

Unit 18: **Develop and Implement an Operational Plan**

Unit reference number: Y/506/1955

QCF level: 4

Credit value: 5

Guided learning hours: 24

Unit type: Competence

Unit summary

In this unit, you will learn how to develop and implement operational plans, focusing on the role and responsibilities involved. You will gain an understanding of the principles underpinning operational planning, including the use of risk analysis techniques and the relationship between strategic and operational plans.

You will learn about how planning tools and techniques are used in the process of operational planning and how to set objectives which are SMART when developing operational plans, whilst ensuring consistency with organisational strategy and adherence to your organisation's policies and procedures. You will be able to implement plans that you have developed, ensuring that plan requirements are communicated to all involved and understand how to conduct a cost-benefit analysis in order to evaluate the effectiveness of the plan.

Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

Learning outcomes	Assessment criteria
<p>1 Understand the principles of operational planning</p>	<p>1.1 Evaluate the use of risk analysis techniques in operational planning</p> <p>1.2 Explain the components of an operational plan</p> <p>1.3 Analyse the relationship between strategic and operational plans</p> <p>1.4 Evaluate the use of planning tools and techniques in the operational planning process</p> <p>1.5 Explain how to carry out a cost-benefit analysis</p>
<p>2 Be able to develop an operational plan</p>	<p>2.1 Identify specific, measurable, achievable, realistic and time-bound (SMART) objectives and key performance indicators (KPIs)</p> <p>2.2 Identify evaluation mechanisms appropriate to the plan</p> <p>2.3 Take action to ensure that plans are consistent with organisational strategy, objectives, values, policies and procedures</p> <p>2.4 Develop proportionate and targeted plans to manage identified risks</p> <p>2.5 Take action to ensure that plans complement and maximise synergy with other business areas</p> <p>2.6 Adhere to organisational policies and procedures, legal and ethical requirements</p>

Learning outcomes	Assessment criteria
<p>3 Be able to implement an operational plan</p>	<p>3.1 Implement plans within agreed budgets and timescales</p> <p>3.2 Communicate the requirements of the plans to those who will be affected</p> <p>3.3 Revise plans in the light of changing circumstances in accordance with strategic objectives and identified risks</p>
<p>4 Be able to evaluate the effectiveness of an operational plan</p>	<p>4.1 Conduct periodic reviews of the progress and effectiveness of the plans, using information from a range of sources</p> <p>4.2 Report on the effectiveness of operational plans in the appropriate format</p>

Unit amplification

AC1.1: Evaluate the use of risk analysis techniques in operational planning

- *Risk management*: definition of risk; types of risks e.g. environmental uncertainty, supply chain, outsourcing, market, task loading; risk management process, i.e. identify hazards, assess hazards, make risk decisions, implement controls, supervise; risk probability
- *Risk analysis*: qualitative techniques, e.g. probability and impact matrix (low, high rating), risk urgency assessment, risk categorisation, expert judgement; quantitative techniques, e.g. schedule risk analysis, sensitivity analysis, severity assessment, modelling and simulation

AC1.2: Explain the components of an operational plan

- *Operational plan*: purpose, e.g. manages the use of resource to achieve the strategic objectives, direct the implementation of strategy, identifies responsibilities and tasks in line with strategic goals and objectives
- *Components of an operation plan*: varies across organisations; examples of components include, strategic goals and SMART objectives, activities and tasks to be completed, roles and responsibilities performance measures, KPIs, capacity requirements (human resources, time, systems, management structure), financial requirements, risk assessment and mitigation strategy

AC1.3: Analyse the relationship between strategic and operational plans

- *Operational plans*: short to medium term planning; five performance objectives, (cost, dependability, flexibility, quality and speed)
- *Strategic plans*: long term planning to focus an organisation's vision and priorities; strategic management responsibility; framework and basis for lower level planning

AC1.4: Evaluate the use of planning tools and techniques in the operational planning process

- *Planning tools and techniques*: budgeting, scheduling, charting (Gaant, Load); analysis (breakeven, PERT), forecasting, capacity planning (demand management, capacity management); scenario planning, contingency planning

