5,050
Stock C	3,088	2,445	2,778	3,050
Stock D	4,500	4,550	4,800	5,200
TOTAL \$	15,510	15,295	14,872	16,300

Databases

Database programs are used to record and organise data, such as customer contact information or product details. In a database, data is organised by fields, records and tables.

- A field is a single piece of information, for example, a customer's surname.
- A record is one complete set of fields, for example, a customer's name, address, telephone number and email contact.
- A table is a collection of records, for example, every customer's name and contact details.

Electronic databases have functions that allow users to store, modify and extract information. For example, a database of client details can be used to extract information about all clients who live in a certain area in order to send them targeted marketing material.

Accounting software

Accounting software is used to calculate and record business transactions such as accounts payable, accounts receivable and payroll. These records are vital when it comes time to submit the company's tax records and should the business ever be audited. The complexity of the accounting software varies and depends on the size of the organisation.

Timesheet software and apps

Timesheet software and apps are used to monitor staff time, including the total number of hours worked by staff, as well as staff activities, such as how much time they spend on particular projects. Examples of timesheet apps include: Hubstaff, BeeBole and Timesheets.com.

Timesheet software and apps differ in their complexity and functions. Some common functions include the ability to track staff hours, monitor activities and budgets, and produce detailed reports.

Digital calendars and calendar apps

Digital calendars and calendar apps, such as Google Calendar and Microsoft Outlook, are used to manage the time of an organisation's most valuable resource – its staff. Efficiently organising staff time helps to enhance business productivity.

One of the benefits of digital calendars is that individual calendars can be linked and made accessible to all staff. When staff members can view each other's calendars, they can book appointments and organise meetings without having to correspond directly, which can save time.

Digital calendars generally allow users to choose how much information they want to share. For example, in some cases staff may only want to share when they are available, rather than sharing the details of every appointment. This helps to ensure staff privacy.

Photocopiers

No doubt you are familiar with using a photocopier to duplicate information and resources for distribution. Documents such as price lists, product information and internal reports may be copied and sent to customers or stored for employee use.

However, did you know that you can also use a photocopier to monitor resource use? For example, your organisation may wish to implement an environmental policy to reduce the amount of paper used in the office. A photocopier can store information about how much paper an individual or a department is using via a password system. This data can be used to inform forecasts and estimates, and to encourage individuals and teams to reduce their paper usage.

Example

Using and monitoring resources effectively

Joanne works as an assistant in a busy legal firm. She is in charge of making appointments for clients to see the eight lawyers who work in the organisation. Joanne has access to the lawyers' electronic diaries in order to make the appointments.

One of the lawyers is about to go on holiday but has forgotten to add this information to her diary. Joanne has booked in several clients to see the lawyer during her scheduled leave. When Joanne discovers the mistake, she has to contact the affected clients and reschedule their appointments.

Practice Task 9

Question 1

Which of the following statements relating to monitoring resource usage are correct?

Select yes or no for each one.

- | | | |
|---|-------|------|
| a) Monitoring resources helps to reduce the chance of shortages, spoilage, theft and misuse of resources. | » Yes | » No |
| b) To help monitor resource usage, company policies may specify procedures relating to transport, travel, ordering, purchasing and recruitment. | » Yes | » No |
| c) Data collected on resource usage is used to stockpile the most frequently used resources. | » Yes | » No |
| d) Monitoring resource use generates data that can be used to plan for the future and avoid wastage. | » Yes | » No |

Question 2

Which of the following reasons explain why information on resource usage should be used to develop budgets? Tick all that apply.

- To ensure equipment is maintained as per servicing schedule
- To match the organisation's daily operational needs
- To order resources on time
- To help reduce wastage
- To understand trends and cater to customer demands

Question 3

Draw a line to match the digital tool on the left with the function of the tool on the right

- | | |
|-------------------------------|--|
| » Databases | » Format data and present graphs |
| » Calendar apps | » Extract the names and addresses of customers |
| » Spreadsheet program | » Record the hours of casual staff |
| » Timesheet apps and programs | » Identify staff availability for meetings |

3C Consult with individuals and teams to allocate resources

To effectively allocate resources, organisations must have a good understanding of their clients' and employees' needs.

