



## 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
1 Understand the principles of resolving business problems	1.1 Explain the use of different problem-solving techniques 1.2 Explain the organisational and legal constraints relating to problem-solving 1.3 Describe the role of stakeholders in problem-solving 1.4 Describe the steps in the business decision-making process 1.5 Analyse the implications of adopting recommendations and implementing decisions to solve business problems
2 Understand improvement techniques and processes	2.1 Describe the purpose and benefits of continuous improvement 2.2 Analyse the features, use and constraints of different continuous improvement techniques and models 2.3 Explain how to carry out a cost-benefit analysis 2.4 Explain the importance of feedback from customers and other stakeholders in continuous improvement

Learning outcomes	Assessment criteria
<p>3 Be able to solve problems in business</p>	<p>3.1 Identify the nature, likely cause and implications of a problem</p> <p>3.2 Evaluate the scope and scale of a problem</p> <p>3.3 Analyse the possible courses of action that can be taken in response to a problem</p> <p>3.4 Use evidence to justify the approach to problem-solving</p> <p>3.5 Develop a plan and success criteria that are appropriate to the nature and scale of a problem</p> <p>3.6 Obtain approval to implement a solution to a problem</p> <p>3.7 Take action to resolve or mitigate a problem</p> <p>3.8 Evaluate the degree of success and scale of the implications of a solved problem</p>
<p>4 Be able to contribute to the improvement of activities</p>	<p>4.1 Identify the nature, scope and scale of possible contributions to continuous improvement activities</p> <p>4.2 Measure changes achieved against existing baseline data</p> <p>4.3 Calculate performance measures relating to cost, quality and delivery</p> <p>4.4 Justify the case for adopting improvements identified with evidence</p> <p>4.5 Develop standard operating procedures and resource plans that are capable of implementing agreed changes</p>

## Unit amplification

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### **AC1.1: Explain the use of different problem-solving techniques**

- *Problem-solving techniques:* brainstorming; workshops; SWOT analysis (strengths, weaknesses, opportunities, threats); PESTLE analysis (political, economic, social, technological, legal, environmental); risk analysis; RCA (root cause analysis); Pareto Principle; PDCA (plan, do, check, act); 5-why analysis
- *Use:* e.g. to create new ideas, to improve decision-making, to improve quality of decisions

### **AC1.2: Explain the organisational and legal constraints relating to problem-solving**

- *Organisational and legal constraints:* contracts and agreements; employee relations; skills and experience of staff; existing policies and procedures; budget; technology; values and ethics; legal or regulatory barriers, e.g. health and safety, equality, data protection

### **AC1.3: Describe the role of stakeholders in problem-solving**

- *Internal:* team leader, oversees and takes responsibility for problem solving; team members, affected by the problem, provide feedback, options, solutions; senior managers, agree solutions and finance
- *External:* potential users/customers feedback; suppliers feedback; competitors sales; regulatory bodies compliance checking

### **AC1.4: Describe the steps in the business decision-making process**

- *Steps:*
  - Identify the problem: recognising the problem; symptoms; recognising waste
  - Gather data and information: fact finding; use of management reports and performance indicators
  - Consider options and solutions: advantages and disadvantages of each option; potential problems and risks; analysis; 5 Whys; cause and effect
  - Adopt the recommendation: make the decision; responsibility for decision
  - Implement the decision: act on the chosen solution; set standard operating procedures; set SMART objectives (specific, measurable, attainable, realistic, timely); identify additional problems
  - Monitoring and seeking feedback: checking success and achievement against objectives; gaining feedback from users and other stakeholders involved in the process; recording outcomes

**AC1.5: Analyse the implications of adopting recommendations and implementing decisions to solve business problems**

- *Implications:* how the solution will be implemented; responsibility for implementation; risks of implementing the solution; avoiding recurrence of problem(s); developing monitoring system; communication (internal, external)

**AC2.1: Describe the purpose and benefits of continuous improvement**

- *Continuous improvement:* definition
- *Purpose:* e.g. improve standards, improve quality, improve productivity, reduce waste
- *Benefits:* business efficiency; effective team working; motivated employees; effective resource management; customer satisfaction

## **AC2.2: Analyse the features, use and constraints of different continuous improvement techniques and models**

- *Continuous improvement models:* Kaizen; PDCA; Six Sigma; DMAIC
  - Features: structured approach to problem solving; improvements based on smaller changes; ideas generated from within the organisation
  - Uses: continuous improvement; innovation; develop a design; reduce waste; improvement in productivity and efficiency
  - Constraints: commitment over time; change in mind-set; resistance to change
- *Continuous improvement techniques:*
- *Planning:*
  - Features: master schedule; SIPOC; problem and goal statements; time bound visual plans; commercial and bespoke software task management systems; responsibility and accountability
  - Use: to determine the 'what, why, how and when'; to provide structure
  - Constraints: limits of stakeholder engagement; timescales
- *Stakeholders identification/engagement:*
  - Features: key stakeholder involvement; RACI Matrix; Boston Matrix
  - Use: to capture ideas; to remove barriers; to ensure individual buy-in and engagement throughout the process; to prioritise areas to be addressed and timescales required; to identify the significance/extent of a problem
  - Constraints: networking skills; communication skills; lack of ownership or accountability; lack of hard data/evidence; differing attitudes and objectives
- *Visual management:*
  - Features: effective communication processes; visual aids, e.g. signs, charts, display or performance boards; company handbooks; key performance indicators; standard operating procedures; voice of the customer
  - Use: to provide current status at a glance; standardisation of approach; identification of non-standard approaches; to increase employee involvement and motivation; to raise productivity and quality; to facilitate faster decision-making
  - Constraints: currency and value if not maintained; timely dissemination of information to participants
- *Problem solving:*
  - Features: brainstorming; affinity diagram; Ishakawa Fishbone diagram; 5 Whys; RCA; data gathering
  - Use: to eliminate problems; to treat the cause not the symptoms; to add value by improving business processes, e.g. efficiency, service, health and safety
- *Constraints: timescales; knowledge of the problem; desire to jump to the solution*

**AC2.3: Explain how to carry out a cost-benefit analysis**

- *Brainstorm costs and benefits:* costs, actual costs and unexpected costs; benefits to staff, stakeholders, environment, business efficiency and service
- *Assign monetary value to costs:* physical resources; labour; additional staffing costs; training costs
- *Assign monetary value to benefits:* minimising future loss; return on investment; profit
- *Compare costs and benefits:* costs vs. benefits; break-even point

**AC2.4: Explain the importance of feedback from customers and other stakeholders in continuous improvement**

- *Importance of feedback:* gathers different viewpoints; enables reflection; resolves further problems; confirms solution is fit-for-purpose; celebrates success; motivational; maintains continuous improvement cycle

## Information for tutors

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### Suggested resources

#### Books

Evans V – *Key Strategy Tools: The 80+ Tools for Every Manager to Build a Winning Strategy* (FT Publishing International, 2013) ISBN 9780273778868

Liker J – *The Toyota Way: Fourteen Management Principles from the World's Greatest Manufacturer* (Reissue edition) (McGraw-Hill Education, 2004) ISBN 9780071392310

Weiss A E – *Key Business Solutions: Essential Problem-Solving Tools and Techniques That Every Manager Needs to Know* (FT Prentice Hall, 2011) ISBN 9780273750291

#### Websites

[www.bbc.co.uk/news/business](http://www.bbc.co.uk/news/business) – BBC website: business news section

[www.bized.co.uk](http://www.bized.co.uk) – Business education: a business education resource site

[www.business.com](http://www.business.com) – Business.com: business skills for personal and professional development

[www.businesscasestudies.co.uk](http://www.businesscasestudies.co.uk) – Business case studies: business studies learning resources including the 'Times 100' business case studies

[www.thecqi.org](http://www.thecqi.org) – Chartered Quality Institute: quality management approach based on planning, measurement and improvement

[www.efqm.org](http://www.efqm.org) – European Foundation for Quality Management: helping European organisations learn from each other and improve performance

[www.managers.org.uk](http://www.managers.org.uk) – Chartered Management Institute: professional body promoting management and leadership excellence

[www.mindtools.com](http://www.mindtools.com) – Mind Tools: business skills that help you excel at work

#### Assessment

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 meet the assessment criteria, centres should apply the *Unit assessment guidance* provided and the requirements of the Assessment Strategy given 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 requirements. Centres can adapt the guidance as appropriate for learners and the particular assessment context.

Possible sources of evidence for demonstrating achievement of this unit could be through direct observation, professional discussion or review of work products relating to the improvement of business performance. A holistic approach to assessment is recommended.

For AC1.1, AC1.2, AC1.3, AC1.4 and AC2.2, learners could provide examples of the types of problems that exist in their workplace with an explanation of the techniques used to determine the cause. Learners could provide a description of the stakeholders involved in this process and their roles. Learners could explain the limitations of problem-solving from an organisation and legal point of view. Professional discussion or reflective accounts could be used demonstrate the learners' achievement of the knowledge-based criteria that could also link to AC2.1, AC2.3 and AC2.4. Learners could describe the purpose and benefits of continuous improvements in their work environment and provide an analysis of the features, use and limitations of a range of business improvement techniques and models and justify the preferred solution. This could also be linked to the competence-based criteria. Learners could provide a cost-benefit analysis and provide an explanation of how this was carried out.

Work products could include evidence of minutes of meetings, process maps and diagrams, master schedules, feedback from stakeholders, presentation notes, reports to management/sponsors, resource plans and performance measures relating to cost, quality, delivery and responsibilities, analysis and evaluation, standard operating procedures showing agreed changes. Evidence could also include photographic evidence of Kaizen events and information centres. This assessment method could be used for all competence-based assessment criteria in learning outcomes 3 and 4 to demonstrate the learner's use of a range of business improvement techniques and models when solving business problems and contributing to improvement activities.

For AC1.5 and AC2.3 learners could analyse the various business improvement models available in their work environment. Learners could review product evidence of the possible solutions to problems, such as minutes of meetings, diagrams and process maps and workshop recommendations to provide an analysis of the implications involved in adopting recommendations and decisions.

To provide corroborating evidence for the assessment criteria in learning outcome 3 and 4 a reflective account could be used to document the learner's own role, responsibilities and skills. For example the learner could reflect on the criteria or standards they used to evaluate the scope of a particular problem, discuss the advantages and disadvantages of the different courses of action to solve the problem and explain the rationale for action chosen to solve the problem.

Witness testimony could be used to support the evidence from direct observation or work products.

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