



## Higher National Unit specification

### General information for centres

**Unit title:** Contracting Industry: An Introduction to Strategic Management

**Unit code:** F4NL 34

**Unit purpose:** This Unit introduces the basic concepts of strategic management within the context of the contracting sector. The Unit covers all types of contracting organisations and includes organisations of different size, public and private organisations, and organisations operating in different contracting industry markets

On completion of the Unit the candidate should be able to:

- 1 Explain the role and contribution of strategic management in contracting organisations.
- 2 Explain the links between the resource position, the environment and the strategic choices facing organisations in the contracting sector.
- 3 Explain methods used for the evaluation of a chosen strategic option in a contracting organisation.

**Credit points and level:** 1 HN credit at SCQF level 7: (8 SCQF credit points at SCQF level 7\*)

*\*SCQF credit points are used to allocate credit to qualifications in the Scottish Credit and Qualifications Framework (SCQF). Each qualification in the Framework is allocated a number of SCQF credit points at an SCQF level. There are 12 SCQF levels, ranging from Access 1 to Doctorates.*

**Recommended prior knowledge and skills:** Access is at the discretion of the centre. However, it is recommended that candidates undertaking this Unit have some skills in *Communication, Information Technology* and *Numeracy*, together with an understanding of how organisations work and are controlled.

**Core Skills:** There are opportunities to develop the Core Skills of *Problem Solving, Numeracy, Information Technology* and *Communication* at SCQF level 6 in this Unit, although there is no automatic certification of Core Skills or Core Skills components.

**Context for delivery:** If this Unit is delivered as part of a Group Award, it is recommended that it should be taught and assessed within the subject area of the Group Award to which it contributes.

**Assessment:** A holistic approach could be taken to assess all three Outcomes. A single instrument of assessment based on a real organisation is recommended.

## **Higher National Unit specification: statement of standards**

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The sections of the Unit stating the Outcomes, Knowledge and/or Skills, and Evidence Requirements are mandatory.

Where evidence for Outcomes is assessed on a sample basis, the whole of the content listed in the Knowledge and/or Skills section must be taught and available for assessment. Candidates should not know in advance the items on which they will be assessed and different items should be sampled on each assessment occasion.

### **Outcome 1**

Explain the role and contribution of strategic management in contracting organisations

#### **Knowledge and/or Skills**

- ◆ Contracting organisations
- ◆ Strategic management
- ◆ Organisational levels
- ◆ Strategic planning process
- ◆ Operational management

#### **Evidence Requirements**

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can, for one contracting organisation:

- ◆ explain the role and contribution of strategic management in the contracting organisation.
- ◆ explain the strategic planning process for the contracting organisation. The explanation must include different organisational levels, the relationship between strategic and operational management, mission and vision statements, and at least two approaches to the strategic management process.

#### **Assessment Guidelines**

All Outcomes could be assessed by one holistic instrument of assessment. The Assessment Guidelines following Outcome 3 give further details.

## **Higher National Unit specification: statement of standards (cont)**

**Unit title:** Contracting Industry: An Introduction to Strategic Management

### **Outcome 2**

Explain the links between the resource position, the environment and the strategic choices facing organisations in the contracting sector

#### **Knowledge and/or Skills**

- ◆ Environmental analysis tools
- ◆ Resource analysis tools
- ◆ Stakeholders
- ◆ Strategic choice
- ◆ Process of setting success criteria

#### **Evidence Requirements**

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can, in the context of the contracting industry

- ◆ describe the process of environmental and resource analysis which could be used in a contracting organisation: the description should include reference to four accepted environmental and resource tools which could be used in this analysis
- ◆ analyse the role and influence of four stakeholders for one contracting organisation
- ◆ explain two models of strategic choice and illustrate each one with an example from the contracting industry
- ◆ explain the process of setting success criteria for judging strategic options in terms of organisational goals and objectives

#### **Assessment Guidelines**

All Outcomes could be assessed by one holistic instrument of assessment. The Assessment Guidelines following Outcome 3 give further details.

## **Higher National Unit specification: statement of standards (cont)**

**Unit title:** Contracting Industry: An Introduction to Strategic Management

### **Outcome 3**

Explain methods used for the evaluation of a chosen strategic option in a contracting organisation

#### **Knowledge and/or Skills**

- ◆ Strategic option appraisal methods
- ◆ Evaluation of options

#### **Evidence Requirements**

Candidates will need to provide evidence to demonstrate their Knowledge and/or Skills by showing that they can, in the context of a contracting organisation:

- ◆ describe methods of strategic option appraisal. The methods chosen must assess the suitability, validity and feasibility of strategic options and include operational, marketing and financial aspects.
- ◆ explain business risk, return on capital employed, profitability and whether targets set for market share have been achieved. In each case the explanation should show the relevance of the factor to the evaluation of options.