A resource needs analysis involves talking to individuals and teams to ascertain their resource requirements.

When it comes to the allocation of resources, employees should feel that their needs are being considered. For example, if a team urgently requests a new computer but do not get one, the team may feel that their needs are being overlooked. This can negatively impact staff morale.

Information for a resource needs analysis can be obtained from interviews with staff or questionnaires and may also draw on existing data about resource use. Collecting worthwhile information about resource use enables people to make good decisions.

Effective consultations with individuals and teams involve negotiation and fair and equal treatment, and can require skills in conflict resolution.

Asking questions

Every time you engage with your colleagues is an opportunity to build good working relationships. When asking about resource needs, be respectful, curious and courteous.

Provide information upfront	Tell the person why you're asking them questions, how many questions you have and how long the process is likely to take.
Use silence	Leave a pause between the response and your next question. This gives the person time to gather their thoughts. Silence is more than just not talking – make sure you maintain eye contact and show through your body language that you are still engaged in the conversation.
Get the tone right	Use a casual, rather than a formal tone, when you are asking questions. Ask questions using a curious rather than critical tone. An example of a critical question is, 'Why does your team need a new printer when you got one 12 months ago?'
Be respectful of respondents' time	If necessary, ask respondents if it is okay for you to follow up with them later if you have additional questions or if you need to clarify their responses. Thank respondents for their time.

Active listening

Active listening involves making a conscious effort to hear what another person is saying. When someone is actively listening, they are not distracted by what is going on around them.

Active listening:

- encourages the respondent to keep talking
- indicates that you are paying attention and interested in what they are saying
- establishes a relaxed tone.

Active listening is a skill you can develop over time. It involves five key practices, each of which can be demonstrated through verbal and non-verbal communication.

Practice	How to demonstrate this when asking questions
Pay attention	Face the person who you are talking to Give the person your undivided attention Don't look at your phone, your watch or other people in the room
Show you are listening	Be aware of your body language – crossed arms can be read as judgement Use brief verbal comments to encourage the person (e.g. 'Okay', 'I see', 'Yes, I understand what you're saying') Use facial expressions to encourage the person, such as nodding and smiling
Provide feedback	Reflect on what the person has said by paraphrasing Summarise the person's comments to check you have understood them Ask relevant questions to give them the chance to clarify their meaning
Respond appropriately	Try not to interrupt the person unnecessarily Respond openly and honestly Treat the other person respectfully
Defer judgment	Demonstrate empathy and a non-judgemental attitude Avoid making assumptions Listen to the entire answer to your question before commenting

Facilitating effective decision-making

One of the main goals of a resource needs analysis is to inform decisions regarding how resources are allocated.

If the information you collect is being used by someone else to make decisions about the allocation of resources, you are helping to facilitate effective decision-making by providing good quality data and advice.

If you are involved in making decisions about resource allocation, you may need to employ negotiation and conflict resolution skills.

Negotiation

When you negotiate with someone you are working together to reach an agreement. For example, if a business only has \$500 to spend on office furniture but one team needs \$1000 worth of office furniture, the team will need to negotiate with the business manager. They may negotiate to find a solution where their immediate needs are met, and those that are less pressing can wait until more budget money is available.

Negotiation usually involves compromise and it can be difficult to engage teams in a negotiation process. Individuals and teams may view compromise as 'backing down.' To encourage negotiation, it is important to use a collaborative approach. Collaborative approaches are based upon the following principles:

- **Motivation** to reach agreement
- **Participation** by all parties in the negotiation process
- **Mediation** and striving to find a 'middle point'
- **Reciprocity** whereby all parties share information with each other
- **Reflection** which involves thinking deeply and considering alternatives
- **Engagement** in problems and solutions – taking action, rather than adopting a 'wait and see' approach
- **Accountability** of all parties to each other and to the business.

Collaboration is not the same as cooperation and often involves tough decisions and trade-offs.

Example

Consult with individuals and teams to allocate resources

Molly works for a large government department. Once a year she visits all sections of the department to talk to the team members about the resources they need. One team has to travel frequently to the outer suburbs and they put in a request for a company car.

There are no company cars available and purchasing a new car would blow out the team's budget. The team are frustrated; they want Molly to find the money for a new company car because they are sick of using their own cars for work and don't want to rely on public transport.

Molly explains that she understands their problem; she also explains the realities of the budget. She negotiates with the team and they come up with an alternative whereby they are granted a certain number of taxi vouchers. Molly also works with the team to set out a long-term plan for getting access to an existing company car.

Conflict resolution

Conflict resolution is the process of resolving a dispute. Conflict is a fairly common problem in the workplace and often emerges when decisions are being made about how resources are allocated. Individuals and teams may feel their needs are being ignored or overlooked, or if they believe resources are being allocated unfairly.

If you are involved in the allocation of resources, you may need to identify and take responsibility for conflicts that emerge. Here are some steps you can take to assist with that process:

- Acknowledge people's emotions: it is important to acknowledge strong emotions; encourage people to take a break if they are feeling especially stressed or upset.
- Try to understand the interests of the different parties. Do your best to find out what each party wants from the situation and whether there are underlying issues contributing to the conflict.
- Brainstorm options: focus on the mutual interests of all parties and try to generate some creative solutions to the problem.

Effective conflict resolution results in an outcome that is acceptable to everyone, with each party's needs adequately addressed. If workplace conflict cannot be resolved internally, organisations sometimes use mediators to help resolve issues.

Treat everyone fairly

When allocating resources, it is important to ensure that all employees are treated fairly. For example, all staff are entitled to the same standard of equipment. It would be unfair for one person in a team to receive poorer quality protective clothing than another. If resources are shared unfairly, employees may feel undervalued and it can lead to conflict.

When allocating resources, you must also ensure that people are not discriminated against. For example, if an employee has a vision or hearing impairment, they may need additional resources that other staff do not need. It would be unfair for a person with a disability to not receive the additional resources they need to do their job. Treating everyone in an equal and fair manner also means being sensitive to gender, cultural and religious diversity.

Evaluate decision-making

It is important to evaluate the decisions made by you and your colleagues, including those around the allocation of resources.

Evaluating your decisions can help you make better decisions in the future and improve the company's decision-making processes.

Team evaluation

You and other people making decisions can use the following process developed by The Australian Institute of Business to evaluate the effectiveness of your decisions.

Revisit goals	What was the goal of the decision-making process?
Explore team feelings and concerns	As a team, discuss the group dynamics, what worked well? Were there any concerns about the process or the way the team worked together?
Listen to each other	Use the principles and techniques of active listening when asking for people's feedback and input.
Identify challenges	Identify any challenges such as: <ul style="list-style-type: none"> ▪ engaging staff in the negotiation process ▪ resolving entrenched conflict ▪ balancing differing priorities.
Plan	Identify what you as a team can build upon (what worked well) and what you can improve or follow up on (responding to concerns and challenges).

Individual evaluation

You can also evaluate your own decisions. Here are some steps to help you with this.

Ask for feedback	Request feedback from colleagues who participated in the process.
Set time aside	Set aside adequate time to reflect upon your performance. Use this time to reflect upon comments or feedback you've received from others.
Use tools and techniques of self-reflection	Use self-reflection tools and techniques. For example, the Johari Window is a tool for improving self-awareness by clarifying what someone knows about themselves and how they appear to others.
Identify next steps	Most of the work of self-evaluation involves looking back in time – what have you achieved, what could you have done better. However, self-evaluations also provide you with an opportunity to set some new goals and think about the future. How could you apply the skills you have learned? What steps will you take to address your weaknesses?

Source: Daniel Goleman (2017) *What Makes a Leader?* Harvard Business Review Press, Boston MA.

Practice Task 10

Question 1

Which of the following statements are correct? Select yes or no for each one.

