

# Competency Standard

<b>UNIT TITLE:</b> CREATE, IMPLEMENT AND EVALUATE STRATEGIC PRODUCT INITIATIVES		<b>NOMINAL HOURS:</b> 70
<b>UNIT NUMBER:</b> D2.TCS.CL5.07		
<b>UNIT DESCRIPTOR:</b> This unit deals with skills and knowledge required to identify and respond to organisational needs to develop strategic product initiatives.		
<b>ELEMENTS AND PERFORMANCE CRITERIA</b>	<b>UNIT VARIABLE AND ASSESSMENT GUIDE</b>	
<p><b>Element 1: Create strategic product initiatives</b></p> <p><b>1.1</b> <i>Identify the context for product development</i></p> <p><b>1.2</b> <i>Undertake market research</i> on identified opportunities and identified target markets</p> <p><b>1.3</b> Determine <i>product life cycle issues</i> that apply to identified opportunities and products</p> <p><b>1.4</b> Determine <i>financial issues</i> that relate to the development of product initiatives</p> <p><b>1.5</b> <i>Research product development opportunities</i> that align with the context that applies</p> <p><b>1.6</b> <i>Develop product development plans</i> reflecting research information and business objectives</p> <p><b>1.7</b> Produce the identified product or service initiative</p>	<p><b>Unit Variables</b></p> <p>The Unit Variables provide advice to interpret the scope and context of this unit of competence, allowing for differences between enterprises and workplaces. It relates to the unit as a whole and facilitates holistic assessment.</p> <p>This unit applies to the management of strategic product development, introduction and evaluation within an organisation in the labour divisions of the hotel and travel industries and may include:</p> <ol style="list-style-type: none"> <li>1. Travel Agencies</li> <li>2. Tour Operation</li> </ol> <p><i>Identify the context</i> may be related to:</p> <ul style="list-style-type: none"> <li>• Describing the current trading and competitive environment being faced by the organisation and the industry</li> <li>• Identifying products and services being offered by competitors</li> <li>• Quantifying and describing changes to the level of competition being experienced, including increases and reductions in competition</li> <li>• Considering technological changes and initiatives that may have presented new opportunities</li> </ul>	

<p><b>Element 2: Implement strategic product initiatives</b></p> <p><b>2.1</b> <i>Trial the initiative</i> in accordance with established plans</p> <p><b>2.2</b> Revise the initiative as required on the basis of operational matters and customer feedback</p> <p><b>2.3</b> <i>Monitor the introduction and implementation</i> of the initiative</p> <p><b>2.4</b> <i>Apply change management skills</i> to facilitate the introduction and establishment of the initiative</p> <p><b>2.5</b> <i>Promote the initiative</i> to customers</p>	<ul style="list-style-type: none"> <li>• Quantifying and evaluating sales and profits experienced by the organisation</li> <li>• Identifying existing and emerging industry trends, customer expectations and requirements</li> <li>• Assessing available resources to support the development of initiatives, including funding, human resources and physical resources</li> <li>• Identifying timing considerations, including seasonal factors, immediacy needs, peak and low tourist/travel seasons</li> <li>• Noting existing legislative requirements, including changes to legislation that may have revealed new opportunities</li> <li>• Determining the objectives contained in existing and proposed business and strategic plans of the organisation</li> <li>• Reviewing key organisational capability statements of the business</li> <li>• Identifying options for initiatives that arise on the basis of initial contextual evaluation</li> <li>• Undertaking a situational analysis identifying the Strengths and Weaknesses of the organisation and existing Opportunities and Threats (SWOT analysis).</li> </ul>
<p><b>Element 3: Evaluate strategic product initiatives</b></p> <p><b>3.1</b> Record <i>statistical data</i> to enable evaluation against Key Performance Indicators to occur</p> <p><b>3.2</b> Solicit and record feedback from <i>stakeholders</i></p> <p><b>3.3</b> <i>Compare projected outcomes against actual outcomes</i></p> <p><b>3.4</b> Determine and implement changes, if any, that need to be made to maintain or revise the initiative</p>	<p><i>Product development</i> may include:</p> <ul style="list-style-type: none"> <li>• Tour development</li> <li>• Package programs</li> <li>• New customer service features</li> <li>• Building of new facilities</li> <li>• Special interest programs</li> <li>• Guest activities and shows</li> <li>• Exhibits</li> <li>• Integration of new technology into existing products and services</li> </ul>

- Amendments to existing products and services
- Joint venture initiatives with partners
- Removal of products and services from an existing product and service list.

*Undertake market research* should include:

- Identifying objectives for market research
- Determining market research techniques to be applied
- Selecting targets for primary market research
- Developing and trialling primary market research tools
- Applying the prepared market research tools to obtain primary data in accordance with previously established procedures
- Examining and analysing trends and relevant secondary information, including quantitative and qualitative data
- Analyse and evaluate the results of the market research
- Identify and describe the potential opportunities that have been identified by the market research.

*Product life cycle issues* should relate to:

- Determining the stage within the product life cycle that current products and services are at, including consideration of the recognised phases of Introduction, Growth, Maturation, Saturation and Decline
- Considering the products and services offered by competitors in terms of the product life cycle.

*Financial issues* may include:

- Availability of funding, including the potential to borrow money
- Quantifying expected development and implementation costs of initiatives

- Determining cash flow situation of the business
- Sourcing joint venture partners and identifying their level of financial contribution to and their expectations of revenue from, the initiative
- Seeking financial support from industry bodies and government authorities, including identification of requirements that may apply to grants or other financial incentives
- Considering taxation implications of implementing the initiative.

*Research product development opportunities* may include:

- Visiting organisations of interest, including suppliers, competitors and other relevant, local, domestic and international operators
- Seeking input from relevant stakeholders, including colleagues, local communities and special interest groups
- Seeking input from authorities and industry peak bodies
- Providing resources to enable research to be effectively undertaken, including financial, resources, physical resources and time
- Conducting desk-top cost-benefit analysis of potentially viable options
- Performing internal gap analysis to identify requirements that need to be acquired to support the development process
- Undertaking small scale feasibility studies
- Undertaking market research to determine potential acceptability and up-take of selected product and service initiatives
- Generating, analysing and evaluating innovative ideas that arise.

*Develop product development plans* may include:

- Evaluating strategy development models that exist
- Selecting a strategy development model appropriate for the initiative that has been chosen and applicable to the associated trading and competitive position of the organisation

	<ul style="list-style-type: none"> <li>• Integrating product development plans into existing business and strategic plans, including revising existing plans to accommodate changes in direction and/or objectives</li> <li>• Developing a suite of plans that align with the accepted requirements of plans to be SMART (Specific; Measurable; Accurate; Realistic and Relevant; Track-able and Time-related)</li> <li>• Developing policies and procedures to guide and govern the implementation of the initiative</li> <li>• Allocating tasks, resources and responsibilities to enable the identified product and service initiatives to be achieved</li> <li>• Identifying quality standards that will apply to the initiative</li> <li>• Developing monitoring and evaluation criteria against which to assess the progress and success of the initiative, including development of Key Performance Indicators (KPIs), where appropriate.</li> </ul> <p><i>Trial the initiative may include:</i></p> <ul style="list-style-type: none"> <li>• Applying gradual and scheduled introduction of the initiative, or specified aspects of the initiative, into delivery of existing products and services</li> <li>• Conducting small scale introduction of the initiative to targeted tours and/or customer groups.</li> </ul> <p><i>Monitor the introduction and implementation may include:</i></p> <ul style="list-style-type: none"> <li>• Seeking and analysing feedback on the trial from customers and partners</li> <li>• Personal observation</li> <li>• Monitoring and recording unanticipated operational issues that arise as a result of the introduction of the initiative</li> <li>• Analysing statistical data gathered as a result of the initiative, including costs, revenue, visitor numbers/traffic patterns, bookings, enquiries and responses</li> <li>• Determining whether or not to continue with the initiative, including decisions relating to the need to proceed and/or the need to amend the initiative.</li> </ul>
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*Apply change management skills* should include:

- Communicating the initiative to staff and relevant stakeholders, including explanation of plans to support implementation
- Explaining the need for and benefits of, the initiative
- Defining parameters and key performance indicators
- Advising staff of changes to standard operating procedures required to integrate and/or introduce the initiative
- Providing training, including opportunities for practice relating to the introduction of the initiative under simulated and actual conditions
- Assuring staff of organisational support during the introductory phase of the initiative, including identification of the nature of the support available and the duration that such support is available
- Assisting staff with revisions to individual workplace goals, priorities and time management caused by the initiative
- Revising team structure and membership, where appropriate
- Acknowledging and rewarding compliance with changes, including celebrating and sharing workplace successes
- Providing counselling and discipline for non-compliance where previous attempts at assistance have failed to achieve compliance with requirements
- Overcoming resistance to change and cementing acceptable change into standard operating procedures.

*Promote the initiative* may include:

- Verbally notifying customers and potential customers in relation to the initiative, including explanation of the benefits that the initiative involves
- Including the initiative in mass media advertising

- Incorporating the initiative into brochures and other relevant marketing materials, including in-house and external materials
- Conducting media events to launch the initiative.

*Statistical data* may include:

- Costs, including costs related to time spent on development, training, acquisition of resources and lost opportunity costs, where applicable
- Revenue
- Profit, including actual profit and return on investment
- Visitor numbers/traffic patterns
- Number of bookings
- Number of enquiries received
- Number of responses generated.

*Stakeholders* may include:

- Staff
- Customers, including existing and new customers with an emphasis on those groups targeted by the introduction of the initiative
- Joint venture partners.

*Compare projected outcomes against actual outcomes* must include:

- Using the established KPIs as the basis for comparison
- Factoring in any unintended and/or unanticipated negative or positive results.

### **Assessment Guide**

The following skills and knowledge must be assessed as part of this unit:

- Enterprise policies and procedures in regard to product development, promotion, ethical standards and the positioning of the organisation in the competitive business environment

- Principles of market research and data analysis
- Ability to use verbal and written communication skills, leadership skills, negotiation skills and creative thinking techniques
- Ability to counsel and coach staff
- Ability to use planning and project management skills
- Knowledge of legal issues and implications that apply to the development and introduction of initiatives that have been identified
- Knowledge of insurance requirements relating to the implementation of initiatives that have been identified
- Knowledge of occupational health, safety and welfare issues, if any, that may be involved in the development and implementation of the identified initiative
- General market knowledge relating to products and services being offered and the activities of marketplace competitors.

**Linkages To Other Units**

- Access and retrieve computer-based data
- Develop and update local knowledge
- Develop a marketing strategy and coordinate sales activities
- Develop and implement a business plan
- Develop new products and services
- Gather and present product information
- Manage and implement small projects
- Plan and establish systems and procedures
- Plan, manage and conduct meetings
- Prepare business documents



- Develop and implement operational policies
- Manage legal requirements for business compliance
- Monitor staff performance
- Provide professional support to business colleagues
- Recruit and select staff
- Develop and update tourism industry knowledge
- Promote products and services to customers
- Source and package tourism products and services
- Develop and implement operational plans
- Co-ordinate production of brochures and marketing materials
- Develop, manage and evaluate local marketing strategies
- Promote tourism products and services
- Source and present information
- Interpret financial statements and reports
- Lead and manage a development team
- Monitor workplace operations
- Develop/monitor ecologically sustainable tourism operations
- Plan, trial and implement minimal impact operations
- Develop and co-ordinate appropriate cultural tourism activity.

**Critical Aspects of Assessment**

Evidence of the following is essential:

- Understanding of host enterprise policies and procedures in regard to product development, promotion, ethical standards and the positioning of the organisation in the competitive business environment
- Demonstrated ability to create, implement and evaluate within a specified timeframe, an effective and viable strategic product and/or service initiative for a nominated industry context within designated resource limitations.

**Context of Assessment**

Assessment must ensure:

- Actual or simulated workplace application of planning, implementation and evaluation activities relating to the product initiative.

**Resource Implications**

Training and assessment must include a real industry context, real products and services, and real or simulated customers.

**Assessment Methods**

The following methods may be used to assess competency for this unit:

- Observation of practical candidate performance
- Analysis of documentation produced, including research data, plans, feedback records and revisions to plans
- Analysis of statistical and qualitative data recorded
- Interviews with customers who were the recipients of the introduction and/or implementation of the initiative
- Oral and written questions
- Third party reports completed by a supervisor
- Project and assignment work.

<b>Key Competencies in this Unit</b>		
<i>Level 1 = competence to undertake tasks effectively</i>		
<i>Level 2 = competence to manage tasks</i>		
<i>Level 3 = competence to use concepts for evaluating</i>		
<b>Key Competencies</b>	<b>Level</b>	<b>Examples</b>
Collecting, organising and analysing information	3	Capturing and analysing primary and secondary market research data
Communicating ideas and information	2	Providing change management support to staff
Planning and organising activities	3	Developing criteria against which the effectiveness of the initiative can be judged
Working with others and in teams	2	Explaining the initiative to staff and customers
Using mathematical ideas and techniques	3	Determining the outcomes of the initiative using comparison of projected results against actual results
Solving problems	2	Amending the proposed initiative on the basis of operational matters and/or feedback from staff or customers
Using technology	2	Using project planning and project management software