

Cambridge **TECHNICALS LEVEL 3**

Cambridge  
**TECHNICALS**  
**2016**

# ***BUSINESS***

**Unit 14**

**Resource management**

**H/507/8161**

**Guided learning hours: 60**

**V1**

## LEVEL 3

### UNIT 14: Resource management

H/507/8161

**Guided learning hours: 60**

#### **Essential resources required for this unit:**

Access to suitable business organisations or case studies to undertake assessment activities.

**This unit is internally assessed and externally moderated by OCR.**

#### **UNIT AIM**

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Effective resource management is vital to the survival and success of a business. It can reduce wastage levels, lead to increased profits, improve a business's reputation and increase competitiveness. This unit looks at how a range of physical resources are acquired and managed by businesses.

You will gain an understanding of the purpose and importance of managing resources effectively. You will learn about the various factors that influence how physical resources are obtained by businesses and explore the impact that changes in technology can have.

In this unit, you will have the opportunity to apply all that you have learnt, by recommending how a business can manage resources to improve its performance.

To gain further and valuable understanding of the Resource function within a business, you could build on your skills by studying the other units in the resource pathway.

## TEACHING CONTENT

The teaching content in every unit states what has to be taught to ensure that learners are able to access the highest grades.

Anything which follows an i.e. details what must be taught as part of that area of content. Anything which follows an e.g. is illustrative. It should be noted that where e.g. is used, learners must know and be able to apply relevant examples in their work, although these do not need to be the same ones specified in the unit content.

For internally-assessed units you need to ensure that any assignments you create, or any modifications you make to an assignment, do not expect the learner to do more than they have been taught, but must enable them to access the full range of grades as described in the grading criteria.

Learning outcomes	Teaching content
The Learner will:	Learners must be taught:
1. Understand how businesses obtain and manage physical resources	<p>1.1 Types of physical resources used and/or managed in business organisations, i.e.</p> <ul style="list-style-type: none"> <li>• buildings and facilities (e.g. offices, factories, warehousing, retail outlets)</li> <li>• raw materials (e.g. ingredients, components, semi-finished goods, finished goods)</li> <li>• equipment (e.g. computers, telecommunications, machinery, tools, stationery, vehicles, point of sale terminals)</li> <li>• energy and utilities (e.g. electricity, gas, water, telephone and internet connection)</li> <li>• waste (e.g. by-products of manufacturing process, recycling, rejected/faulty raw materials/finished goods)</li> </ul> <p>1.2 How physical resources are obtained, i.e.</p> <ul style="list-style-type: none"> <li>• purchasing (e.g. buy outright, hire purchase, contract purchasing)</li> <li>• contracting (e.g. leaseback, renting)</li> <li>• other procedures involved (e.g. e-procurement, tendering)</li> </ul> <p>1.3 Processes and methods for managing physical resources, i.e.</p> <ul style="list-style-type: none"> <li>• stock/inventory control (e.g. Just in Time, Fixed reorder stock level, fixed time reordering, economic order quantity, Just in Case, buffer stocks)</li> <li>• storage (e.g. first in-first out (FIFO), location, environmental conditions required by specific items, security)</li> <li>• maintenance, upgrades and disposal (e.g. self-maintenance, serviced maintenance, scheduled release for upgrades, machinery/equipment at end-of-life, recycling)</li> <li>• special considerations (e.g. hazardous materials – safe handling and storage, food – temperature, time, waste – storage, deterring pests, high-value items – security).</li> </ul>

Learning outcomes	Teaching content
The Learner will:	Learners must be taught:
<p>2. Understand factors that influence how physical resources are managed by businesses</p>	<p>2.1 The legal and regulatory requirements that affect the management of physical resources, i.e.</p> <ul style="list-style-type: none"> <li>• legal and regulatory requirements, i.e. <ul style="list-style-type: none"> <li>○ building and accessibility regulations (e.g. planning permission)</li> <li>○ food hygiene standards</li> <li>○ health and safety legislation (e.g. Health and Safety at Work Act)</li> <li>○ environmental management (e.g. pollution regulations, noise regulations)</li> <li>○ regulations for storage of supplies (e.g. Control of Substances Hazardous to Health (COSHH))</li> <li>○ local and regulatory authorities (e.g. Health and Safety Executive Inspectorate, environmental health, fire service)</li> </ul> </li> <li>• their effect on the management of physical resources, i.e. <ul style="list-style-type: none"> <li>○ licences (e.g. for hazardous substances, trading licences)</li> <li>○ preventative measures (e.g. training, risk assessment)</li> <li>○ compliance (e.g. testing, documentation, record-keeping).</li> </ul> </li> </ul> <p>2.2 The economic factors that influence the methods used to obtain physical resources, i.e.</p> <ul style="list-style-type: none"> <li>• exchange rates</li> <li>• expectations of future price changes (e.g. anticipated changes in inflation)</li> <li>• interest rates</li> </ul> <p>2.3 How changes in technology influence the management of physical resources, i.e.</p> <ul style="list-style-type: none"> <li>• technology changes, i.e. <ul style="list-style-type: none"> <li>○ stock management (e.g. RFID tags, automatic reordering systems)</li> <li>○ e-procurement (e.g. business to business)</li> <li>○ robotics and drones (e.g. warehouse picking and delivery systems)</li> </ul> </li> <li>• what they influence, i.e. <ul style="list-style-type: none"> <li>○ stock and reorder levels</li> <li>○ lead times</li> <li>○ automated stock control</li> <li>○ impact on use of human resources.</li> </ul> </li> </ul> <p>2.4 The ethical considerations that influence the management of physical resources, i.e.</p> <ul style="list-style-type: none"> <li>• ethical considerations, i.e. <ul style="list-style-type: none"> <li>○ environmental issues (e.g. noise pollution, effluent waste)</li> </ul> </li> </ul>

Learning outcomes	Teaching content
The Learner will:	Learners must be taught:
	<ul style="list-style-type: none"> <li>○ stakeholder impact (e.g. employees, local communities)</li> <li>○ supply chain issues (e.g. working conditions and employment, terms of supplier employees)</li> <li>● what they influence, i.e.               <ul style="list-style-type: none"> <li>○ supply chain management (e.g. extent to which a business should be responsible for the actions of its suppliers)</li> <li>○ waste management (e.g. replace or repair equipment, modifying production processes to reduce waste)</li> <li>○ management of visual and noise pollution (e.g. re-siting equipment to reduce disruption at work caused by noise, replacing noisy equipment, masking equipment so it does not stand out, ear defenders for employees, noise-abating insulation).</li> </ul> </li> </ul>
<p>3. Understand how resource management can contribute to business performance</p>	<p>3.1 Factors to consider when planning to obtain and utilise physical resources, i.e.</p> <ul style="list-style-type: none"> <li>● delivery timescales (e.g. delays, advanced/early delivery, seasonal availability)</li> <li>● costs (e.g. hidden costs, quote versus estimate, fixed versus variable, direct and indirect, administrative cost, management time)</li> <li>● procurement options (e.g. different purchasing and contract options)</li> <li>● implementation activities (e.g. user acceptance testing, training to use resources, designing and implementing new procedures on use of resources)</li> <li>● technical support (e.g. having hardware or software already in place to be able to accommodate software you want to buy, supplier support provided with new equipment purchase)</li> <li>● the impact on the stakeholder (e.g. new resources may require specialist employee expertise, investment costs may affect shareholders, deadlines can impact on suppliers)</li> <li>● alignment with wider business objectives (e.g. Just in Time stock control conflicting with flexible production methods)</li> <li>● balancing legal, economic, technological and ethical factors (e.g. cost of implementing new environmental policy versus reputational benefits from ethical approach)</li> </ul> <p>3.2 How resource procurement and management can contribute to business performance, i.e.</p> <ul style="list-style-type: none"> <li>● financial impact (e.g. improve cash-flow, profitability, reduced costs, increased margins)</li> <li>● impact on competitiveness (e.g. flexibility, lead-times are managed, customised products, reputation for quality, value for money and delivering to time)</li> </ul>

Learning outcomes	Teaching content
The Learner will:	Learners must be taught:
	<ul style="list-style-type: none"><li>• impact on operational performance (e.g. productivity, down-time, wastage)</li><li>• impact on management control (e.g. contracted out versus internal management of resources, managed service contracts as a constraint on business decision-making)</li><li>• flexibility in response to unexpected changes (e.g. sudden changes in demand).</li></ul>

## GRADING CRITERIA

LO	Pass	Merit	Distinction	
The learner will:	The assessment criteria which are the Pass requirements for this unit.	To achieve a Merit the evidence must show that, in addition to the Pass criteria, the candidate is able to:	To achieve a Distinction the evidence must show that, in addition to the Pass and Merit criteria, the candidate is able to:	
1. Understand how businesses obtain and manage physical resources	P1: Describe the main physical resources used by a specific business and how they have been obtained			
	P2*: Explain the advantages and disadvantages of how physical resources are managed by a specific business			
2. Understand factors that influence how physical resources are managed by businesses	P3: Describe the legal and regulatory requirements a specific business needs to comply with when managing its physical resources		D1: Assess the extent to which external factors can influence how a specific business manages its resources	
	P4*: Explain how economic factors influence how a specific business obtains its physical resources			
	P5*: Describe how changes in technology have affected how a specific business manages its physical resources			M1: Explain the benefits and drawbacks, for a specific business, of keeping up with changes in technology
	P6*: Explain how ethical considerations can influence how a specific business manages its physical resources			
3. Understand how resource management can contribute to business performance	P7*: Explain how effective resource management can contribute to the successful performance of businesses	M2: Assess the extent to which a specific business manages its physical resources effectively	D2: Recommend changes that a specific business could make to manage its physical resources more efficiently	

## ASSESSMENT GUIDANCE

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It is important for learners to have the opportunity to learn and apply their knowledge and skills to meaningful substantial tasks, in order to successfully achieve the unit.

Feedback to learners: you can discuss work-in-progress towards summative assessment with learners to make sure it's being done in a planned and timely manner. It also provides an opportunity for you to check the authenticity of the work. You must intervene if you feel there's a health and safety risk.

Learners should use their own words when producing evidence of their knowledge and understanding. When learners use their own words it reduces the possibility of learners' work being identified as plagiarised. If a learner does use someone else's words and ideas in their work, they must acknowledge it, and this is done through referencing. Just quoting and referencing someone else's work will not show that the learner knows or understands it. It has to be clear in the work how the learner is using the material they have referenced **to inform their** thoughts, ideas or conclusions.

For more information about internal assessment, including feedback, authentication and plagiarism, see the centre handbook. Information about how to reference is in the *OCR Guide to Referencing* available on our website: <http://www.ocr.org.uk/i-want-to/skills-guides/>.

With the exception of P7, the criteria can be assessed by considering one specific business. Careful consideration should be given to the business to make sure learners can meet the all of the criteria.

For LO2, P5, learners should explore a business organisation where the impact of technology is making substantial changes to the ways in which its physical resources are obtained and managed.

For LO3, P7, learners should draw upon relevant examples from a range of businesses to support their explanation.

## SYNOPTIC ASSESSMENT

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It will be possible for learners to make connections between other units over and above the unit containing the key tasks for synoptic assessment, please see section 6 of the centre handbook for more detail. We have indicated in this unit where these links are with an asterisk and provided more detail in the next section.

## \*OPPORTUNITIES FOR APPLYING LEARNING ACROSS UNITS

This identifies opportunities for developing links between teaching and learning with other units in the business suite.

Name of other unit and related LO	This unit and specified LO
<b>Unit 1 The business environment</b> LO2 Understand how the functional areas of businesses work together to support the activities of businesses LO6 Understand the external influences and constraints on businesses and how businesses could respond LO7 Understand why businesses plan	LO1 Understand how businesses obtain and manage physical resources LO2 Understand factors that influence how physical resources are managed by businesses LO3 Understand how resource management can contribute to business performance
<b>Unit 3 Business decisions</b> LO5 Be able to use resource, project and change management information to inform business decisions	LO1 Understand how businesses obtain and manage physical resources
<b>Unit 10 Economics for business</b> LO1 Understand how microeconomic factors can impact on UK businesses LO2 Understand how macroeconomic factors can impact on UK businesses	LO2 Understand factors that influence how physical resources are managed by businesses LO3 Understand how resource management can contribute to business performance
<b>Unit 13 Management accounting</b> LO1 Understand business costs and pricing methods used by businesses	LO3 Understand how resource management can contribute to business performance
<b>Unit 15 Change management</b> LO1 Understand the drivers of change	LO2 Understand factors that influence how physical resources are managed by businesses
<b>Unit 17 Responsible business practices</b> LO1 Understand how businesses operate responsibly LO2 Understand the importance of adopting responsible business practices LO4 Understand the difficulties and potential conflicts businesses face when implementing responsible business practice(s)	LO2 Understand factors that influence how physical resources are managed by businesses LO3 Understand how resource management can contribute to business performance
<b>Unit 18 Business operations</b> LO2 Understand how factors which influence location and supply chain management impact on business operations	LO1 Understand how businesses obtain and manage physical resources LO2 Understand factors that influence how physical resources are managed by businesses
<b>Unit 22 Delivering a business project</b> LO1 Be able to scope a project	LO2 Understand factors that influence how physical resources are managed by businesses LO3 Understand how resource management can contribute to business performance

To find out more  
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