- a) In a typical negotiation process, one party usually comes off worse than the other. >> Yes >> No
- b) Collaboration is essentially the same as cooperation. >> Yes >> No
- c) All staff members within a similar pay grade should have access to the same resources. >> Yes >> No
- d) Businesses often use mediators to help with the process of negotiation. >> Yes >> No
- e) When you avoid making assumptions, you are demonstrating one of the characteristics of active listening. >> Yes >> No

Question 2

Which of the following techniques demonstrate effective collaboration during negotiations?
Tick all that apply.

- Debating your point until the other party concedes
- Ensuring that all parties participate in the negotiation process
- Encouraging people to find a 'middle point'
- Supporting all parties in sharing information with each other
- Backing down from disagreements to maintain workplace relationships

Question 3

Draw a line to match each strategy on the left to the communication type on the right.

- | | |
|--|-----------------------|
| » Acknowledge emotions; encourage people to take a break if they are stressed or upset | » Active listening |
| » Tell the person why you're asking them questions | » Active listening |
| » Give the person your undivided attention | » Questioning |
| » Reflect on what the person has said by paraphrasing | » Questioning |
| » Use a casual, rather than a formal or critical tone | » Conflict resolution |
| » Try to understand the interests of the different parties | » Conflict resolution |

Question 4

Identify two steps you can take to evaluate your own decisions

Summary

- Resources must be handled correctly and safely in accordance with workplace health and safety requirements.
- All organisations use business technologies to monitor resource use.
- Business technologies include computers, software and apps, digital calendars and photocopiers.
- Organisations need to understand the needs of their clients and employees before they can allocate resources effectively.
- Effective decision-making includes negotiation, conflict resolution and the consideration of equity principles.
- Policies regarding resource use are developed and used for ordering, transport, budgeting and recruitment.
- Information needs to be collected about resource use to assist in developing future budget plans.

Learning Checkpoint 3

Monitor resource use and maintenance

Part A

1. Identify three methods and/or tools that can be used to monitor resource use.

2. List five active listening strategies you should use when consulting with individuals and teams in the workplace?

3. Why would you use a collaborative approach when negotiating with co-workers about the allocation of resources? Tick all that apply.

- Because it is required by WHS legislation
- Because it helps to create a positive workplace environment
- Because it can be difficult to engage teams in a negotiation process
- Because it shows that you are willing to co-operate
- Because it makes people feel positive about their work

4. Identify two steps you can follow to help resolve conflicts in the workplace.

5. Number each step (1 to 5) in the process for evaluating team performance.

- Explore team feelings and concerns
- Revisit project goals
- Plan
- Listen to each other
- Identify challenges

6. Draw a line to match each digital tool on the left to its function on the right.

- | | |
|-----------------------|---|
| » Spreadsheet program | » organises data by fields, records and tables |
| » Accounting software | » shows availability of staff, suppliers or customers and their contact information |
| » Calendar app | » presents data in figures and graphs and uses formulas to calculates totals and averages (for example) |
| » Database | » manages business transactions such as accounts payable, accounts receivable and payroll |

Part B

Farm Goods is a small business that sells various products to farmers. Some of the products Farm Goods stores and sells are hazardous substances, including pesticides and caustic substances. Farm Goods has a hazardous substances policy. Read the policy and answer the questions that follow.

Farm Goods Hazardous Substances Policy

- The work health and safety (WHS) officer coordinates and monitors the hazardous waste program.
- Waste must be disposed of by an accredited and certified commercial disposal company. The WHS officer is responsible for checking that the company's credentials are valid and recording this in the quarterly WHS summary report.
- All hazardous waste scheduled for disposal must be stored in a safe, suitable location pending pick-up by the disposal company. Maximum storage time is six months.
- All materials designated for disposal must be properly labelled as waste and packaged in containers suited to the type of waste. The containers must be tightly sealed and in good condition.

1. According to this policy, what is the maximum storage time for hazardous waste?

2. How should waste be prepared for disposal?

3. A large drum containing a hazardous substance falls off a shelf and almost hits a Farm Works staff member. The drum is not damaged and none of the hazardous substance has leaked. Does this incident need to be reported to the local regulator? Why or why not?