#### **Assessment Guidelines**

A holistic approach could be taken in the assessment of all three Outcomes, with a single instrument of assessment based on a real contracting organisation used. Candidates could be asked to gather information about an organisation. This approach may be particularly suitable for candidates who are familiar with a specific organisation or where they can easily gather organisational data. Where appropriate, however, reference or contrast can be made to other organisations within the contracting industry to ensure that the Evidence Requirements are fully met.

It is possible, to use more than one instrument of assessment if desired. If this is done, then different organisations may be used as the basis for different assessment events. It would also be possible to ask candidates to gather their own information for some assessments but to be provided with case study material for others.

The assessment could take the form of structured questions linked to the situation of a particular organisation. Candidates could be asked to submit a report based on these questions. Alternatively, instead of questions, candidates could be given a series of guidelines and asked to prepare a report based on them. This latter approach may be more appropriate for candidates who are researching an organisation for themselves.

## Administrative Information

**Unit code:** F4NL 34

**Unit title:** Contracting Industry: An Introduction to Strategic Management

**Superclass category:** AG

**Original date of publication:** August 2008

**Version:** 01

### History of changes:

Version	Description of change	Date

**Source:** SQA

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## **Higher National Unit specification: support notes**

### **Unit title:** Contracting Industry: An Introduction to Strategic Management

This part of the Unit specification is offered as guidance. The support notes are not mandatory.

While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 40 hours.

### **Guidance on the content and context for this Unit**

Whilst this Unit may be taken on a standalone basis, it has been designed as a mandatory Unit within the HNC Contracting Management, itself designed to provide candidates with knowledge of Contracting Management concepts, principles and practice. The Unit highlights the dynamic and ever changing business environment and the role that efficient contracting management can play in sustaining a competitive advantage for organisations. The Unit also considers links used between resources and how environmental factors might impact on organisational planning. The Unit covers all types of contracting organisations and thus includes organisations of different size, public and private organisations, and organisations operating in different markets. There are a large number of consultants and theorists that can be used to illustrate the content of this Unit and to explain and investigate the situation in a particular organisation. The following gives some guidance on suitable content. It is neither exhaustive nor prescriptive.

#### **Outcome 1**

There are a number of managerial texts, which provide valuable background and organisational examples of strategic management theory, which may be used as a basis for discussion and group work within the classroom environment.

Provision of case study material could offer candidates the opportunity to compare and contrast a range of different types and sizes of public and private organisations in the contracting sector and examine strategic management in the contracting industry.

The two approaches to strategic management processes commonly identified within organisations in the contracting sector are: the Intended [prescriptive] process or, the Emergent process. Within the Intended process, senior management deliberately formulate plans, whereas within an emergent process, an organisation plans strategies based upon everyday routines, activities and processes.

#### **Outcomes 2 and 3**

Strategic choices relate to decisions made by an organisation on what strategy to pursue. Candidates should recognise that strategy has several levels (such as business and corporate) and can be approached in a number of ways. One example would be a contrast between external and internal approaches (the external approach involves finding and defending a particular market position while the internal approach centres on developing and maintaining internal capabilities which evolve with the organisation).

Detailed knowledge of all of the above is not essential for this Unit but it may help if candidates appreciate the role of senior management in determining strategies for the organisation and the complexity of the issues.

Analysis tools could include: SPELT, Porter's five forces, BCG Matrix, Financial ratios, Stakeholder Power/ Interest and SWOT.

## **Higher National Unit specification: support notes**

### **Unit title:** Contracting Industry: An Introduction to Strategic Management

Success criteria may be determined by return on capital employed, added value or profitability, targets for product penetration, market share or other performance indicators.

Possible strategies could include Porter's cost leadership, cost focus, differentiation and focused differentiation. Other classifications could include related and unrelated diversification, new product development, improved market penetration, seeking new markets, removing some operations.

### **Guidance on the delivery and assessment of this Unit**

It is envisaged that the Unit will be delivered through lecturer-mediated discussion, the provision of appropriate examples and case studies, and by reading appropriate management texts. The appropriate use of examples can help to keep the Unit relevant to candidates especially if they relate to organisations with which they are familiar.

Candidates could be encouraged to relate theory and practice. They could be encouraged to try to apply models and approaches to particular situations and draw conclusions from this. These conclusions could cover the value of the theoretical approach as well as highlighting the strengths and weaknesses of the behaviour actually undertaken. In this way, candidates could develop their powers of analysis and adopt the habit of making sure that they support their points with credible reasons grounded in the material they have been given.

