



BSB61315 – Advanced Diploma of Marketing and Communication

Record of Assessment Outcome

Unit of Competency:		BSBMGT616 Develop and implement strategic plans	
Student Name:			
Student ID Number:			
Assessor Name:			
Term and Year:			
The student has successfully completed the following assessment task(s):		Yes	No
Assessment 1	Project	<input type="checkbox"/>	<input type="checkbox"/>
Assessment 2	Case Study and Written Report	<input type="checkbox"/>	<input type="checkbox"/>
Assessment 3	Portfolio of Activities	<input type="checkbox"/>	<input type="checkbox"/>
Overall, the student was assessed as:			
Competent <input type="checkbox"/>		Not Yet Competent <input type="checkbox"/>	
Did the student meet the criteria for the following elements of competency?		Yes	No
1. Confirm organisational vision and mission		<input type="checkbox"/>	<input type="checkbox"/>
2. Analyse the internal and external environment		<input type="checkbox"/>	<input type="checkbox"/>
3. Write strategic plan		<input type="checkbox"/>	<input type="checkbox"/>
4. Implement strategic plan		<input type="checkbox"/>	<input type="checkbox"/>
The student requires the following skill(s) development before re-assessment:			
Feedback to student on overall performance during assessment:			
The student has been provided with feedback and informed of the assessment result and the reasons for the decision.			
Assessor Name:			
Assessor Signature:		Date:	
I have been provided with feedback on the evidence I have provided. I have been informed of the assessment result and the reasons for the decision.			
Student Name:			
Student Signature:		Date:	

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BSB61315 Advanced Diploma of Marketing and Communication

BSBMGT616 Develop and Implement Strategic Plans

Assessment 1 – Project

Submission Details			
Student ID Number:			
Student Name:			
Assessor Name:			
Due date:			
Student Declaration:	By signing this declaration, I certify that: <ul style="list-style-type: none">• The assessment work is my own work;• All sources and materials have been acknowledged where required;• I have not copied or plagiarised in any way materials of another person or work of a fellow student and referenced all sources of information.		
Student Signature:			
Assessment Result Details			
Result:	Satisfactory		Not Satisfactory
Feedback to Student:			
Student Declaration:	I have been provided with feedback on my assessment performance/result from Magill College Sydney assessor.		
Student Signature:			
Assessor Signature:			
Date:			



Submission details

The Assessment Task is due on the date specified by your assessor. Any variations to this arrangement must be approved in writing by your assessor.

Submit this document with any required evidence attached. See specifications below for details.

Performance objective

In this assessment, you are required to manage the review of the currency of the organisational vision and mission, make any necessary changes, and communicate the review process to stakeholders in order to gain their support.

Assessment description

Review the organisation's vision and values by reviewing the case study information provided, as well as meeting with a key stakeholder in the case study organisation (role-played by your assessor). After reviewing materials, revise the vision and mission statements to reflect the current status and direction of the organisation, then communicate the following information with the relevant stakeholders via email:

- Outline the changes to the vision and organisational values
- Describe the strategic planning process and identify where input can be provided.

Procedure

For the case study (refer to Appendix 1) information provided in this assessment, you need to summarise:

- The established (written) vision and mission of the organisation
- Current practices of the organisation and, in particular, whether they support the mission objectives of the organisation, or point to potentially new objectives for the organisation.

After you have developed this summary, you need to meet with a key stakeholder/strategic planning consultant (your assessor) to discuss the vision and mission as you have identified it. You should also check that they agree with your findings. Summarise, in dot-point form, your discussions with the key stakeholder/consultant and ensure that this includes any recommendations they made.

After this meeting, you are required to draft an email to the other stakeholders in your organisation, using the headings described below:

1. **Existing vision and mission:** From the case study information provided, describe the existing mission and vision statements.
2. **Current approaches:** From the case study information provided, and your meeting with the key stakeholder/consultant, describe the current organisational understanding and enactment of the mission and vision statements.
3. **Revised vision and mission:** Based on steps 1 and 2 above, develop revised vision and mission statements that reflect the current organisational requirements.
4. **Organisational values:** Based on the case study information provided, step 2 above, and reflecting on the revised mission/vision statements (from step 3), describe the organisational values required to support the revised mission and vision statements.



Once you have drafted the email, submit it to the key stakeholder/consultant (your assessor) for review. When submitting the proposed email and accompanying documents, you need to ensure that:

- Your email is entitled 'Mission/Vision review'.
- Your report is in order, with attachments (notes from your meeting) included at the back of your report.
- Your report is submitted as required by your organisation (your training provider).

Note: You need to retain your revised vision and mission and organisational values for reference and use in Assessment Task 2.

Specifications

You must provide:

- Summary notes from the meeting with your key stakeholder/strategic planning consultant.
- A completed draft email, as outlined above in steps 1–4, using the headings provided for each step.

Your assessor will be looking for:

- Evidence that you have analysed and identified the needs of the case study, and reflected these in the revised mission and vision statements you have developed.

Appendix 1 – Case Study

You have been the General Manager of MacVille's successful import/export business centre in Sydney for the past two years. You have been asked by the Board to assist in the development of a strategic plan by initially conducting a review of the vision, mission and values of the organisation.

You review the annual report for the previous year, and note the following statement by the Chair of the Board:

'Within the next five years, MacVille will become a national brand, and will be accepted as an integral part of the hospitality industry, perceived as a key component in the success of hospitality establishments, both large and small.'

'MacVille is in business to provide espresso coffee machines that meet the efficiency, reliability and sustainability needs of our hospitality clients who, in turn, reward us with profits that will allow our stakeholders and the communities in which we operate to prosper.'

Being part of the management that assisted in upholding the values of the organisation, you have been made very aware of the Chair and Board's views on the following values and, after reviewing your papers and reports, you speak with the CEO, who replies:

'MacVille's values have been the same for as long as the organisation has existed. For our stakeholders, it has always been about stewardship and to adhere to professional and moral standards of conduct in all that we do. For our people, we are committed to encouraging self-directed teams, we cultivate leadership and maintain high levels of safety. Externally, we are committed to wise environmental practices and offering meaningful value to our customers.'

Later in the review process, you were presented with an opportunity to discuss the application of the vision, mission and values with the CEO again. This time, you were more interested in researching what had changed since the last strategic vision was formulated.

The CEO explained:

'In the past few years, since the last strategic plan was formulated, there have been developments in new areas that were not clearly recognised when developing the last plan. These changes are becoming an important part of our operations on a daily basis, and should be reflected in our vision, mission and values.'

The CEO further explained:

'There is a real need to incorporate innovation into our mission because it has been an outcome from the self-directed team's directive. Finding new ways to improve the efficiency of processes and effectiveness of customer solutions has become a priority. There has always been a need to evaluate what we were doing, to continually challenge our methods and ask how we can simplify and improve our business. We should never rest on our laurels but instead constantly innovate and raise our standards, because we are not afraid to try new ideas and concepts. The organisation needs to embrace strategic alliances and to seek out new partnerships that support and promote our mission, desired outcomes, and strategies.'

When prompted for further changes that had taken place, the CEO stated:

'MacVille needs to identify more closely with the community it serves. We need to be a good corporate citizen that recognises our responsibility to be active participants in our local communities, and even donate a percentage of profits every year to a wide variety of community and non-profit organisations.'



BSB61315 Advanced Diploma of Marketing and Communication

BSBMGT616 Develop and Implement Strategic Plans

Assessment 2 – Case Study and Written Report

Submission Details			
Student ID Number:			
Student Name:			
Assessor Name:			
Due date:			
Student Declaration:	By signing this declaration, I certify that: <ul style="list-style-type: none">• The assessment work is my own work;• All sources and materials have been acknowledged where required;• I have not copied or plagiarised in any way materials of another person or work of a fellow student and referenced all sources of information.		
Student Signature:			
Assessment Result Details			
Result:	Satisfactory		Not Satisfactory
Feedback to Student:			
Student Declaration:	I have been provided with feedback on my assessment performance/result from Magill College Sydney assessor.		
Student Signature:			
Assessor Signature:			
Date:			



Submission details

The Assessment Task is due on the date specified by your assessor. Any variations to this arrangement must be approved in writing by your assessor.

Submit this document with any required evidence attached. See specifications below for details.

Performance objective

In this assessment, you are required to complete analyses of the organisational environment to develop an understanding of potential competitors and allies, and the associated risks and benefits.

Assessment description

Complete a PEST and SWOT analysis for your organisation, plus a review of the potential competitors and allies supplied in the case study.

Procedure

For the case study provided in Appendix 1, you are required to complete the following for your organisation:

1. PEST analysis (including a review of legislation impacting on MacVille).
2. SWOT analysis (including an evaluation of the value-chain).

You are also required to review competitors/allies of MacVille, as described in the case study, and:

- Identify and describe existing and potential competitors/allies, then summarise the strengths and weaknesses of each.
- Develop a separate summary statement for each potential ally for a cooperative venture that describes their alignment with MacVille's vision, mission, values and attributes, as identified on the tender document.

Once you have developed these materials, you need to meet with your supervisor (role-played by your assessor) to discuss and confirm the analyses you have completed, together with the summary of potential cooperative venture allies. Take notes in the meeting with your supervisor and make any changes as suggested by them, before submitting your final version.

Note: You need to retain your analyses of the organisation, competitors and allies for reference and use in Assessment Task 3.

Specifications

You must provide:

- A completed set of analyses (PEST and SWOT).
- A review of existing and potential competitors and allies.
- A review of potential allies and a statement of their alignment with organisational values (as described in Assessment Task 1) and tender requirements.
- Summary notes from the meeting with your supervisor.

Your assessor will be looking for:

- Evidence that you have analysed and identified the needs of the case study and reflected these in the reviews and summary notes you have developed.



Appendix 1: Case Study

Having completed MacVille's review of the vision, mission and values, you should then consider the environmental factors that could impact on MacVille's goals and objectives. To help you with this assessment, you are provided with an industry consultant's report that contains a recent and comprehensive review of the industry and general operating environment.

Industry Consultant's Report

You have noted the following points from the report:

- New commercial espresso machines are being developed that use 30% less energy to run, with an innovative and more efficient heat exchanger.
- Planned changes in trade where all tariffs on imported goods, including espresso coffee machines, will be removed in line with the Government's free trade policy.
- Development of the home consumer market for consumer espresso machines is experiencing growth.
- The lifestyle trend towards eating out more frequently as the population ages and becomes more affluent.
- The prediction of a steady population growth rate for Australia from 25 million in 2020 to 33 million in 2050.
- The prediction of a strengthening Australian dollar against all our major trading partners over the next few years is also a concern.
- The prediction of higher-than-expected growth in the economy, as a result of a resources boom.
- The strong possibility of a carbon tax being introduced on all energy intensive products used in a commercial enterprise.

Senior Manager's Meeting

At a meeting with the CEO and other senior managers, the following points were noted in regard to the operations of MacVille. In response to your question about how effectively MacVille adds value to its products and services, the following responses were agreed by all.

- Inbound logistics is a problem, due to the lack of experienced personnel in importation and customs operations. The lack of solutions from Human Resources Management has meant that delivery timelines are sometimes delayed because the proper procedure was not followed.
- The operations of MacVille is an area of strong value-add, with the state-of-the-art Management Information System (MIS) forming part of MacVille's infrastructure. The MIS has allowed for sound corporate/strategic planning, along with strong internal controls in accounting and finance.
- Outbound logistics is an area that could be improved. Currently, MacVille relies on a three year contract with a delivery firm to deliver its goods to customers. Sometimes there is a delay in getting the appropriate vehicle to deliver the espresso coffee machines, which is causing some issues with customers. The contract delivery firm seems to be struggling to deliver the promised quality with their fast expansion.
- All managers agreed that marketing and sales is a strong point for MacVille. The marketing communications and promotions mix seems to be working well, particularly with the social marketing that MacVille has introduced in the past year. Technology developments are helping MacVille to reduce costs, yet expand the message via internet marketing activities.
- Service is another strong point for MacVille, which enjoys a good reputation in this field. The installation, after-sales service, complaints handling and training all get top marks from our customers. Some of MacVille's procurement policy has helped in this regard, with MacVille outsourcing work where it cannot meet customer demand. The policy of putting the customer first and guaranteeing service calls within 24 hours has been a key reason for the increased sales.



In a brainstorm with the CEO and senior managers, the following points were noted. When asking about the potential for opportunities, threats and competitors, the consensus was:

- Moving into the new Sydney market, where the bulk of espresso machines are sold each year, and from which a major (but ineffective) competitor has withdrawn.
- Other opportunities could be found in strategic alliances with coffee bean suppliers, where market penetration could easily be achieved and costs of advertising and service could be shared.
- There was also concern about the raising Australian dollar having a severe long-term impact on tourism, which was a major category buyer of espresso machines. Raising interest rates that are predicted for the coming years could impact negatively on the disposable income of coffee-drinking patrons.
- The concerns of the group were centred on a global corporation Nufix Inc. shifting from instant coffee into the espresso bean and machine market. The resources they would have at their disposal in marketing, finance and human resources could be a serious threat to MacVile's plans. However, they would still struggle to gain a foothold in a market that already has strong supplier/buyer allegiances, with most stretching over many years. Global players like Nufix Inc. have difficulty being adaptable to the needs of niche market buyers.
- Another competitor of note was BeanEx, a large coffee bean supplier that had recently started importing espresso machines for their customers. There was talk of them selling the espresso machines as wholesalers. They certainly had easy access to markets with their coffee bean trade, but they had no established service arm to help wholesale clients maintain the machines that they purchased.
- MacVile has been keen to pursue strategic alliances as part of its strategy to achieve its objectives. It called for tenders from interested parties, who were asked to complete a tender application form that provided information relating to the tender requirements. Some notes have been included by senior managers who assessed some of the information.

Tender Submissions

Three submissions are attached to this case study.



BUSINESS NAME – HOME ESPRESSO TRADES

Description of Business (include vision, etc.)

Selling consumer home espresso machines to the home market, only in Sydney, and incorporating other digital home entertainment products.

