

BSBADM311 Maintain Business Resources - Resource



**BSB30115 Certificate
III in Business**

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COURSE INTRODUCTION

ABOUT THIS GUIDE

This learner guide covers one unit of competency that is part of the BSB30115 Certificate III in Business Training Package:

BSBADM311 Maintain business resources

This unit describes the performance outcomes, skills and knowledge required to determine, administer and maintain resources and equipment to complete a variety of tasks.

No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.

This unit applies to individuals who are skilled operators and apply a broad range of competencies in various work contexts. They may exercise discretion and judgement using appropriate theoretical knowledge of business resources and their maintenance to provide technical advice and support to a team.

ABOUT ASSESSMENT

This guide contains a range of learning activities which support you in developing your competence. To apply this knowledge to your assessment you will be required to complete the assessment tools that are included in your program. The assessment is a competency based assessment, which has no pass or fail; you are either competent or not yet competent. This means that you still are in the process of understanding and acquiring the skills and knowledge required to be marked competent.

For valid and reliable assessment of this unit, a range of assessment methods will be used to assess practical skills and knowledge.

Your assessment may be conducted through a combination of the following methods:

- Third-party reports from a supervisor
- Practical demonstration of your skills in a classroom situation
- Projects and assignments
- Portfolio of evidence
- Written or verbal questioning to assess knowledge and understanding of business policies and procedures
- Oral presentation
- A combination of these methods

The assessment tool for this unit should be completed within the specified time period following the delivery of the unit. If you feel you are not yet ready for assessment, discuss this with your trainer.

To be successful in this unit you will need to be able to join you're learning to your work place, this should be achievable for those who are employed and for those who are not yet employed and you will be required to use observations of examples that can take place in a workplace environment.

ELEMENTS AND PERFORMANCE CRITERIA

- | | |
|---|--|
| 1. Advise on resource requirements | <ul style="list-style-type: none">1.1. Calculate estimates of future and present business resource needs in accordance with organisational requirements1.2. Ensure advice is clear, concise and relevant to achievement of organisational requirements1.3. Provide information on the most economical and effective choice of equipment, materials and suppliers1.4. Identify resource shortages and possible impact on operations |
| 2. Monitor resource usage and maintenance | <ul style="list-style-type: none">2.1. Ensure resource handling is in accordance with established organisational requirements including occupational health and safety requirements2.2. Use business technology to monitor and identify the effective use of resources2.3. Use consultation with individuals and teams to facilitate effective decision making on the appropriate allocation of resources2.4. Identify and adhere to relevant policies regarding resource use in the performance of operational tasks2.5. Routinely monitor and compare resource usage with estimated requirements in budget plans |
| 3. Acquire resources | <ul style="list-style-type: none">3.1. Ensure acquisition and storage of resources is in accordance with organisational requirements, is cost effective and consistent with organisational timelines3.2. Acquire resources within available time lines to meet identified requirements3.3. Review resource acquisition processes to identify improvements in future resource acquisitions |

REQUIRED SKILLS AND KNOWLEDGE

This describes the essential knowledge and skills and their level required for this unit.

REQUIRED KNOWLEDGE

- Key provisions of relevant legislation from all levels of government that may affect aspects of business operations, such as:
 - Anti-discrimination legislation
 - Ethical principles
 - Codes of practice
 - Privacy laws
 - Occupational health and safety (OHS)
- Organisational resource acquisition policies, plans and procedures
- Functions of a range of business equipment
- Organisational procedures for record keeping/filing systems, security and safe recording practices

REQUIRED SKILLS

- Literacy skills to read and understand organisation's policies and procedures; to write simple instructions for a particular routine task
- Evaluation skills to diagnose faults and to monitor resource usage
- Problem-solving skills to determine appropriate fault repair actions
- Numeracy skills to calculate resource expenditure
- Technology skills to select and use technology appropriate to a task

EVIDENCE GUIDE

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required knowledge and skills, the range statement and the assessment guidelines for this Training Package.

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the following is essential:

- Collecting and recording data on resource use
- Observing resource use over defined and operational timeframes
- Carrying out routine maintenance
- Knowledge of organisational resource acquisition policies, plans and procedures

Context of and specific resources for assessment

Assessment must ensure:

- Access to an actual workplace or simulated environment
- Access to office equipment and resources

Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit:

- Direct questioning combined with review of portfolios of evidence and third party workplace reports of on-the-job performance by the candidate
- Review of documentation estimating future and present business resource needs
- Analysis of responses to case studies and scenarios
- Demonstration of techniques
- Oral or written questioning to assess knowledge of equipment maintenance procedures
- Review of information provided on the most economical and effective choice of equipment, materials and suppliers
- Evaluation of documentation reviewing resource acquisition processes

Guidance information for assessment

Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended, for example:

- Other general administration units

PRE-REQUISITES

This unit must be assessed after the following pre-requisite unit:

There are no pre-requisites for this unit.

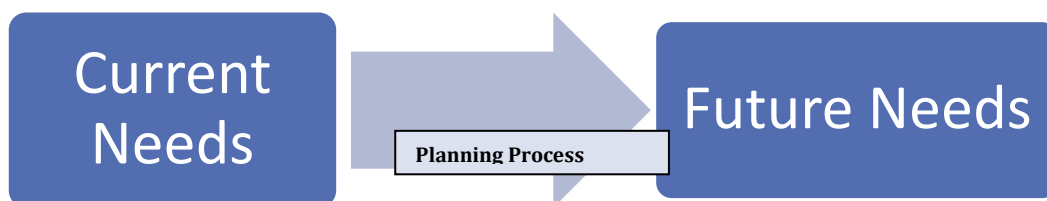
TOPIC 1 – ADVISE ON RESOURCE REQUIREMENTS

CALCULATE ESTIMATES OF FUTURE AND PRESENT BUSINESS RESOURCE NEEDS IN ACCORDANCE WITH ORGANISATIONAL REQUIREMENTS

A professional business will have in place a method of planning the required resources on an ongoing basis. Resources include any items that a business require to operate. Good resource planning will eliminate shortages that hinder operations and restrict wastage that limits profits.

The need for planning is affected by the following factors:

- **Current needs** – the organisation with a proper planning process will be able to ensure that all resources are available when required based on past and current usage trends.
- **Future needs** – as a business grows, pressure on the current resources will increase and the planning process will need to anticipate future growth.



ESTIMATING FUTURE AND PRESENT RESOURCES

It is important that an organisation is able to estimate its future and present resource requirements to operate competitively within its industry. It is important for the organisation to fulfil its future plans and requirements that they have the resources that are needed. For example, if an organisation intends to relocate it will need new stationary or if it intends to expand, different resources may be required in the future.

You may need to advise on the level of existing resources, their cost to the organisation and their rate of usage. When an organisation knows this, it can plan what resources are required and identify cost-efficient ways of purchasing them.

Most organisations do regular stocktakes to identify existing resources. This information may be on a computer database or in hard copy which is kept in a filing cabinet.

There are several ways that an organisation can estimate future and present resource needs, they include:

- Stocktakes and inventories
- Liaison with staff requirements
- Use historical data for forecasting
- Refer to organisational development plans
- Determining the usable life of assets and planning for replacement
- Deciding whether to purchase, hire, lease or outsource the resource
- Referring to current legislation e.g. OH&S Guidelines to determine their impact on purchasing e.g. is ergonomic furniture mandatory?
- Recognising organisational preferences e.g. only purchasing one brand of computer hardware, or a particular colour or type of cars for the vehicle fleet

Self-Test 1.1

Check three methods of estimating future and present resource needs.

- ☐ Stocktakes and inventories
- ☐ Historical data forecasting
- ☐ Check what you used last time then order a little more
- ☐ Liaison with staff requirements

Self-Test 1.2

Fill the gaps with words from the list below:

database, filing, information, organisations, resources, stocktakes

Most _____ do regular _____ to identify existing _____. This _____ may be on a computer _____ or in hard copy, which is kept in a _____ cabinet.

ENSURE ADVICE IS CLEAR, CONCISE AND RELEVANT TO ACHIEVEMENT OF ORGANISATIONAL REQUIREMENTS

It is important that you ensure that any advice you give is clear, concise and relevant to achievement of the organisation's requirements.

Think of how often you communicate with people during your day. You write emails, facilitate meetings, participate in conference calls, create reports, devise presentations, debate with your colleagues... the list goes on. We can spend almost our entire day communicating.



So, how can we provide a huge boost to our productivity? We can make sure that we communicate in the clearest, most effective way possible. This is why the 7 Cs of Communication are helpful.

The 7 Cs provide a checklist for making sure that your:

- Meetings
- Emails
- Conference calls
- Reports
- Presentations

Are well constructed and clear – so your targeted audience gets your message.

According to the 7 Cs, communication needs to be:

- Clear
- Concise
- Concrete
- Correct
- Coherent
- Complete
- Courteous

We look at each of the 7 Cs of Communication, and we'll illustrate each element with both good and bad examples.

CLEAR

When writing or speaking to someone, be clear about your goal or message. What is your purpose in communicating with this person? If you're not sure, then your audience won't be sure either.

To be clear, try to minimize the number of ideas in each sentence. Make sure that it's easy for your reader to understand your meaning.

People shouldn't have to "read between the lines" and make assumptions on their own to understand what you're trying to say.

Bad Example:

Hi John,

I wanted to write you a quick note about Daniel, who's working in your department. He's a great asset, and I'd like to talk to you more about him when you have time.

Best,
Skip

What is this email about? Well, we're not sure. First, if there are multiple Daniels in John's department, John won't know who Skip is talking about.

Next, what is Daniel doing, specifically, that's so great? We don't know that either. It's so vague that John will definitely have to write back for more information.

Last, what is the purpose of this email? Does Skip simply want to have an idle chat about Daniel, or is there some more specific goal here? There's no sense of purpose to this message, so it's a bit confusing.

Good Example:

Hi John,

I wanted to write you a quick note about Daniel Kedar, who's working in your department. In recent weeks, he's helped the IT department through several pressing deadlines on his own time.

We've got a tough upgrade project due to run over the next three months, and his knowledge and skills would prove invaluable. Could we please have his help with this work?

I'd appreciate speaking with you about this. When is it best to call you to discuss this further?

Best wishes,
Skip

This second message is much clearer because the reader has the information needed to take action.

CONCISE

When you're concise in your communication, you stick to the point and keep it brief. Your audience doesn't want to read six sentences when you could communicate your message in three.

- Are there any adjectives or "filler words" that you can delete? You can often eliminate words like "for instance," "you see," "definitely," "kind of," "literally," "basically," or "I mean."
- Are there any unnecessary sentences?
- Have you repeated the point several times, in different ways?

Bad Example:

Hi Matt,

I wanted to touch base with you about the email marketing campaign we kind of sketched out last Thursday. I really think that our target market is definitely going to want to see the company's philanthropic efforts. I think that could make a big impact, and it would stay in their minds longer than a sales pitch.

For instance, if we talk about the company's efforts to become sustainable, as well as the charity work we're doing in local schools, then the people that we want to attract are going to remember our message longer. The impact will just be greater.

What do you think?

Jessica

This email is too long! There's repetition, and there's plenty of "filler" taking up space.

Good Example – (Watch what happens when we're concise and take out the filler words)

Hi Matt,

I wanted to quickly discuss the email marketing campaign that we analyzed last Thursday. Our target market will want to know about the company's philanthropic efforts, especially our goals to become sustainable and help local schools.

This would make a far greater impact, and it would stay in their minds longer than a traditional sales pitch.

What do you think?

Jessica

CONCRETE

When your message is concrete, then your audience has a clear picture of what you're telling them. There are details (but not too many!) and vivid facts, and there's laser-like focus. Your message is solid.

Bad Example:

Consider this advertising copy:

The Lunchbox Wizard will save you time every day.

A statement like this probably won't sell many of these products. There's no passion, no vivid detail, nothing that creates emotion, and nothing that tells people in the audience why they should care. This message isn't concrete enough to make a difference.

Good Example:

How much time do you spend every day packing your kids' lunches? No more! Just take a complete Lunchbox Wizard from your refrigerator each day to give your kids a healthy lunch and have more time to play or read with them!

This copy is better because there are vivid images. The audience can picture spending quality time with their kids – and what parent could argue with that? And mentioning that the product is stored in the refrigerator explains how the idea is practical. The message has come alive through these details.

CORRECT

When your communication is correct, it fits your audience. And correct communication is also error-free communication.

- Do the technical terms you use fit your audience's level of education or knowledge?
- Have you checked your writing for grammatical errors? Remember, spell checkers won't catch everything.
- Are all names and titles spelled correctly?

Bad Example:

Hi Daniel,

Thanks so much for meeting me at lunch today! I enjoyed our conservation, and I'm looking forward to moving ahead on our project. I'm sure that the two-week deadline won't be an issue.

Thanks again, and I'll speak to you soon!

Best,
Jack Miller

If you read that example quickly, then you might not have caught any errors. But on closer inspection, you'll find two. Can you see them?

The first error is that the writer accidentally typed conservation instead of conversation. This common error can happen when you're typing too fast. The other error is using weak instead of week.

Again, spell checkers won't catch word errors like this, which is why it's so important to proofread everything!

COHERENT

When your communication is coherent, it's logical. All points are connected and relevant to the main topic, and the tone and flow of the text is consistent.

Bad Example:

Traci,

I wanted to write you a quick note about the report you finished last week. I gave it to Michelle to proof, and she wanted to make sure you knew about the department meeting we're having this Friday. We'll be creating an outline for the new employee handbook.

Thanks,
Michelle

As you can see, this email doesn't communicate its point very well. Where is Michelle's feedback on Traci's report? She started to mention it, but then she changed the topic to Friday's meeting.

Good Example:

Hi Traci,

I wanted to write you a quick note about the report you finished last week. I gave it to Michelle to proof, and she let me know that there are a few changes that you'll need to make. She'll email you her detailed comments later this afternoon.

Thanks,
Michelle

Notice that in the good example, Michelle does not mention Friday's meeting. This is because the meeting reminder should be an entirely separate email. This way, Traci can delete the report feedback email after she makes her changes, but save the email about the meeting as her reminder to attend. Each email has only one main topic.

COMPLETE

In a complete message, the audience has everything they need to be informed and, if applicable, take action.

- Does your message include a "call to action," so that your audience clearly knows what you want them to do?
- Have you included all relevant information – contact names, dates, times, locations, and so on?

Bad Example:

Hi everyone,

I just wanted to send you all a reminder about the meeting we're having tomorrow!

See you then,
Chris

This message is not complete, for obvious reasons. What meeting? When is it? Where? Chris has left his team without the necessary information.

Good Example:

Hi everyone,

I just wanted to remind you about tomorrow's meeting on the new telecommuting policies. The meeting will be at 10:00 a.m. in the second-level conference room. Please let me know if you can't attend.

See you then,
Chris

COURTEOUS

Courteous communication is friendly, open, and honest. There are no hidden insults or passive-aggressive tones. You keep your reader's viewpoint in mind, and you're empathetic to their needs.

Bad Example:

Jeff,

I wanted to let you know that I don't appreciate how your team always monopolizes the discussion at our weekly meetings. I have a lot of projects, and I really need time to get my team's progress discussed as well. So far, thanks to your department, I haven't been able to do that. Can you make sure they make time for me and my team next week?

Thanks,
Phil

Well, that's hardly courteous! Messages like this can potentially start office-wide fights. And this email does nothing but create bad feelings, and lower productivity and morale. A little bit of courtesy, even in difficult situations, can go a long way.

Good Example:

Hi Jeff,

I wanted to write you a quick note to ask a favor. During our weekly meetings, your team does an excellent job of highlighting their progress. But this uses some of the time available for my team to highlight theirs. I'd really appreciate it if you could give my team a little extra time each week to fully cover their progress reports.

Thanks so much, and please let me know if there's anything I can do for you!

Best,
Phil

What a difference! This email is courteous and friendly, and it has little chance of spreading bad feelings around the office.

Note:

There are a few variations of the 7 Cs of Communication:

- Credible – Does your message improve or highlight your credibility? This is especially important when communicating with an audience that doesn't know much about you.
- Creative – Does your message communicate creatively? Creative communication helps keep your audience engaged.

KEY POINTS

All of us communicate every day. The better we communicate, the more credibility we'll have with our clients, our boss, and our colleagues. Use the 7 Cs of Communication as a checklist for all of your communication. By doing this, you'll stay clear, concise, concrete, correct, coherent, complete, and courteous.¹

So, based on the information you have learnt above if you were to write a report in relation to the acquisition, use and maintenance of business resources to your supervisor you would include:

- Ensure the report is written in clear, concise language without jargon
- State the purpose
- Accurate and complete information; give specific description of the resource eg item number, colour, brand, size, cost per item, total cost
- Details of current service agreements
- Reliability of equipment, suppliers
- Relevant and sufficient information so that a decision can be made

Self-Test 1.3

What are the 7 C's of communication?

- ☐ Coherent, communicate, courteous, clear, credible, contact, concise
- ☐ Clear, courteous, complete, coherent, concrete, correct, concise
- ☐ Courteous, concrete, credible, creative, correct, concise, clear
- ☐ Concise, courteous, companion, communication, creative, clear, concrete
- ☐ None of the above

¹ http://www.mindtools.com/pages/article/newCS_85.htm

Self-Test 1.4

True or false: When your communication is concrete, it's logical. All points are connected and relevant to the main topic and the tone and flow of the text is consistent.

- ☐ True
☐ False

Self-Test 1.5

Match the 7 C's of communication with their meanings:

- | | |
|--------------|---|
| 1. Clear | A. Friendly, open, and honest |
| 2. Concise | B. Logical |
| 3. Concrete | C. Everything needed to be informed |
| 4. Correct | D. Stick to the point and keep it brief |
| 5. Coherent | E. Clear picture, message is solid |
| 6. Complete | F. Fits your audience, error-free |
| 7. Courteous | G. Easy to understand |

PROVIDE INFORMATION ON THE MOST ECONOMICAL AND EFFECTIVE CHOICE OF EQUIPMENT, MATERIALS AND SUPPLIERS

SOURCING OFFICE SUPPLIES

We'll use the purchase of office supplies as an example of effective choice of equipment, materials and suppliers. Each year, businesses spend billions of dollars on office supplies such as pens, paper, toner, paper clips and notepads. Since most purchases consist of many inexpensive items, it can be difficult to get a sense for whether the business is paying a fair price for these supplies. However, with a bit of comparison shopping, businesses can save as much as 10% to 20% per year on office supplies.

Office supplies can be purchased from office superstores, mail-order/online companies, and local independent dealers or through contract stationers.

Office superstores (example – Officeworks) combine strong marketing with tight cost controls to attract customers.

Suburban locations and warehouse-like stocking helps keep overhead low, while enormous sales volume allows superstores to obtain large discounts from manufacturers.

Mail-order vendors rely on catalogues (e.g. Paper Paul Office Supplies) for their marketing efforts, offering toll-free order lines and inexpensive shipping charges to compete with local firms. With distribution centres strategically located, mail-order vendors typically offer delivery within one to three days of an order.

Before the advent of superstores and mail order, the local office-supply dealer was the primary source of supplies for most businesses. These dealers usually offer the broadest product selection, making them a good resource for hard-to-find items.

Contract stationers primarily target businesses of 75 or more employees. These vendors offer a very broad product line, custom pricing and full-service offerings to attract larger businesses.

When it comes to product selection, contract stationers and office-supply dealers are the best option. Contract stationers and office supply dealers typically carry around 25,000 different products or approximately five times as many items as an office superstore.

Office superstores and mail-order vendors usually supplement their basic catalogue with a stationer's catalogue to offer comparable depth of products. However, these goods will not immediately be available for purchase, and would have to be ordered.

In most cases, when buying in small quantities, companies will often find superstores and mail-order vendor prices offering the lowest prices because of their ability to buy in bulk. It is also common for superstores and mail-order vendors to commonly sell popular items priced at or below cost to attract customers. These losses are made up by promoting strategically placed higher margin generic items, and overpriced impulse buying items.

Businesses that purchase office supplies in large volume will often do as well by negotiating prices with a contract stationer for frequently ordered items. Because contract stationers know you will compare prices on the items you most commonly purchase, they tend to offer very competitive prices for these products.

The key to working with a contract stationer is to identify the set of supplies you most frequently purchase. By including an accurate listing of these items, companies can minimise the frequency of paying higher amounts for items not on your negotiated price list.

MAINTAINING STOCK

Part of the resource planning and maintenance process is to implement methods to ensure the office supplies stock levels are always at the optimum levels.

In many offices there is the stationery and office supply cupboard. It is the tall, 3-shelf one that people are literally scared to open. It's bulging with pens, labels, disks, binders, post-it notes, paper pads, paper clips and more.

It's so full that no one knows what is in there. Staff often can't find what they need when they need it which causes major frustration. Plus, the office is constantly running out of supplies because there's no system to let anyone know when supplies are running low.

Resource planning and maintenance process means to organise the stationery and supplies stock and eliminate the stress and frustration. Here's a basic and simple system to consider:

1. Assign one person to be in charge:

Control and management of supplies works best when there is one person in charge of the supplies, whether taking supplies out, or putting supplies back in. This person is either going to be you, or someone you delegate this responsibility to.

2. Sort out and organise:

One of the reasons that it's so difficult to find things is because everything is just stacked, one item on top of another and one item in front of another. Try dividing supplies, especially the smaller ones, into labelled organising containers.

Covered, plastic containers (Tupperware for example) work well here, especially the ones you could see through. They stack nicely on top of each other, without toppling. Make sure each container is labelled; not on top but in front so you can immediately identify the contents.

3. Empty the cupboard out:

To truly organise that cabinet, it's going to have to be emptied out completely and then re-organised.

4. Plan and designate:

If you have an even mix of supplies, persons might consider designating each shelf a different category:

- **Shelf A:** Computer Supplies (disks, disk holders)
- **Shelf B:** Desk Supplies (paper clips, pens, labels)
- **Shelf C:** Large Pads of Paper, 3 Ring Binders and Larger Items

5. Take an inventory:

As the supplies are being put back into the cabinet; make a running list of everything inside. This could be done on a computer using a spreadsheet application. Also list how many of each item you currently have while you're at it. When you're done making your list, you should have a pretty good idea of what's inside and where.

6. Giving out supplies:

When somebody needs supplies, they should ask the person in charge of the supplies for them. In this way they are given what they need, while adjusting how many are now left on the list.

7. Keeping track:

Once you notice that a particular office supply is running low, you can simply re-order, without having to take a physical inventory of the cabinet. The spreadsheet will start to show trends in usage there by giving a good indication on how much stock is required and when it should be ordered.

TYPES OF PAPER

For most businesses, paper is one of the biggest consumable costs. A lot of it is used every day for a huge variety of different business purposes. There are a number of different paper types, and knowing which to buy can be very difficult, especially as each paper produces different quality results on different printing equipment.

The most common types of paper for businesses are the following:

- **Economy paper** - This provides reasonable printing quality with all types of printers and copiers at a very low cost. This is a good choice for general office printing and memos, although you may wish for a better quality paper for your important documents and images. Economy paper normally gives fairly poor results with inkjet printing, particularly colour, and is not suitable for colour laser printing: but is more than acceptable for the kids and home.

- **Copy paper** - This is designed to give good results in photocopiers. It provides better results at a slightly higher cost than economy paper. Copy paper is good for general office copying and printing, but still gives fairly poor results with colour inkjet printers. It is not suitable for colour laser printing.
- **Inkjet paper** - This is designed to give good quality results in all inkjet printers. It costs more than copy paper but less than all-purpose paper. Inkjet paper is good for general office printing, especially if you need to print in inkjet colour. Results with most other printing types are good, but it is not suitable for colour laser printing.
- **Laser paper** - This is designed to give good quality results from all laser printers, but is more expensive than most other paper. Laser paper is a good choice for office or formal letter printing with a laser printer, and is the only real choice if you wish to get good results with a colour laser printer. Results with other forms of printing are good, although inkjet printing will be better on inkjet or all-purpose paper.
- **All-Purpose paper** - This is designed to give good results for all general printing. It is more expensive than other standard office paper, but provides the best results with all forms of printing, apart from colour laser (which it is not suitable for). All-purpose paper will help give you professional results for your important documents and images. It is suitable for general office printing needs, although the cost is higher than other paper, which is adequate for less important documents.
- **Laid / Wove / Paper** - Laid or Wove paper has a faint pattern running through it, and sometimes also a watermark. It is designed for important correspondence, looks highly professional, and adds an element of importance to your printing. It is normally available in a number of 'business' colours, such as cream or grey, as well as white.

Printing quality is usually very good on laid and wove paper, although every brand of paper is different. If you print your letterheads straight from your PC, this type of paper works better than most. The cost however, means that it is only really a viable alternative for letterheads, important letters and correspondence - using it for general office printing would be a considerable waste of money.

The weight of paper - When you buy paper, it has a weight value, measured in 'gsm' (Grams per square metre). A higher gsm value will mean the paper is stronger, and generally allows printing on both sides without affecting the quality on either side.

The standard weight for most paper is 80gsm. 90gsm and 100gsm are also common weights for quality paper; laser and graphic/photo paper can go up to as much as 160 or 190gsm.

The cost of buying heavier weight paper is fairly high. For example: Going from 80gsm to 100gsm normally adds about 20% to the cost of the paper. For the vast majority of business uses, 80/90gsm paper will be suitable; although businesses may wish to consider using 100-130gsm paper for important documents as the person receiving the letter will recognise the difference.

BENEFITS OF MAINTAINING CONSUMABLES AND SUPPLIES

As we had mentioned before the lack of adequate consumables/supplies in the office can cause frustration. The unavailability of certain supplies can also cause many other problems including:

- Low staff moral
- Project delay or late completion
- Documents unavailable for presentations or meetings
- Customer service issues created
- Costs increased
- Decrease in efficiency

No matter what size the company may be, office supplies and consumable problems escalating costs and inefficiencies affecting the viability of the organisation.

REDUCING WASTE

Office consumables are one of the biggest contributors to wasteful practices and some simple changes implemented in the office can reduce waste, turn the office into an environmental friendly operation, and in many cases reduce costs.



Here are some basic tips relating to environmentally friendly and less wasteful practices:

- Reduce paper consumption. Use your computer's print preview, grammar-check, and spell-check options. Edit on the screen as much as possible. Print one final rough draft to proofread on paper. Use both sides of paper when doing draft copies or internal memos or notes.
- Use a cartridge recycling service. The toner cartridges in copiers and laser and inkjet printers can be refilled several times for a fraction of the cost of new ones. Remanufacturing and refilling services vary widely, so choose a service carefully. To find a service, look in the Yellow Pages or on the Internet.
- Maintain a recycling bin for paper and cardboard. Position containers or storage boxes in easily accessible locations; e.g. next to photocopier or printer.
- Use rechargeable batteries. Rechargeable have a higher initial cost because you must buy the re-charger. But, unlike disposables, you can use them over and over again which lowers the cost per use.
- Regularly attend garage sales and flea markets. You would be surprised at some of the supplies that can be located at these places. It's not a reliable source, but when they can be found, they are phenomenal bargains.
- Reuse office stationary such as internal envelopes, files and wallet folders

Self-Test 1.6

Recipients of letters printed on 120gsm paper are unlikely to feel any difference in quality to standard 80gsm paper.

- ☐ True
☐ False

Self-Test 1.7

Fill the gaps with words from the list below:

costs, consumables, contributors, environmental, implemented, reduce, wasteful

Office _____ are one of the biggest _____ to _____ practices and some simple changes _____ in the office can _____ waste, turn the office into an _____ friendly operation, and in many cases reduce _____.

IDENTIFY RESOURCE SHORTAGES AND POSSIBLE IMPACT ON OPERATIONS

A resource is any input used in an activity in order to help produce the outputs of the business.

Resources used in a business include:

- Human resources - employees
- Facilities - buildings, structures and installations required to support the business
- Software - computer programs
- Raw materials - stock that has been purchased for further processing
- Stock and supply - products available for sale to customers or goods available for staff to use in their duties

It is important to measure resource use in order to identify resource shortages and the possible impact on operations.

Techniques used to collect and measure resource consumption include:

- Examining resources in work area - making visual assessment of patterns of usage
- Examining invoices from suppliers - comparing invoices for different time periods to calculate changes in usage
- Measuring resource usage under different conditions and using these as predictors of future usage

Resources are the things and the people that will allow your business to produce goods or perform services for your customers. In business planning jargon they are categorised as 'physical' and 'human' resources.

PHYSICAL RESOURCES

When talking about resources make a list of the physical resources you will need and the associated costs of each item.

For example:

Premises -	Rent; rates; service costs (heating, lighting, cleaning, security) and structural alterations
------------	---

Equipment -	Costs of purchase, hire or lease; insurance, running costs (service, repair)
Vehicles -	Costs of purchase, hire or lease; insurance, road tax; running costs (service, repair)
Raw Materials -	Purchase cost (investigate discount for bulk orders), cost of storage (any special requirements for refrigeration or hazardous substances)

HUMAN RESOURCES

The bulk of your outlay on staffing will be wages and workplace insurance contributions. But you should also consider the other costs of recruiting and employing staff:

- Newspaper or other advertisements.
- Interview arrangements (maybe travel, room hire, refreshments).
- Training budget (induction, skills development, courses).
- Insurance

IMPACT

Once you have detailed your physical and human resources requirements, you can work out what impact it can have on your organisation if you do not have the correct amount of resources and a resource shortage results.

This could include but not limited to:

- Loss of work time
- Loss of profit for the company
- Loss of reputation
- Low morale of staff
- Loss of jobs
- Etc...

Once you have worked out your resources you will know how much capital you will need to finance the resources. The capital you will need is made up of.

- Fixed capital – ‘One-off’ payments to purchase physical resources like vehicles, equipment, office furniture, computers and telephone systems
- Working capital – The money you will need to cover the regular expenses such as service costs or wages until your business starts to make a profit

Do your projections on a month-by-month basis recognising that some costs (like wages) will be the same each month while others will vary. For example your heating bill will be higher in the winter than in the summer and you may only incur training costs once every few months.

It's important to be as accurate as possible in your costings. Undercapitalised businesses often fail when they run out of cash. On the other hand, if you borrow too much, you will be saddling yourself with unnecessary debt. Once again, investors will want to know exactly how much you will need and what you will be spending this money on.

BE REALISTIC

It's vital to be realistic, even though the sums may look terrifying. You and your business will no doubt have a certain amount of finance to invest in your plan. The rest you must beg or borrow from one or more of a number of possible sources.

ESTIMATING RESOURCE USE

At the initial planning stage of resource proposals the main objective is to get a realistic estimate of the amount of resources (time, materials, and people) involved in the business processes. You must establish this in order to help with your overall planning and to reduce the likelihood that your team will become overworked. You attempt to do this by trying to determine the best resource allocation by estimating using your best guess.

Some people find estimating resource use extremely difficult – especially if you are unfamiliar with the process being discussed.

Let us consider an example – making a lasagne. If you are not an experienced cook and you are asked to make this without knowing a recipe, you would need to guess what resources to put in to it and how long to cook it. So, one approach you may take is to list down all of the ingredients that you think are in the lasagne – you may guess pasta, minced beef, tomato, cheese.

So now, you have a starting point to work from. At this stage you do not need to be perfect – you are just trying to get a starting point to go from. Once you have a list of ingredients, you need to estimate how much of each you would need. Think about the

size of the pan and then think about how much of each you would need to fill it. Think how confident you are with your estimates – you may be surprised at just how close you can get by thinking things through logically. This is what ‘guesstimating’ resource use is all about – making a best estimate based on the information that you have.

There are some issues that you need to examine when discussing a best guess. Often you will find that you are too optimistic. It is simply our nature that makes us look at what is most likely to be the best case scenario in terms of what resources we will require. In making your estimates, be realistic – be a little pessimistic. What resources do we need if not everything goes to plan? What about contingency planning?

You may also find yourself under pressure from managers and the dreaded budget. Ensure that you are aware of any pressures that you are under and look for ways of improving your processes.

Activity 1.1

How does your business plan the purchase of resources? How effective is this planning?

Self-Test 1.8

True or False: Resources used in a business include human resources, facilities, software, raw materials and stock and supply.

- ☐ True
- ☐ False

Self-Test 1.9

Techniques used to collect and measure resource consumption include:

- ☐ Fixed capital and working capital
- ☐ Human resources, facilities, software, raw materials and stock and supply
- ☐ Newspaper or other advertisements, interview arrangements, training budget and insurance
- ☐ Examining resources in work area, examining invoices from suppliers and measuring resource usage under different conditions
- ☐ Loss of work time, loss of profit for the company, loss of reputation, low morale of staff and loss of jobs

TOPIC 2 - MONITOR RESOURCE USAGE AND MAINTENANCE

ENSURE RESOURCE HANDLING IS IN ACCORDANCE WITH ESTABLISHED ORGANISATIONAL REQUIREMENTS INCLUDING OCCUPATIONAL HEALTH AND SAFETY REQUIREMENTS

It is important that you ensure your business resources are handled in accordance with established organisational requirements including occupational health and safety requirements

Most organisations have a specific policy/requirement for handling various resources.

Business resources may include:

- Equipment
- Facilities
- Human resources
- Raw materials
- Software
- Stock and supplies



Such handling procedures and codes vary according to the circumstances and/or industry. Below are some of the reasons why government agencies, industry associations, unions and companies develop resource-handling procedures:

- To reduce the health and safety risk for the person/s handling the resources
- To reduce the health and safety risks for other workers on-site and for customers, consumers, clients and others
- To minimise risks to air quality, water quality and the environment
- To protect the resource itself against damage
- To increase security regarding goods that might be targets for theft
- To increase the safety of those dealing with goods that might be targeted for theft

When manual handling resources, it is important that they are handled in accordance with organisational requirements. These requirements may include:

- Access and equity principles and practice
- Business and performance plans
- Defined resource parameters
- Ethical standards
- Goals, objectives, plans, systems and processes
- Legal and organisational policies, guidelines and requirements
- Management and accountability channels
- Manufacturer's and operational specifications
- OHS/WHs policies, procedures and programs
- Quality and continuous improvement processes and standards
- Quality assurance and/or procedures manuals
- Security and confidentiality requirements

WHAT IS MANUAL HANDLING?

Manual handling is any activity that involves lifting, lowering, pushing, pulling, carrying or moving, holding or restraining. It also includes sustained and awkward postures, or repetitive motions.

In NSW, manual handling incidents represent the most common cause of workplace injuries and occupational diseases, accounting for around 37 per cent of all major workers compensation claims.

In both human and financial terms, the cost of manual handling injuries is significant. These costs can include:

- Pain, suffering and restricted mobility for injured workers
- Reduced quality of life for injured workers and their families
- Reduced future earning capacity of injured workers
- Lowered workplace morale
- Loss of productivity leading to reduced employer profits
- Potential increase in workers compensation premiums
- More than \$370 million in workers compensation claims a year
- Approximately 17,000 major workers compensation claims a year for manual handling injuries and occupational diseases²

Occupational health and safety requirements may include:

- Decision making and /or delegations
- Equipment use
- First aid kit
- Medical attention
- Reporting requirements
- Site access

IDENTIFY THE MANUAL HANDLING HAZARDS

Once the tasks have been determined, identify the hazards associated with each task. When identifying manual handling hazards in the workplace:

- Involve your workers by:
 - Talking to your workers who are experienced in performing the tasks
 - Asking workers for their views on how to fix the problem
 - Seeking external opinions on problems specific to your industry
- Consider past experience and information, such as:
 - The register of injuries and hazard reports
 - The range of musculoskeletal injuries or diseases, including occupational overuse syndrome
 - Workers compensation and industry records
- Observe:
 - How the workplace and workflows are designed
 - How and where equipment is used
 - How tools, materials and equipment are stored and accessed

²

http://www.workcover.nsw.gov.au/formspublications/publications/Documents/manualhandling_riskguide_1443.pdf

- Tasks that require awkward postures, movements and actions that are forceful or repetitive
- How workers perform their tasks
- How workers might potentially be injured
- Record:
 - A complete list of manual handling hazards
 - Solutions that have been implemented
- Review:
 - Your workplace and work procedures on a regular basis
 - When you introduce a new product, new staff, new equipment
 - When there is an incident, complaint or suggestion for improvement
 - Your actions and strive for further improvements



By law, you must identify hazards before using your workplace or equipment for the first time, before or during changes to plant and work practices, while work is being conducted, and when relevant information becomes available.

Activity 2.1

View the worksheets in Appendix A and Appendix B. How suitable would these be to record identified manual handling hazards for each task in the workplace?³

ASSESS THE MANUAL HANDLING RISKS

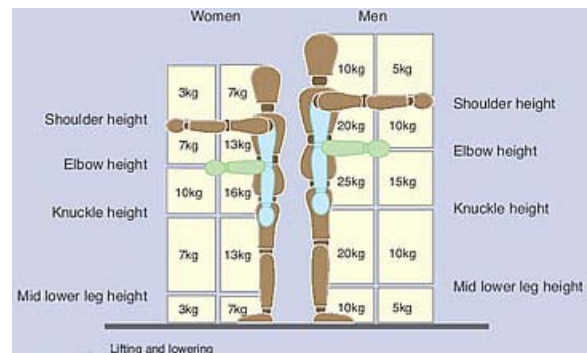
Having identified the hazards associated with various tasks at your workplace, determine the importance of each risk by taking the following steps.

1. Talk to your workers about the significance of the identified hazards
2. Determine what controls are in place and whether they are working
3. Prioritise the problems according to the level of risk

4. Address the hazards with the highest risk of injury first
5. Refer to relevant information including risk assessments from designer, manufacturers, suppliers and those who hire or lease plant
6. Consider the potential risk to others at your workplace

When assessing manual handling risks consider:

- Actions and movements (including repetitive movements)
- Workplace and workstation layout
- Working posture and position
- Duration and frequency of manual handling
- Load location and distances moved
- Weights and forces
- Characteristics of loads and equipment
- Work organization and its activities
- Work environment
- Age
- Skills and experience
- Clothing suitability (appropriate for lifting?)
- Special needs of workers
- Other factors relevant to the task or situation when manual handling arises



Activity 2.2

Assess your manual handling risks, by using the Manual handling risk assessment worksheet (Appendix “C”).

ELIMINATE OR CONTROL MANUAL HANDLING RISKS

If the risk assessment shows that there is a risk of injury, eliminate or control it. Consult with those performing the tasks and their representatives. Seek advice from experts. Talk to industry associations, unions and other relevant sources. Consider the risks for both workers and others who are legally in the workplace.

Eliminating hazards is the most effective way to make the workplace safer. Ensure that objects and work practices are designed to eliminate risk and that the working environment is designed to be consistent with the safe handling of objects.

If you can't eliminate the hazard - control it. To minimise the risk to the lowest level reasonably practical, you must:

- Substitute the hazard with a hazard that gives rise to lesser risk e.g. Use 20 kg bags of cement instead of 40 kg bags
- Isolate the hazard from the person put at risk e.g. Use remote-handling techniques
- Minimise the risk by engineering means e.g. Provide adjustable workstations to avoid unnecessary reaching or bending
- Minimise the risk by administrative means e.g. Introduce job rotation, implement a safe lifting policy, provide appropriate training
- Provide PPE e.g. Non-slip footwear to prevent slips, trips and falls while performing manual handling activities

If no single measure can control the risk, use a combination of measures. The OHS/WHS Regulation also imposes specific risk control measures for manual handling. If it is not reasonably practical to eliminate a risk arising from manual handling, you must design the work activity to control the risk and, if necessary you must:

- Modify the design of the objects to be handled or the work environment (to the extent that it is under your control), taking into account work design and work practices
- Provide mechanical aids or make arrangements for team lifting, or both
- Ensure that the people carrying out the activity are trained in manual handling techniques, correct use of mechanical aids and team-lifting procedures appropriate to the activity

Activity 2.3

Where you need to achieve risk control by ways other than team lifting, a document such as the Manual Handling Risk Control Worksheet (Appendix "D") and the Manual Handling Safe Work Procedure Worksheet (Appendix "E") can be used to document your proposed control measures. Assess the usefulness of Appendix D and Appendix E in your organization.⁴

Handling resources can also include the maintenance of equipment. There are several types of maintenance that you might be required to undertake. These might include:

- Refilling photocopiers/fax machines with paper/toner

⁴

http://www.workcover.nsw.gov.au/formspublications/publications/Documents/manualhandling_riskguide_1443.pdf

- Cleaning glass tops on photocopiers and scanners
- Cleaning rollers on laminators
- Ensuring facilities are clean, tidy and ventilated
- Ensuring staff are trained
- Log and monitor service calls for equipment
- Virus scan computers

You must, at all times ensure you carry out this maintenance according to manufacturer's instructions and organisational standards and procedures.

Self-Test 2.1

Business resources may include:

- ☐ Equipment
- ☐ Facilities
- ☐ Human resources
- ☐ Raw materials
- ☐ Software
- ☐ Stock and supplies
- ☐ All of the above

Self-Test 2.2

Fill the gaps with words from the list below:

lifting, manual, postures, repetitive, restraining, sustained

_____ handling is any Self-Test that involves _____, lowering, pushing, pulling, carrying or moving, holding or _____. It also includes _____ and awkward _____, or _____ motions.

Self-Test 2.3

Select the correct answers. There may be more than one: When assessing manual handling risks, what should you consider?

- ☐ Weights and forces
- ☐ Colour
- ☐ Age
- ☐ Clothing suitability
- ☐ Popularity
- ☐ Style
- ☐ Work organization and its activities

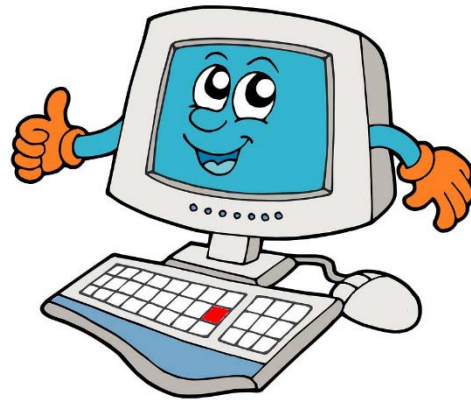
USE BUSINESS TECHNOLOGY TO MONITOR AND IDENTIFY THE EFFECTIVE USE OF RESOURCES

Technology seems to be moving at the speed of light these days. What's new today often seems to be replaced by something even newer and better tomorrow. Just keeping up with this mind-boggling pace of change can be a challenge for even the most knowledgeable entrepreneur.

However, at the same time, technological advances have opened up new opportunities for small businesses. By using technology effectively, it's possible to do more with less resources and compete in a larger playing field. Businesses that shy away from technology find themselves at a disadvantage. Businesses that view technology as a valuable tool to be used and managed find themselves with better chances of succeeding.

Business technology may include:

- Computer applications
- Computers, laptops and tablets
- Photocopiers
- Mobile phones
- Digital projectors



ASSESSING TECHNOLOGY NEEDS

Technology can best be used to support and enhance your staff's effectiveness. Freeing staff time and extending staff availability are two exemplary reasons for integrating technology within an organisational structure. The assessment process must contain a methodology for the creation, implementation and eventual planned use of the technology. Purchasing technology for technology's sake is an obstacle to overcome in the integration process.

Assessing your current and future needs to develop a clear purpose for the technology you purchase is one way to avoid this obstacle. The phases of assessment are similar to the strategic planning process that businesses use effectively:

- Research Existing and Future Conditions
- Establish General Direction - Vision
- Conduct a Needs Assessment

To begin with, research what technologies are currently available and are successfully being used by other firms in both your industry and others. The second part of this process is to remain on top of emerging technologies that may be useful to your operation in the future.

There are many sources of information for this research. Read industry trade and general business magazines with an eye for current and existing technologies that have worked for other firms.

The Internet is also an excellent place to look for information on new and emerging technologies.

Trade shows, both industry specific and general, are another source of information. Again, don't just look at other businesses in your industry. Branch out and consider the technologies that are being used in other industries as well. When you find a technology that seems like it might have relevance for your business, save it in a file for future reference.

Next, establish a general direction, or vision, for your technology strategy. The information you've found about how other businesses have incorporated technology can be a good starting point. Your technology vision should look describe how technologies, both existing and future, will be used to enhance your marketing, operations, production, financial, and human resources.⁵

Most organisations use a range of technological tools to monitor and effectively control the use of equipment and resources within their organisation.

Such technology will assist in monitoring:

- Equipment usage, breakdowns, maintenance and repairs
- Conducting time management surveys and tracking the use of assets (e.g. car fleet)
- Use of consumables (stock records) or raw materials and the need to restock
- Bar coded resources or stocks (e.g. client records or library resources being borrowed and returned)

⁵ <http://va-interactive.com/inbusiness/editorial/biztech/ibt/effectiv.html>

Other tools/ approaches include	
<ul style="list-style-type: none"> Register of use 	A book or computer database indicating the use of a particular asset e.g. company car logbook
<ul style="list-style-type: none"> Assets register 	Refer to Assets register in the Keeping track of resources notes
<ul style="list-style-type: none"> Allocation of resources 	The organisation may require requisition forms be submitted before any items can be issued from the stockroom or purchased by the authorised personnel. Alternatively, each department may be given a budget allocation with which to purchase consumable items. Reference can be made to database information or manual records to determine how and when particular resources (including human resources) might be available for use.

Self-Test 2.4

Business technology may include:

- ☐ Paper
- ☐ Employers
- ☐ Employees
- ☐ Computers
- ☐ Customers/Clients
- ☐ None of the above

Self-Test 2.5

Fill the gaps with words from the list below:

Allocation of resources, Assets register, Register of use

Other tools used in businesses may be:

_____ - A book or computer database indicating the use of a particular asset e.g. company car logbook

_____ - Refer to Assets register in the Keeping track of resources notes

_____ - The organisation may require requisition forms be submitted before any items can be issued from the stockroom or purchased by the authorised personnel. Alternatively, each department may be given a budget allocation with which to purchase consumable items. Reference can be made to database information or manual records to determine how and when particular resources (including human resources) might be available for use.

USE CONSULTATION WITH INDIVIDUALS AND TEAMS TO FACILITATE EFFECTIVE DECISION MAKING ON THE APPROPRIATE ALLOCATION OF RESOURCES

It is important that you consult with all staff and team members to facilitate effective decision making on the appropriate allocation of resources.

The smooth running of any organisation in regards to the use of their resources will be enhanced when staff are consulted for information and advice regarding their own and their teams' resource requirements. Consultation might include team meetings, application to a committee, completing requisition forms, or the use of historical information.

It is good practice for the organisation managers/supervisors to utilise the knowledge and experience of staff in purchasing and allocation decisions. There may also be occasions when it may be necessary to negotiate with other individuals or groups to resolve a problem.

It is important that at all times equity principles be followed to ensure all staff are treated fairly and consistently e.g. all new staff should be entitled to the same equipment; the entire team should be consulted about the location of equipment used by that team.

WHAT IS CONSULTATION?

Seeking and giving of advice, information, and/or opinion, usually involving a consideration or payment.

COMMUNICATION, NEGOTIATION AND CONSULTATION

Negotiation involves discussion to make agreements where the parties involved have some difference of interest or simply negotiation how a task or project will be carried out. Consultation involves talking to interested parties both to explain developments and issues and in order to canvas their views and ideas that they can contribute.



Typically negotiation involves a greater level of democracy in decision making than consultation. In a negotiation there may be considerable uncertainty about what the outcome will be. In contrast managers who consult their employees may already have decided the core of what they intend to do from the outset.

CONSULTIVE EXERCISE

Consultation will take place when managers want to introduce changes (large and small) and when they want to find out the opinions of 'grass roots' employees about management actions. When managers wish to change existing practice they may carry out a consultative exercise to find out 'what are the main strengths and weaknesses of the existing system' and 'what approaches could be employed for changing the system'. Consultation should also occur when allocating resources. The best people to know what resources are required to do the job are the people who are doing the job.

Self-Test 2.6

Fill the gaps with words from the list below:

consideration, consultation, information

_____ is seeking and giving of _____, advice and/or opinion, usually involving a _____.

IDENTIFY AND ADHERE TO RELEVANT POLICIES REGARDING RESOURCE USE IN THE PERFORMANCE OF OPERATIONAL TASKS

Although most organisations have established (written) policies and procedures the business may also have unwritten workplace conventions or behaviours relating to the acquisition of resources.

It is therefore important that you are able to identify and adhere to relevant policies regarding resource use in the performance of operational tasks.

Policies regarding resource use may include:

- Budgeting limits
- Ordering procedures
- Purchasing authorities

- Recruitment and personnel
- Time management
- Transport/travel policies

Self-Test 2.7

Policies regarding resource use may include:

- ☐ Ordering procedures
- ☐ Purchasing authorities
- ☐ Time management
- ☐ Transport/travel policies
- ☐ All of the Above

ROUTINELY MONITOR AND COMPARE RESOURCE USAGE WITH ESTIMATED REQUIREMENTS IN BUDGET PLANS

It is important for your organisation to be able to routinely monitor and compare resource and equipment usage so it can stay within the estimated requirements in budget plans.

Routinely monitoring resources and equipment will not only insure against theft, misuse or misappropriation but will also enable you to re-order resources in a timely manner, thereby avoiding the dangers of overstocking, reducing the amount of working capital tied up in resources and will reduce spoilage or outdated materials being held.

It is important that you conduct an accurate evaluation of your organisation inventories within your work area to ensure that proposed budgets (both expenditure and income) are being achieved.

Business resources may include:	
Facilities	e.g. buildings, rooms with specific purposes
Hardware, software etc.	e.g. computers with Microsoft programs loaded
Raw materials	e.g. materials required for the manufacture or production of finished goods
Human resources	e.g. the staff working to achieve the organisation's goals

Stock and supplies	e.g. trading stock, consumables, fixed assets such as machinery or vehicles
--------------------	---

There may be a variety of different methods used to calculate the need for your organisations resources; this will depend on the type of resources that your organisation uses.

Your organisation should be able to estimate the amount of stationary required over a week or month and order accordingly, but would determine future requirements for assets such as motor vehicles in a very different way.

Your organisation may acquire their resources on a daily, weekly, monthly, quarterly, biannual, annual or even less frequent basis; this may depend on your organisation needs and requirements.

Estimating the future and present requirements of particular resources may involve:

- Conducting a regular stocktake or keeping track of inventory using a perpetual inventory system
- Liaison with other staff regarding their requirements
- Using submissions for equipment or resources
- Forecasting requirements based on historical data
- Identifying urgent and non-urgent requirements e.g. stationery required for a once-a-year advertising mail out might be purchased well in advance on special
- Consulting tactical plans e.g. the need for staff for the proposed expansion of the manufacturing department
- Determining the usable life of assets and planning for replacement
- Deciding whether to purchase, hire, lease or outsource the resource
- Referring to current legislation e.g. OH&S guidelines to determine their impact on purchasing e.g. is ergonomic furniture mandatory?
- Recognising organisational preferences e.g. purchasing only Australian made or cars from a particular manufacturer

KEEPING TRACK OF RESOURCES

PERPETUAL INVENTORY SYSTEM

Perpetual inventory involves keeping:

- A continuous record of stock items purchased and sold
- A comparison of actual stock and records is carried out during stocktake at the end of the accounting period

The availability of stock is easily found by looking at the stock record (a manually prepared card or a spreadsheet record on the computer) for the item. This system is generally used for businesses with fewer sales transactions (e.g. machinery) or as a method of monitoring consumable items. The introduction of bar-coding has extended the use of computerised perpetual inventory systems to organisations with high turnovers of stock e.g. supermarkets.

Example of perpetual inventory system is shown below:

Example: Perpetual inventory system
Greg runs a bike shop and normally has about \$50,000 worth of stock on hand at the end of the income year. At the end of last year it was \$55,000. Greg has a point of sale system that automatically updates his computerised inventory. At the end of this income year the inventory system indicates that he has \$53,000 worth of stock. Stocktakes done in previous income years indicate that his system is reliable in recording sales and purchases. However, he knows from previous income years that the total value of the stock on hand as per the stocktake may differ by on average 2-3% from the inventory system figure, due to loss of small items by theft.

VALUATION OF INVENTORIES

Organisations need to value their inventory at the end of the accounting period. The same method should be used from one period to the next to allow a clear comparison of results.

ESTIMATING BUSINESS RESOURCES

Estimating future and present business resources in accordance with organisational requirements will also necessitate being aware of budget allocations and restrictions, ordering procedures, which personnel have authority to purchase or to delegate resource purchase, policy and procedures regarding preferred suppliers or contracted suppliers or the tendering process.

The type of information required before deciding to purchase will include:

- Precise description of resource required
- Brand, make and model, style, colour, etc., if specified
- Quantity required
- Cost including after sales costs e.g. delivery, insurance, on-road costs etc.
- Time frame for delivery
- Terms and conditions e.g. bulk discounts, prompt payment discounts, 30 days net payment

Self-Test 2.8

Match what the business resources may include with their examples:

1. Facilities	A. buildings, rooms with specific purposes
2. Hardware, software etc.	B. the staff working to achieve the organisation's goals
3. Raw materials	C. trading stock, consumables, fixed assets such as machinery or vehicles
4. Human resources	D. materials required for the manufacture or production of finished goods
5. Stock and supplies	E. computers with Microsoft programs loaded

Self-Test 2.9

Perpetual inventory involves keeping: (select all that apply)

- A continuous record of stock items stolen or damaged
- A comparison of actual stock and records is carried out during stocktake at the end of the accounting period
- An estimated record of stock items L and sold
- A comparison of actual stock and records is carried out each day
- A continuous record of stock items purchased and sold
- A comparison of some stock and records is carried out during stocktake at the start of the accounting period

TOPIC 3 - ACQUIRE RESOURCES

ENSURE ACQUISITION AND STORAGE OF RESOURCES IS IN ACCORDANCE WITH ORGANISATIONAL REQUIREMENTS, IS COST EFFECTIVE AND CONSISTENT WITH ORGANISATIONAL TIMELINES

After the decision to purchase resources has been made, organisational policy and procedures should be followed to acquire the goods or services within the appropriate timeframe.

It is important that you ensure that the acquisition and storage of resources is in accordance with your organisational requirements, and is completed in a cost effective way, and which is consistent with organisational timelines

Acquisition of resources might involve:

- Tendered processes - a tender is an offer to provide goods or services which includes detailed estimates and the total cost of supply. It is common for government departments to advertise (or "call") for tenders for specific projects e.g. provision of mail services to a rural community or supply of a fleet of vehicles.
- Non tendered processes are other methods of acquiring resources and might include using a purchase requisition or purchase order, seeking quotes from a number of suppliers according to organisational policy and procedures, taking advantage of sales or clearances, hiring staff on a casual basis, leasing equipment for a period of time.
- Contracted supplier ordering - involves purchasing from a supplier who is contracted to that organisation for a given period of time to provide certain goods. The supplier usually offers exceptional value in return for this contract. An example would be in a large organisation contracting to purchase all computers from the one supplier.
- Internal approvals - it is usual for all purchases to require some form of internal approval or authorisation before purchase can be made. This authority could vary from being able to approve petty cash purchases less than \$100 through to having authority to replace the company's fleet of cars.
- Periodic forecasts - the smooth running of an organisation will require keeping track of resources on a continuous basis. Shortages of stock or raw materials, consumables or human resources will impact on the achievement of organisational goals. To avoid this some form of periodic forecast - a regular estimate of future needs or outcomes - needs to be conducted. This will allow the organisation to better plan for and budget for upcoming purchases.

There are a number of different systems or models used for ordering supplies. Perhaps the best known is the Just in Time method that was initially common in Japanese manufacturing. The main idea of this system is to order resources so they arrive just as they are needed in the production processes. This cuts down on storage and handling costs. However, suppliers need to be very reliable if bottlenecks and production holdups are to be avoided.

A more common system for ordering resources and/ or stock is the Fixed Point Re-Ordering system where orders are placed when the organization's stock of resources reaches a certain level. With today's computerized production systems this can be quite automated. It has the advantage of allowing the business to maintain a buffer of resources to prevent holdups due to resource shortages but to not suffer excessive costs from holding too much resources or stock.

Even before goods have been received, decisions should be made regarding storage of the resources. Goods need to be monitored to make sure they: -

- Are easily accounted for
- Are not damaged in any way
- Are of no danger to workers
- Have not become out-of-date or obsolete
- Are secure from theft or pilfering

PURCHASING

Remember that your organisations will require purchasing to be undertaken in a cost-effective and timely manner. To do this, the needs of the organisation will need to be thoroughly researched. Regardless of the savings made, it is no use purchasing at a sale if the goods are delivered after the need for the goods has passed.

Methods of acquiring resources in a cost-effective manner include:

- Bulk purchases – When you purchase a large quantity, it will often attract a discount. This will only be beneficial to your organisation if it can turn over the goods within a reasonable timeline e.g. the life of the good
- Discounts – you can often get discounts for bulk purchases, with contracted suppliers, with certain suppliers for given periods of time, as a special introductory offer or deal

Prompt payment policies – Some suppliers will give you a discount to encourage the purchaser to pay the account quickly e.g. 5% 7 days would indicate that if the account is paid within seven days, the purchaser can take 5% off the bill, 10% if paid on delivery

Self-Test 3.1

Fill the gaps with words from the list below:

bulk purchases, contracted supplier ordering, discounts, internal approvals, non tendered processes, periodic forecasts, prompt payment policies, tendered processes

Acquisition of resources might involve:

_____ - you can often get discounts for bulk purchases, with contracted suppliers, with certain suppliers for given periods of time, as a special introductory offer or deal

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_____ - Some suppliers will give you a discount to encourage the purchaser to pay the account quickly e.g. 5% 7 days would indicate that if the account is paid within seven days, the purchaser can take 5% off the bill, 10% if paid on delivery

ACQUIRE RESOURCES WITHIN AVAILABLE TIME LINES TO MEET IDENTIFIED REQUIREMENTS

The ideal situation is where resources are acquired in exactly the right quantities at the exact time that they are required. Trying to achieve this requires a very serious balancing act.

The length of time between ordering and delivery will vary according to the quantity and type of goods or services requested. Stationery consumables may be delivered within 24 hours, a call for tender for the construction of a building may take several months. The needs of the organisation must be considered on an individual basis as there are times when the timing of provision is the most important factor.

Orders should be recorded and delivery followed up as necessary. If goods do not arrive as requested they should be followed up and a record kept of the inquiry. It may be necessary to arrange for alternate supply if goods are unavailable from the usual stockist.

Self-Test 3.2

Fill the gaps with words from the list below:

24, consumables, construction, individual, months, most, organisation, provision

Stationery _____ may be delivered within _____ hours, a call for tender for the _____ of a building may take several _____. The needs of the _____ must be considered on an _____ basis as there are times when the timing of _____ is the _____ important factor.

REVIEW RESOURCE ACQUISITION PROCESSES TO IDENTIFY IMPROVEMENTS IN FUTURE RESOURCE ACQUISITIONS

A review of the resource acquisition processes should be carried out regularly so as to identify any improvements for future resource acquisitions.

Resource acquisition processes may include:

- Contracted supplier ordering
- Internal approvals
- Non-tendered processes
- Periodic forecasts
- Tendered processes

Your organisations may benefit from conducting a regular review of their resource acquisition processes in order to identify areas where future improvements could be made. There may be issues such as

- A breakdown in the supply process
- An overrun of a budget allocation
- The purchase of unsatisfactory goods
- The discovery of an alternate supplier
- A review of practices

Your organisation's review strategy should include:

- Feedback and discussion with relevant staff
- Recording problems with particular suppliers
- Maintaining records of any difficulties in the procurement process

Strategies for future improvement might involve reviewing the process used for the purchase of a particular item and identifying any problems or issues in that process.

This could include investigating:

- The process of cost analysis (comparing the costs of purchase, operation, consumables, maintenance, contracts, insurance, leasing etc.),
- Supply contracts (the availability of a range of suppliers, the discounts and terms offered, delivery mechanisms and timeframes, methods of ordering etc.) was the best supplier chosen for the purchase or whether the organization was locked into a unfavourable contract.
- Technological changes (what methods were used to identify any technological improvements which would impact on the purchase decision; has the purchase been made on the basis of matching existing requirements e.g. to link into an existing computer network or made to take advantage of new technology to enhance methods e.g. adding a label printer and mailing software to take advantage of bulk mail discounts).

Identified areas for improvement, preferably with suggested solutions, should be referred to the appropriate personnel and/or management so that future resource acquisitions can more effectively managed.

Self-Test 3.3

Resource acquisition processes may include:

- ☐ Non-tendered processes
- ☐ A breakdown in the supply process
- ☐ A review of practices
- ☐ The process of cost analysis
- ☐ Feedback and discussion with relevant staff

SUMMARY

Now that you have completed this unit, you should have the skills and knowledge required to determine, administer and maintain resources and equipment to complete a variety of tasks.

If you have any questions about this resource please ask your trainer. They will be only too happy to assist you when required.

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APPENDIX “A”

MANUAL HANDLING HAZARD IDENTIFICATION WORKSHEET

Task description and location:

Task on this sheet identified from (tick one only):

- ☐ Incident records
- ☐ Direct observation of work
- ☐ Consultation
- ☐ Other, please describe

Information

1. How many workers do this task? _____
2. How long do they do it? (duration) _____
3. How often do they do it? (frequency) _____
4. How many workers have reported pain from this task? _____
5. How many injuries have been attributed to this task? _____
6. What risk factors appear to be the main problem(s) with this task? _____

Actions and movements

- ☐ Work environment
 - ☐ Workplace and workstation layout
 - ☐ Skills and experience of worker
 - ☐ Working postures/positions
 - ☐ Age of worker
 - ☐ Load location and distances moved
 - ☐ Clothing
 - ☐ Duration and frequency
 - ☐ Special needs of worker
 - ☐ Weights and forces
 - ☐ Other factors (please describe)
 - ☐ Characteristics of loads and equipment
 - ☐ Work organisation
7. Are there are other similar tasks?
 - ☐ Yes
 - ☐ No
 8. If so, how do we manage them currently?
 9. Does this task require more detailed risk assessment?
 - ☐ Yes, complete the Manual handling risk assessment worksheet and Manual handling risk control worksheet
 - ☐ No, copy this for filing and make available for consultation.

Developed By :

date:

APPENDIX “B”

MANUAL HANDLING HAZARD IDENTIFICATION WORKSHEET EXAMPLE

Task description and location:

Accept cast metal base deliveries

Unload and transfer pallets to storage or paint shop by forklift

Task on this sheet identified from (tick one only):

- ☐ Incident records
- ☐ Direct observation of work
- ☐ Consultation
- ☐ Other, please describe
- ☐ New process

Information:

1. How many workers do this task? 1
2. How long do they do it? (duration) 2 hours
3. How often do they do it? (frequency) Twice a week
4. How many workers have reported pain from this task? Nil - new task
5. How many injuries have been attributed to this task? Nil - new task
6. What risk factors appear to be the main problem(s) with this task?

Actions and movements:

- ☐ Work environment
 - ☐ Workplace and workstation layout
 - ☒ Skills and experience of worker
 - ☐ Working postures/positions
 - ☐ Age of worker
 - ☒ Load location and distances moved
 - ☐ Clothing
 - ☐ Duration and frequency
 - ☐ Special needs of worker
 - ☐ Weights and forces
 - ☐ Other factors (please describe)
 - ☒ Characteristics of loads and equipment
 - ☐ Work organisation
7. Are there are other similar tasks?
- ☒ Yes
 - ☒ No

8. If so, how do we manage them currently?

Load and unload plastic and glazed components. This procedure requires a trolley, team lifting as required, training for staff doing the job and PPE (gloves and safety boots).

9. Does this task require more detailed risk assessment?

- ☒ Yes, complete the Manual handling risk assessment worksheet and Manual handling risk control worksheet.
- ☐ No, copy this for filing and make available for consultation.

Developed by:

B Smith and B Jones (OHS Rep)

Date:

10 August 2014

APPENDIX “C”

MANUAL HANDLING RISK ASSESSMENT WORKSHEET

Task description and location:

POSTURES/ACTIONS

Actions and movements:

- ☐ Bending or twisting the back
- ☐ Reaching/working above the shoulder
- ☐ Reaching/working below mid-thigh height
- ☐ Sudden or jerky movements
- ☐ Repetitive bending, twisting or overreaching

Workplace and workstation layout:

- ☐ Workplace layout makes it hard to reach things involved in the task
- ☐ Work heights and/or seat heights unsuitable
- ☐ Insufficient space for all necessary movements
- ☐ Mechanical aids are not available or easily accessible

Working postures and positions:

- ☐ There is frequent or prolonged forward bending or stretching of the back
- ☐ There is frequent or prolonged twisting or sideways bending or stretching

Duration/frequency:

- ☐ Task is done for a long time by one worker
- ☐ A repetitive action is done at speed

Load/force:

Load location and distances moved:

- ☐ The object is carried, pushed or pulled over a long distance or unnecessarily handled

Weights and forces:

- ☐ More than 4.5kg lifted while sitting
- ☐ More than 16kg is lifted while standing
- ☐ Combined with other risk categories:
 - It is necessary to pull, push or slide objects that are difficult to move
 - A large force is applied while seated

Characteristics of loads and equipment:

- ☐ Live loads are manually lifted or moved
- ☐ Objects handled are large or have awkward shapes
- ☐ Objects are hard to grasp and hold
- ☐ Objects are wet, greasy and dirty and cannot be held close to the body e.g. very hot or cold
- ☐ The object blocks the view when handled
- ☐ The load is unstable or may move suddenly

Management/environment:

Work organisation:

- ☐ There are busy periods when workers have difficulty keeping up with demands and no rest/recovery breaks
- ☐ Workers are not available for team lifting when required
- ☐ Manual handling equipment is not regularly maintained or is unsuitable or unavailable

Work environment:

- ☐ Floor are slippery or uneven
- ☐ There are different floor levels in the work area
- ☐ The work area is cluttered or untidy or confined
- ☐ Lighting is inadequate for the task
- ☐ Work is done in very hot, cold or windy conditions
- ☐ There is vibrating machinery

Clothing:

- ☐ Protective clothing or equipment is unsuitable or unavailable (e.g. slippery shoes, loose gloves and clothing that restricts movement)

Skills and experience:

- ☐ Workers have not received appropriate training in manual handling
- ☐ Workers have not been properly instructed in safe work procedures
- ☐ Demands of the task exceed the physical capacity or experience of the workers

Age:

- ☐ Workers under 18 performing strenuous repetitive tasks, or lifting objects weighing more than 16kgs
- ☐ Older workers performing tasks unsuitable for their physical capabilities

Special needs:

- ☐ There are workers at higher risk (e.g. due to injury, pregnancy, recent illness, new employees or persons with a disability)

Other:

- ☐ Are there other risk factors not covered by the checklist? Provide details

APPENDIX “D”

MANUAL HANDLING RISK CONTROL WORKSHEET

Elimination

Can the manual handling task be eliminated? For example, redesign work activity, object or working environment.

☐ Yes, how can this be done?

☐ No

Substitution

Can the hazard be substituted with one that gives rise to a lesser risk? For example, reduce load size and shape.

☐ Yes, how can this be done?

☐ No

Isolation

Can the hazard be isolated from the worker at risk? For example, remote manual handling techniques.

☐ Yes, how can this be done?

☐ No

Engineering

Can engineering controls be used? For example, modify equipment or provide mechanical aids.

☐ Yes, how can this be done?

☐ No

Administration

Can administrative controls be used? For example, change work practice, implement job rotation, training, develop/implement safe work procedure.

☐ Yes, how can this be done?

☐ No

What training or instruction may be required?

Personal protective equipment

What PPE could be used to reduce the risks? For example, use gloves to improve handling of load.

☐ Yes, how can this be done?

☐ No

APPENDIX “E”

MANUAL HANDLING SAFE WORK PROCEDURE WORKSHEET

Task description and location:

STEPS	RISK	CONTROLS

Developed by:

Review date:

Manager's name:

Worker's name:

Manager's signature:

Worker's signature:

Date created:
