

<b>UNIT TITLE:</b> ESTABLISH AND MAINTAIN A BUSINESS RELATIONSHIP		<b>NOMINAL HOURS:</b> 60 hours
<b>UNIT NUMBER:</b> D1.HCS.CL6.02    D1.HSM.CL5.05    D2.TCS.CL5.15		
<b>UNIT DESCRIPTOR:</b> This unit deals with the skills and knowledge required to establish and maintain a business relationship in a range of settings within the hotel and travel industries.		
<b>ELEMENTS AND PERFORMANCE CRITERIA</b>	<b>UNIT VARIABLE AND ASSESSMENT GUIDE</b>	
<p><b>Element 1. Establish and conduct business relationships</b></p> <p><b>1.1</b> Establish <i>business relationships</i> in a manner that promotes goodwill and trust between the enterprise, its customers and suppliers</p> <p><b>1.2</b> Build trust and respect in business relationships</p> <p><b>1.3</b> Identify and take up <i>opportunities to maintain regular contact with customers and suppliers</i></p> <p><b>Element 2. Conduct negotiations</b></p> <p><b>2.1</b> Conduct <i>negotiations</i> in a business-like and professional manner within the relevant cultural context</p> <p><b>2.2</b> Conduct negotiations in the context of the current enterprise marketing focus and within <i>legal and ethical constraints</i></p> <p><b>2.3</b> Maximize benefits for all parties in the negotiation through use of established <i>negotiation techniques</i></p>	<p><b>Unit Variables</b></p> <p>The Unit Variables provide advice to interpret the scope and context of this unit of competence, allowing for differences between enterprises and workplaces. It relates to the unit as a whole and facilitates holistic assessment.</p> <p>This unit applies to establishing and maintaining business relationships within the labour divisions of the hotel and travel industries and may include:</p> <ol style="list-style-type: none"> <li>1. Front Office</li> <li>2. Housekeeping</li> <li>3. Food and Beverage Service</li> <li>4. Food Production</li> <li>5. Travel Agencies</li> <li>6. Tour Operation</li> </ol> <p><i>Business relationships</i> may relate to:</p> <ul style="list-style-type: none"> <li>• customers</li> <li>• suppliers</li> <li>• strategic partners</li> <li>• finance companies</li> <li>• other enterprises</li> <li>• employees</li> </ul>	

<p><b>2.4</b> Incorporate feedback and input from colleagues into the negotiation where appropriate</p> <p><b>2.5</b> Communicate the results of negotiations to appropriate <i>colleagues and stakeholders</i> within appropriate timeframes</p> <p><b>Element 3. Make formal business agreements</b></p> <p><b>3.1</b> Confirm agreements in writing, using formal contracts where appropriate, and in accordance with enterprise requirements</p> <p><b>3.2</b> Check and gain appropriate approvals for all aspects of formal agreements in accordance with enterprise procedures</p> <p><b>3.3</b> Identify the need for and <i>seek specialist advice</i> in the development of contracts where appropriate</p> <p><b>Element 4. Foster and maintain business relationships</b></p> <p><b>4.1</b> Seek, review and act upon information needed to maintain sound business relationships in a pro-active manner</p> <p><b>4.2</b> Honor agreements within the scope of individual responsibility</p> <p><b>4.3</b> Make adjustments to agreements in consultation with the customer/supplier and share information with appropriate colleagues</p> <p><b>4.4</b> Nurture relationships through regular contact</p>	<ul style="list-style-type: none"> <li>• industry bodies</li> <li>• local authorities.</li> </ul> <p><i>Opportunities to maintain regular contact with customers or suppliers may include:</i></p> <ul style="list-style-type: none"> <li>• informal social occasions</li> <li>• industry functions</li> <li>• association membership</li> <li>• cooperative promotions</li> <li>• program of regular telephone contact.</li> </ul> <p><i>Negotiations may relation to:</i></p> <ul style="list-style-type: none"> <li>• corporate accounts</li> <li>• service contracts</li> <li>• agency agreements</li> <li>• venue contracts</li> <li>• rate negotiations</li> <li>• marketing agreements</li> <li>• preferred product agreements.</li> </ul> <p><i>Legal and ethical constraints may include:</i></p> <ul style="list-style-type: none"> <li>• legislation</li> <li>• regulation</li> <li>• codes of practice</li> <li>• cultural expectations and influences</li> <li>• social responsibilities, e.g. protection of children, environmental issues.</li> </ul> <p><i>Negotiation techniques may include:</i></p>
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- identification of goals, limits
- clarification of needs of all parties
- identifying points of agreement and points of difference
- preparatory research of facts
- active listening and questioning
- non-verbal communication techniques
- appropriate language
- bargaining
- developing options
- confirming agreements
- appropriate cultural behavior.

*Colleagues and stakeholders* may include:

- owner/s
- board of directors
- managers
- supervisors
- finance staff
- marketing personnel
- human resource staff
- IT staff
- production staff.

*Specialist advice* may relate to:

- legal
- financial

- industrial.

### **Assessment Guide**

The following knowledge and skills must be assessed as part of this unit:

- knowledge of the business environment in which the hotel and travel industry operates including major current marketing and management issues as appropriate to the industry sector
- knowledge of the legal issues that affect negotiations and contracts in the relevant industry sector
- general knowledge of contracts as appropriate to different industry sectors
- negotiation and communication techniques appropriate to negotiations that may be of significant commercial value.

### **Linkages To Other Units**

- Monitor workplace operations
- Lead and manage people
- Manage workplace diversity
- Develop and implement a business plan
- Develop new products and services
- Manage and implement small projects
- Plan, and establish systems and procedures
- Plan, manage and conduct meetings
- Prepare business documents
- Develop a marketing strategy and coordinate sales activities.

### **Critical Aspects of Assessment**

Evidence of the following is essential:

- demonstrated ability to conduct successful business negotiations within a specific travel and hotel industry context
- ability to build and maintain relationships to achieve successful business outcomes
- knowledge and understanding of the current environment in which travel and hotel businesses operate, and the major industry issues of relevance to the particular sector
- knowledge and understanding of the role of contracts within a given industry sector
- consistency of performance across a range of situations that demonstrates knowledge, understanding and skill in implementing the principles and practices of developing and maintaining a business relationship

**Context of Assessment**

This unit may be assessed on or off the job:

- assessment should include practical demonstration of the ability to establish and maintain a business relationship in the workplace or through a simulation activity, supported by a range of methods to assess underpinning knowledge
- assessment must relate to the individual's work area, job role and area of responsibility and require the candidate to negotiate business relationships or agreements
- assessment must include project or work activities that allow the candidate to respond to multiple and varying workplace issues relevant to work area, job role and area of responsibility that allow the candidate to demonstrate knowledge and awareness of conducting business negotiations to establish an agreement

**Resource Implications**

Training and assessment to include access to a real or simulated workplace and relevant documentation, such as strategic plans and information on the internal and external operating environment; and access to workplace standards, procedures, policies, guidelines, tools and equipment.

**Assessment Methods**

The following methods may be used to assess competency for this unit:

- case studies
- observation of practical candidate performance
- oral and written questions
- portfolio evidence
- problem solving
- role plays
- third party reports completed by a supervisor
- project and assignment work

**Key Competencies in this Unit**

*Level 1 = competence to undertake tasks effectively*

*Level 2 = competence to manage tasks*

*Level 3 = competence to use concepts for evaluating*

<b>Key Competencies</b>	<b>Level</b>	<b>Examples</b>
Collecting, organizing and analyzing information	3	Gather and analyze information to prepare for business negotiations
Communicating ideas and information	2	Present a proposal to win a contract
Planning and organizing activities	2	Manage an annual review of all supplier contracts
Working with others and in teams	3	Conduct mutually beneficial negotiations to establish and maintain productive business relationships
Using mathematical ideas and techniques	2	Calculate profit margins to inform a contract negotiation process

	Solving problems	3	Negotiate contract renewals in the face of rising costs
	Using technology		Communicate to maintain business relationships using email, telephone, fax