The Unit aims to merge theory and practice but the focus should be on the practical aspects of managing strategy in a way that takes account of the changing environment. This could be backed up with a broad understanding of the management theory in these areas.

Summative assessment focuses on the experience of the organisation. Candidates could be encouraged to practise applying theoretical ideas to the behaviour of organisations during the delivery of the Unit. Formative assessment can be an ongoing part of the Unit with candidates being given the assessments to work on as each topic is taught.

If holistically assessed, a suitable report length could be approximately 2,000 words or equivalent. Candidates could be allowed to complete the report in their own time and may make use of any sources of information they wish. Sources of information should be acknowledged.

Whilst it is preferable that the assessment should be based on a single contracting organisation, reference or contrast may be made to other organisations within the contracting industry to ensure that the Evidence Requirements are fully met. Ideally this may be a real situation and candidates could be asked to gather information about an organisation for themselves. Where candidates are directed to gather information, this could be on an organisation with which they are familiar, or which provides an easy source of data. Candidates who have current work experience may use their own workplace as the focus for assessments and identify relevant trends within the business environment that affect their own organisation.

## **Higher National Unit specification: support notes (cont.)**

**Unit title:** Contracting Industry: An Introduction to Strategic Management

### ***Opportunities for developing Core Skills***

There are opportunities to develop the Core Skills of *Problem Solving*, *Communication*, *Information Technology* and *Numeracy* at SCQF level 6.

Formative work, where candidates identify and consider available resources, then investigate the significance of each in order to identify an appropriate strategic approach may provide opportunities to develop the sophisticated problem solving skills underpinning approaches to all Outcomes. The determination of all aspects of proposed strategies and solutions, including consideration of their potential and actual impact is likely to be ongoing throughout the Unit, with assessor guidance as appropriate. This may provide the opportunity to develop the Critical Thinking component of the Core Skill of *Problem Solving*.

The Unit may provide the opportunity to develop the Written Communication component of the Core Skill *Communication* at SCQF level 6. This could be developed by candidates expressing essential ideas and information coherently and concisely, in a logical structure, to a standard which would be acceptable in the contracting industry.

Should candidates use appropriate software packages to support the effective and accurate presentation of information, there could be the opportunity to develop the Core Skill of *Information Technology* at SCQF level 6. Where candidates select and import relevant data in order to most effectively present information in numerical and graphical form, this could also develop the Core Skill of *Numeracy* at SCQF level 6. Interpretation and application of graphical concepts and sustained complex calculations if undertaken may further develop the Core Skill of *Numeracy*.

### **Open learning**

This Unit could be delivered by open or distance learning methods, however, additional resources will be required for candidate support, assessment and quality assurance.

### **Candidates with disabilities and/or additional support needs**

The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments, or considering alternative Outcomes for Units. Further advice can be found in the SQA document *Guidance on Assessment Arrangements for Candidates with Disabilities and/or Additional Support Needs* ([www.sqa.org.uk](http://www.sqa.org.uk)).



## General information for candidates

### **Unit title:** Contracting Industry: An Introduction to Strategic Management

This Unit introduces the basic concepts of strategic management within the context of the contracting sector. The Unit covers all types of contracting organisations and includes organisations of different size, public and private organisations, and organisations operating in different contracting industry markets

This Unit has been written as a mandatory Unit within the HNC in Contracting Management, but may also be undertaken on a standalone basis. It is designed for candidates employed within the contracting sector who wish to develop contracting management skills to progress within their industry.

This Unit is allocated 1 HN credit (8 SCQF credit points) at SCQF level 7. It is recommended that prior to undertaking this Unit you have knowledge of organisation structures and the factors that influence employee behaviour at work. The Unit has been designed to develop your skills within the context of the contracting industry.

The Unit has three Outcomes. The first Outcome asks you to identify the role and contribution of strategic management in contracting organisations. The second Outcome links the organisation's resource position, the environment and the strategic choices facing it in the contracting sector. In the third Outcome you will be asked to provide evidence of analysing the strategic options available to an organisation in the contracting industry.

The content of the Unit will be kept relevant through the appropriate use of examples and by focusing the areas of study on organisations that are relevant to you. This should provide the flexibility required to study, as appropriate, organisations of different size, public and private organisations, and organisations operating in different markets.

For a successful completion of this Unit, you will be required to achieve a satisfactory level of performance on the assessment work. This will require you to assess the environment, strategy, and options of a particular organisation. To do this, you will be expected to apply the concepts you have learned during the course to the situation of the organisation concerned.

There are opportunities to develop the Core Skills of *Problem Solving*, *Numeracy*, *Information Technology* and *Communication* at SCQF level 6 in this Unit.