AC1.5: Explain how to carry out a cost-benefit analysis

- *Cost-benefit analysis*: definition (appraisal technique); purpose, e.g. assessing costs and benefits to determine the rate of return, evaluate project outcomes; analysis process including, identifying costs (physical and human resources, time) and benefits (tangible and intangible revenues) over project lifetime, allocating monetary value to costs and benefits, comparing value of costs and benefits; breakeven points; payback period

Information for tutors

Suggested resources

Books

Jones, P., Robinson, P. – *Operations Management* (OUP, 2012)
ISBN 9780199593583

Slack, N., Brandon-Jones, A. and Johnston, R. – *Operations Management (7th edition)* (Pearson, 2013) ISBN 9780273776208

Websites

www.bis.gov.uk – the Department for Business, Innovation and Skills with tools and guidance for running a business

www.businesscasestudies.co.uk – the business case studies website providing the Times 100 business case studies, including business operations

Assessment

This unit is internally assessed. To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria and the requirements of the Assessment Strategy.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meets the assessment criteria, centres should apply the *Unit Assessment guidance* and the requirements of the Assessment Strategy below.

Wherever possible, centres should adopt a holistic approach to assessing the units in the qualification. This gives the assessment process greater rigour and minimises repetition, time and the burden of assessment on all parties involved in the process.

Unit assessment requirements

This unit must be assessed in the workplace in accordance with the Skills CFA Assessment Strategy for Business Administration, Customer Service and Management and Leadership, in *Annexe A*. Simulation is not allowed for this unit.

All evidence of occupational competence should be generated through performance under workplace conditions; this includes evidence of achievement for knowledge-based learning outcomes and associated assessment criteria.

Unit assessment guidance

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the assessment requirements of the unit. Centres can adapt the guidance for learners and the particular assessment context, as appropriate.

Evidence to achieve this unit should come from the learner's work activities in developing and implementing an operational plan.

Evidence to demonstrate achievement of learning outcomes 2, 3 and 4 is likely to come from a combination of reviewing of learner work products, witness testimony and professional discussion or reflective account. The learner's work products could include the operational plan produced showing key areas such as the agreed SMART objectives and KPIs, activities and owners, resource allocation and risk mitigation strategies. Product evidence could also include other operational planning documentation, communications with those who will be affected by the operational plan and reports/presentations/communications detailing the outcomes of reviews into the effectiveness of the operational plans. The work products should be reviewed by the assessor and used to support the professional discussion to evidence the knowledge and understanding underpinning the learner's performance. Within the professional discussion the learner could discuss the rationale for the evaluation mechanisms used and the nature of the actions taken to ensure that the operational plan was in line with organisational requirements and maximised synergies with other functional areas (AC2.2, AC2.3 and AC2.5). The learner could also discuss the process for ensuring that plans are implemented within agreed budgets and timescales and the process for revising plans in accordance with strategic objectives and identified risks (AC3.1 and AC3.3). Alternatively, a reflective account could be used in a similar manner to assess the underpinning knowledge and understanding. Witness testimony from colleagues and the line manager should also be used to confirm that the learner has consistently met organisational requirements and that the operational plan was appropriate and aligned to organisational strategies and priorities, e.g. (AC2.3, AC2.5, AC2.6 and AC3.3).

Due to the overall cognitive demand of the assessment criteria in learning outcome 1, the evidence to confirm achievement would best come from a reflective account. If a reflective account is used for learning outcomes 2, 3 and 4 then it would be best to integrate the assessment of this learning outcome, giving the learner the opportunity to link and apply their knowledge to workplace activities. For example, the learner could reflect on the usefulness and appropriateness of the risk analysis techniques, planning tools and techniques they have used in their planning (AC1.1 and AC1.4). The learner's reflective account for AC1.1 to AC1.5 must be in sufficient depth and breadth to meet the level of demand of the operative command verbs. For example, to meet AC1.4, the learner needs to explain the planning tools and techniques used in the operational planning process, why certain tools and techniques were suitable, limitations they experience when using certain tools and techniques and how and when they could use different tools and techniques in the future when developing and implementing an operational plan.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically.