

Ofqual unit number J/616/3225

RQF level 5

Guided learning hours 24

Total unit time 55

Aims of unit Inadequate resourcing can impact on the ability to achieve objectives; whilst being over resourced has financial implications. This unit has been designed to enable managers to understand and respond to the challenge of managing and monitoring resources. Learners will understand the importance of effective and efficient resource use, identify and plan resource requirements and know how to procure resources in line with regulatory requirements.

Keywords Procurement, planning, resource management, category management, resources, protocols, costs, processes, options, techniques, organisational planning, time/quality/cost, supply, suppliers

Learning outcome 1

Understand the importance of effective and efficient resource use in organisations

Assessment criteria

- 1.1 Analyse the importance of effective and efficient **resource use** in organisations
- 1.2 Examine **processes** for effective and efficient resource use in organisations

Indicative content

1.1 **Resource use** may include but is not limited to types of resources (human, goods, facilities, services, time, money), economic use of resources (including financial resources), effectiveness and efficiency, continuity, risk and accountability, production cost savings, accurate identification of resource needs, legal and regulatory frameworks, ethical considerations, quality and effectiveness of resources, implications of over/under resourcing.

1.2 **Processes** may include but are not limited to following organisational procedures and protocols, legal and ethical requirements, impact of resource use on environment or health and safety procedures on resource use, safe maintenance of resources, security of resources, concepts of budget holders, budget managers and authorised signatories, business continuity, risk management, accountability, value for money.

Learning outcome 2

Know how to plan resources to meet organisational objectives

Assessment criteria

- 2.1 Assess **factors** which impact on resource planning to meet organisational objectives
- 2.2 Examine **approaches** for determining a change to resourcing
- 2.3 Discuss **sources** of information used to plan resource requirements
- 2.4 Evaluate **options** for the supply of resources to meet organisational objectives

Indicative content

2.1 **Factors** may include but are not limited to business planning, budgeting, forecasting, stock control, managing seasonal fluctuations, planning for random influences (such as a strike or sudden crisis), using historical trends to predict and forecast resource requirements, drawing up functional and technical specifications, considerations of time/quality/cost, category management.

2.2 **Approaches** may include but are not limited to zero based or incremental budgeting approaches, stock re-ordering, capacity planning, forecasting, cost benefit analysis, return on investment (ROI) accounting methods, capital investment appraisals (payback, net present value), sensitivity analysis (modelling a range of different cost and revenue scenarios).

2.3 **Sources** may include but are not limited to budgets, costing activities, management accounts, stock records, overtime records, agency cost records, feedback (e.g. customers, staff, suppliers, partners), audits (e.g. quality, time tracking), service level agreements.

2.4 **Options** may include but are not limited to purchase versus rental, purchase versus supply from internal department, purchase of branded versus generic products, feasibility of lead times and delivery dates, urgency of need, researching potential suppliers, competitive versus non-competitive tendering, multi-sourcing, inventory/stock management (Kanban/Just in Time systems, enterprise resource planning (ERP) systems), bulk buying, disaster planning, consideration of alternative procurement routes (requests for quotations or proposals, invitations to tender).

Learning outcome 3

Know how to procure resources

Assessment criteria

3.1 Analyse **principles** which underpin effective procurement

3.2 Analyse the **stages** of a procurement process

3.3 Develop **criteria** for resource specifications

3.4 Analyse **methods** for selecting suppliers

Indicative content

3.1 **Principles** refers to codes of conduct, confidentiality, conflict of interest, quality standards (e.g. International Organisation for Standardisation - ISO), procurement policies and procedures, objectivity, fairness, transparency, openness, accountability, integrity.

3.2 **Stages** may include but are not limited to identify business need, form procurement team, produce documentation, develop tender and evaluation criteria, pre-qualification questions and long list, issue tender, tender briefing, initial evaluation of tender documentation, short list suppliers, presentations, supplier selection, negotiations, contract award, ongoing monitoring and review.

3.3 **Criteria** may include but are not limited to precise and comprehensive, defines product/service quality required, time/quality/cost, financial value of the contract (which may include factoring in inflation, depreciation), timescales, critical success factors, contingency planning to safeguard continuity of supply, sustainability.

3.4 **Methods** include but are not limited to formal e.g. tenders and trade associations and informal - e.g. recommendations and referrals, comparing alternative products and services, pilots and trials, quality testing, references and case studies.

Learning outcome 4

Know how to monitor resource use in organisations

Assessment criteria

4.1 Analyse **strategies** used to predict and manage disruption in resource supply

4.2 Analyse **methods** to record, monitor and report on resource use

4.3 Recommend **approaches** to improve resource use in organisations

Indicative content

4.1 **Strategies** may include but are not limited to multi-sourcing, inventory/stock management (Kanban/Just in Time, systems, enterprise resource planning (ERP) systems), bulk buying, disaster planning, business interruptions, consideration of alternative procurement routes, renegotiating contracts, prices and service levels, compensation, penalties, vertical and horizontal integration, terminate agreements.

4.2 **Methods** may include but are not limited to budget monitoring of planned vs actual spend, continuity of supply, key performance indicators (KPIs), stakeholder feedback, internal and external audits, quality standards, error rates, output, benchmarks, service level agreements (SLAs).

4.3 **Approaches** may include but are not limited to business case, recommendations, use of data and information to inform decision making, business process improvement, renegotiating contracts, staff training, relationship building, shared services, compliance, formulate/improve policies and procedures.

Recommendations for assessment

Learners may approach the assessment in a number of ways. All assessment criteria must be met. The following opportunities are recommendations for guidance purposes only.

- 1 The learner may be asked to write an **account** or **assignment** on the principles of planning, procuring and managing resources in the organisation.
- 2 The learner may be asked to respond to a **scenario** based on how they would plan, procure and manage resources.
- 3 Learners may write a **report** based on the principles of planning, procuring and managing resources.
- 4 The learner may draw upon their **own experience** of planning, procuring and managing resources.
- 5 They may present **work based evidence** accompanied by **reports/reflective accounts** to meet each assessment criteria.

Further guidance

It is not a requirement for the learner to cover all aspects of the indicative content when completing the assessment. The learner is encouraged to select and present well chosen information and examples to evidence they sufficiently understand the assessment criteria.

Relationship with other frameworks and occupational standards

This unit is mapped to the following requirements of the Apprenticeship Standard for Operations/Departmental Manager ST0385/01:

- A. Operational Management
- B. Project Management
- C. Finance

Suggested reading/web resource materials

Reading/resource materials available on ManagementDirect

Checklists

- [Checklist 146: Effective Purchasing](#)
- [Checklist 172: Supply Chain Management](#)

Textbooks/eBooks

- Hackett, M and Statham, G (editors) (2016) The Acqua Group Guide to Procurement, Tendering and Contract Administration. 2nd ed. John Wiley and Sons

Please note: This list is provided to guide the learner to potential sources of information and is by no means exhaustive. The content of the list is liable to change. The content was checked for accuracy at the time of unit development.

ManagementDirect resources require CMI membership and a username and password.