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# **PRESCRIPTION: 215 ADVANCED SMALL BUSINESS MANAGEMENT**

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Last date for assessing this prescription is 31 December 2008

**INTRODUCED**                      1995

## **INTRODUCTION**

The prescription is derived from the following unit standards on the National Qualifications Framework. For details regarding range statements, providers should refer to the unit standards:

*1991: Produce Establishment Plans for Small Business Ventures*

*1993: Manage Small Business Operations*

*1994: Manage the Development of Small Business Enterprises*

Providers can award both NZ Diploma in Business and National Qualifications framework credits from the same course of study if they are accredited both for the NZDipBus and the Framework domain of Small Business Management, Level 4 and above. Providers will need to comply with the moderation requirements for both systems.

## **AIM OF SUBJECT**

To develop the ability to:

- 1        Produce establishment plans for small business ventures
- 2        Manage small business operations
- 3        Manage the development of small business ventures.

## **RECOMMENDED PRE-REQUISITE**

115 Small Business Management

## **COURSE LENGTH**

The equivalent of 20 National Qualifications Framework credits, with a minimum of 60 class contact hours or the equivalent for open learning/distance tuition.

## RESOURCES

### *Recommended Student References*

Steinhoff Dan, Burgess John F. Small Business Management Fundamentals. McGraw-Hill

Zimmerer Thomas W., Scarborough Norman M. Small Business Fundamentals

### *Additional references*

Journals

Dynamic Small Business (Australia)

Small Business New Zealand (Christchurch)

Small Business Success (Australia)

### *Magazines*

Management

North to South

Relevant articles from newspapers

### *Other*

New Zealand Statistics.

## ASSESSMENT AND SUGGESTED WEIGHTINGS

All students will be informed of the assessment weightings prior to the commencement of the course.

## TOPICS

### **1 ESTABLISHMENT PLANS FOR SMALL BUSINESS VENTURES**

#### *Learning Outcomes*

At the completion of this topic, students will be able to:

- 1.1 Explore and articulate vision concepts.

### *Performance Objectives*

Students will be expected to:

- 1.1.1 obtain and analyse vision statements for existing ventures
  - 1.1.2 contrast vision concepts relating to the articulation and communication of business ideas in inspirational or motivational ways with vision statements obtained
  - 1.1.3 articulate vision concepts for proposed small business venture/s
  - 1.1.4 acknowledge cultural values and beliefs that affect vision.
- 1.2 Formulate and communicate an ethical framework for business operations.

### *Performance Objectives*

Students will be expected to:

- 1.2.1 examine business, personal, ethnic, and social values and responsibilities, and to identify potential conflicts and issues for business operations;
  - 1.2.2 formulate and communicate policies for business practices and relationships with customers, staff, business associates, competitors, and community.
- 1.3 Identify means of fostering entrepreneurship and innovation.

### *Performance Objectives*

Students will be expected to:

- 1.3.1 identify methods of encouraging and rewarding innovation and creativity, and incorporate them into business plans
  - 1.3.2 produce plans which allow for experimentation and development of options for improving products, services, and systems and for articulation and communication of new ideas
  - 1.3.3 recognise entrepreneurial and innovative developments that enhance the small business venture.
- 1.4 Establish business goals and objectives and formulate strategic plans for specific small business ventures.

### *Performance Objectives*

Students will be expected to:

- 1.4.1 develop objectives which are clearly defined, precise, measurable, and achievable
- 1.4.2 analyse objectives and formulate specific goals to achieve objectives
- 1.4.3 develop strategic plans to achieve goals and objectives, which allow for flexibility to respond to changing circumstances, and encompass short and long range goals
- 1.4.4 research and produce a business plan for a specific small business venture, whose structure and format are appropriate for the nature and complexity of the business opportunity, whose information is clear, relevant, and sufficiently comprehensive to allow the recipient to assess the business proposal
- 1.4.5 support the business plan with relevant documentation.

## **2 THE MANAGEMENT OF SMALL BUSINESS OPERATIONS**

### *Learning Outcomes*

At the completion of this topic students will be able to:

- 2.1 Assess location and layout of physical facilities.

