

Operations

1.1 Role of Operations Management

- Strategic role of operations management
 - Productivity, efficiency, quality, minimising cost of production
 - Cost leadership
 - Goods and/or services differentiation
- Goods and/or services in different industries including standardised goods vs customised goods
- Interdependence with other key business functions - how operations works together with finance, human resources or marketing

1.2 Influences on Operations

- Globalisation
- Technology
- Quality expectations
- Cost-based competition
- Government policies
- Legal regulation
- Environmental sustainability
- Corporate social responsibility
 - Difference between legal compliance and ethical responsibility
 - Environmental sustainability and social responsibility

1.3 Operations Processes

- Inputs
 - Using transformed resources (materials, information, customers)
 - Using transforming resources (human resources, facilities)
- Transformation processes
 - Influence of volume, variety, variation in demand and visibility (customer contact)
 - Sequencing and scheduling using Gantt charts and/or critical path analysis
 - Technology
 - Task design
 - Process layout
 - Monitoring, control and improvement
- Outputs
 - Output of customer service
 - Output of warranties

1.4 Operations Strategies

- Performance objectives
 - Using quality as a performance objective strategy
 - Using speed as a performance objective strategy
 - Using dependability as a performance objective strategy
 - Using flexibility as a performance objective strategy
 - Using customisation as a performance objective strategy
 - Using cost as a performance objective strategy
- Design and development of a new product or service
- Supply chain management strategy
 - Using logistics
 - Using e-commerce
 - Using global sourcing
- Strategy of outsourcing of the operations process including offshoring
- Using leading edge technology and/or established technology
- Inventory management strategy
 - Advantages and disadvantages of holding stock
 - LIFO (last-in-first-out)
 - FIFO (first-in-first-out)
 - JIT (just-in-time)
- Quality management strategy
 - Using quality control
 - Using quality assurance
 - Using quality improvement
- Overcoming resistance to change (due to financial costs, purchasing new equipment, redundancy payments, retraining, reorganising plant layout, inertia)
- Global factors
 - Using global sourcing as a strategy
 - Using economies of scale as a strategy
 - Using scanning and learning as a strategy
 - Using research and development as a strategy

Marketing

2.1 Role of Marketing

- Strategic role of marketing goods and services
 - Brand awareness, increase market share, profit maximisation, competitive advantage
- Interdependence with other key business functions - how marketing works together with finance, human resources or operations
- Three approaches to marketing - production approach, selling approach, marketing approach
- Classification of the types of markets – resource, industrial, intermediate, consumer, mass, niche

2.2 Influences on Marketing

- Factors influencing customer choice
 - Psychological
 - Sociocultural
 - Economic
 - Government
- Consumer law
 - Deceptive and misleading advertising
 - Price discrimination
 - Implied conditions
 - Warranties
 - Drip pricing
- Acting ethically
 - Truth, accuracy and good taste in advertising
 - Advertising products that may damage health
 - Engaging in fair competition
 - Not selling under the guise of a survey (sugging)

2.3 Marketing Processes

- Situational analysis
 - Strengths, weaknesses, opportunities and threats (SWOT) analysis
 - Product life cycle analysis
- Conducting market research
- Establishing market objectives
- Identifying target markets
- Developing marketing strategies
- Implementation, monitoring and controlling
 - Developing a financial forecast
 - Comparing actual and planned results
 - Revising the marketing strategy

2.4 Marketing Strategies

- Market segmentation
- Product/service differentiation and positioning
- Products
 - Branding as a strategy
 - Packaging as a strategy
- Price
 - Pricing methods
 - Pricing strategies
 - Price and quality interaction
- Promotion
 - Elements of the promotion mix
 - Communication process (using opinion leaders and/or word of mouth)
- Place/distribution
 - Distribution channels
 - Channel choice
 - Physical distribution issues
- People, processes and physical evidence
- E-marketing
- Global marketing strategies
 - Global branding
 - Standardisation
 - Customisation
 - Global pricing
 - Competitive positioning

Finance

3.1 Role of Financial Management

- Strategic role of financial management
- Objectives of financial management - profitability, growth, efficiency, liquidity, solvency (both short-term and long-term)
- Interdependence with other key business functions - how finance works together with operations, human resources or marketing

3.2 Influences on Financial Management

- Internal sources of finance – retained profits, owners equity or sale of assets
- External sources of finance
 - Debt financing / borrowing
 - Equity financing through ordinary shares (new issues, rights issues, placements, share purchase plans) or private equity
- Financial institutions
 - Retail banks
 - Investment banks
 - Finance companies
 - Superannuation funds
 - Life insurance companies
 - Unit trusts
 - Australian Securities Exchange
- Influence of government
 - Australian Securities and Investments Commission (ASIC)
 - Company taxation
- Global market influences
 - Economic outlook or future economic changes
 - Availability of funds from international financial market
 - Interest rates and the cost of borrowing

3.3 Processes of Financial Management

- Planning and implementing
 - Planning and implementing using financial needs, budgets, record systems, financial risks, financial controls
 - Choosing between debt and equity financing – advantages and disadvantages of each
 - Matching the terms and source of finance to business purpose
- Monitoring and controlling
 - Cash flow statement
 - Income statement
 - Balance sheet
- Financial ratios
 - Liquidity – current ratio (current assets ÷ current liabilities)
 - Gearing – debt to equity ratio (total liabilities ÷ total equity)
 - Profitability – gross profit ratio (gross profit ÷ sales); net profit ratio (net profit ÷ sales); return on equity ratio (net profit ÷ total equity)
 - Efficiency – expense ratio (total expenses ÷ sales), accounts receivable turnover ratio (sales ÷ accounts receivable)
 - Comparative ratio analysis – over different time periods, against standards, with similar businesses
- Limitations of financial reports: normalised earnings, capitalising expenses, valuing assets, timing issues, debt repayments, notes to the financial statements
- Ethical issues related to financial reports

3.4 Financial Management Strategies

- Cash flow management strategies
 - Distribution of payments
 - Discounts for early payment
 - Factoring
- Working capital management strategies
 - Control of current assets (cash, receivables, inventories)
 - Control of current liabilities (payables, loans, overdrafts)
 - Leasing
 - Sale and lease back
- Profitability management strategies
 - Cost controls (fixed and variable, cost centres, expense minimisation)
 - Revenue controls (marketing objectives)
- Global financial management strategies
 - Exchange rates
 - Interest rates
 - Methods of international payment – payment in advance, letter of credit, clean payment, bill of exchange
 - Hedging
 - Derivatives

Human Resources

4.1 Role of Human Resource Management

- Strategic role of human resources
- Interdependence with other key business functions - how human resources works together with operations, finance or marketing
- Role of human resource management in outsourcing
 - Outsourcing human resource functions
 - Using contractors (domestic, global)

4.2 Influences on Human Resource Management

- Influence of stakeholders
 - Employers
 - Employees
 - Employer associations
 - Unions
 - Government organisations
 - Society
- Legal influences
 - Current legal framework
 - Employment contract – common law (rights and obligations of employers and employees), minimum employment standards, minimum wage rates, awards, enterprise agreements, other employment contracts
 - Work health and safety and workers compensation
 - Antidiscrimination and equal employment opportunity
- Economic
- Technological
- Social influences including changing work patterns and/or living standards
- Ethics and corporate social responsibility

4.3 Processes of Human Resource Management

- Acquisition
- Development
- Maintenance
- Separation

4.4 Strategies in Human Resource Management

- Leadership style
- Job design strategy including designing general or specific tasks
- Recruitment strategy
 - Internal or external
 - General or specific skills
- Training and development (current or future skills)
- Performance management strategy
 - Developmental approach
 - Administrative approach
- Rewards strategy
 - Monetary and non-monetary
 - Individual or group
 - Performance pay
- Global strategies including global staffing methods, costs, skills, supply
- Workplace disputes and resolution using negotiation, mediation, grievance procedures, involvement of courts and tribunals

4.5 Effectiveness of Human Resource Management

- Indicators of effectiveness
 - Corporate culture
 - Benchmarking key variables
 - Changes in staff turnover
 - Absenteeism
 - Accidents
 - Levels of disputation
 - Worker satisfaction