### *Performance Objectives*

Students will be expected to:

- 2.1.1 identify considerations for location and facilities for specific small business ventures
- 2.1.2 assess financial considerations: purchase, lease, occupancy costs, capacity, utilisation
- 2.1.3 assess economic factors: prosperity of area, stage of economic cycle
- 2.1.4 assess the proximity and convenience of location for owner/manager
- 2.1.5 determine internal layout and design factors which derive maximum benefits from available space.

2.2 Plan and control production of goods and/or services.

*Performance Objectives*

Students will be expected to:

2.2.1 produce and implement plans to achieve production targets developed in strategic and business plans, which reflect an appreciation of cultural beliefs and values that may affect production objectives

2.2.2 decide on methods and scheduling of production

2.2.3 estimate and plan maintenance needs.

2.3 Assess staffing needs.

*Performance Objectives*

Students will be expected to:

2.3.1 establish staffing, role, commitment and training needs of owner/operator/proprietor

2.3.2 assess additional staffing needs.

2.4 Manage merchandising.

*Performance Objectives*

Students will be expected to:

2.4.1 assess merchandise requirements in relation to sales targets established in strategic and business plans

2.4.2 identify suppliers, determine credit needs, and negotiate purchases

2.4.3 establish systems which will monitor merchandise requirements, deliver times, merchandise movements, and identify slow moving lines

2.4.4 establish procedures for theoretical inventory records and physical stock takes

2.5 Formulate and implement marketing strategies.

*Performance Objectives*

Students will be expected to:

2.5.1 analyse the potential market for goods and/or services

- 2.5.2 formulate strategies which focus on customer needs, identify the market from the customer perspective, and ensure that all aspects of the small business venture are customer-oriented
- 2.5.3 devise strategies which address cultural values and special needs where the customer base comprises a significant component of diverse cultures and needs
- 2.5.4 analyse and segment the market to classify groups of customers
- 2.5.5 identify components of the marketing mix in relation to meeting customer wants and needs, and to optimising customer satisfaction
- 2.5.6 determine marketing mix inter relationships, and implement strategies which carry out marketing mix decisions and achieve marketing targets
- 2.5.7 determine and implement product strategies
- 2.5.8 develop pricing strategies for the particular circumstances of the business operation, and apply appropriate pricing mechanisms
- 2.5.9 formulate and implement competitive strategies appropriate to the small business venture which analyse competition, monitor the competitive environment, and take a market position.

### **3 THE DEVELOPMENT OF SMALL BUSINESS VENTURES**

#### *Learning Outcomes*

At the completion of this topic students will be able to:

- 3.1 Interpret economic indicators relevant to small business ventures.

#### *Performance Objectives*

Students will be expected to:

- 3.1.1 identify and select relevant national and international indicators, and assess their implications for specific small business ventures
- 3.1.2 identify relevant industry or sector indicators, and assess their implications for specific small business ventures
- 3.1.3 identify and determine relevant cultural and tribal economic indicators.

- 3.2 Recognise and develop strategies to respond to business life cycles.

*Performance Objectives*

Students will be expected to:

- 3.2.1 identify small business life cycles
- 3.2.2 identify characteristics of business activity during each stage, and relate them to the activities of specific small business ventures
- 3.2.3 formulate strategies to manage specific ventures and maximise benefits through identified life cycles, and to produce short and long range plans.

- 3.3 Formulate and apply problem solving strategies.

*Performance Objectives*

Students will be expected to:

- 3.3.1 formulate strategies to identify and define problems
- 3.3.2 formulate strategies to generate and evaluate various solutions to problems
- 3.3.3 identify options to gain assistance in decision-making
- 3.3.4 formulate strategies to make decisions and take actions
- 3.3.5 establish approaches to decision-making for research decisions and crisis decisions
- 3.3.6 select appropriate techniques and approaches, and apply them to specific business problems
- 3.3.7 formulate strategies that incorporate cultural appreciation and ethnic values and behaviour, and acknowledge their influences on the problem solving process.

## **4 TRENDS IN SMALL BUSINESS ENTERPRISES**

*Learning Outcomes*

At the completion of this topic students will be able to monitor trends in small business enterprises:

### *Performance Objectives*

Students will be expected to:

- 4.1 Identify and explain current and emerging trends in small business enterprise
- 4.2 Explain opportunities for New Zealand small business which arise from current or emerging trends.