Description of Joint Venture

Shared space in four trade shows per year.

Venture: Strengths and Weaknesses

Strength: covers the consumer market for espresso machines (which compliments the commercial espresso machines) to make a full range offer to clients.

Weakness: working with a strategic partner who is not solely focused on the hospitality industry.

Venture: Risks

1. Partner not fulfilling their financial commitment.
2. Association with a non-industry partner may have a negative effect on our customer base.
3. Partner access to MacVile's trade secrets.

Venture: Cost-Benefit Analysis

Costs of the shows is \$2,500 each. Four shows costing a total of \$10,000, selling 10 machines per show at \$500 each. Profit for each would see a profit of \$10,000 for the year and a breakeven point after two shows.

Venture: Financials

Home Espresso Traders			
Statement of Financial Position			
as at 30 June 2020			
ASSETS	\$	\$	\$
Current Assets			
Cash at bank	10,000		
Accounts receivable	15,000		
Stock	8,000		
Prepaid expenses	2,500		
Total Current Assets		35,500	
Non-Current Assets			
Buildings	0		
Less accumulated depreciation	0		
Equipment	356,000		
Less accumulated depreciation	(24,998)		
Goodwill	10,000		
Total Non-Current Assets		341,002	
Total Assets			376,502
LIABILITIES			
Accounts payable	25,000		
Long term loan	251,500		
Total Liabilities			276,500
OWNERS EQUITY			
Initial capital	2		
Current earnings	100,000		



Total Owners Equity

100,002

Venture: Trend Analysis

Sales (Calendar Years)

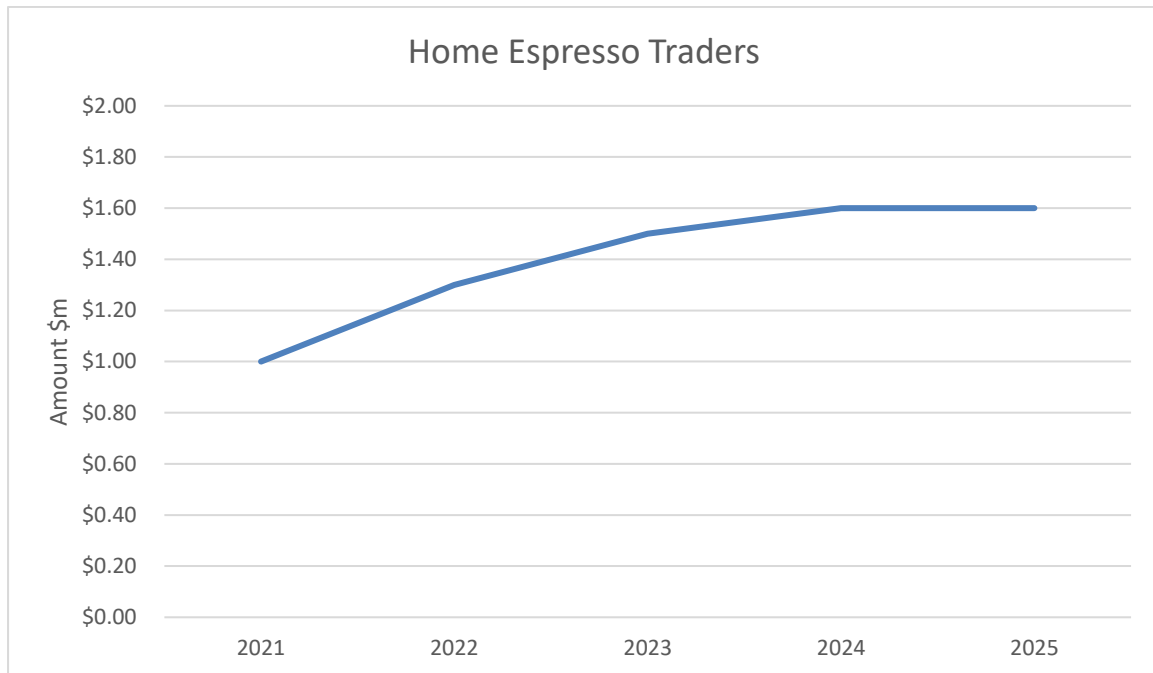
2021 – \$1.0m

2022 – \$1.3m

2023 – \$1.5m

2024 – \$1.6m

2025 – \$1.6m



Able to Provide Access to Due Diligence Materials?

- Copies of other strategic alliance agreements? YES NO
- Statement of Financial Position from last tax return? YES NO
- Full personal contact details of all directors? YES NO
- Supporting data for trends, and cost benefit analysis? YES NO



BUSINESS NAME – AMBROSIA COFFEE ROAST

Description of Business (include vision, etc)

Sell all grades of coffee bean to supermarkets and hospitality outlets around Australia.

Description of Joint Venture

Share in the cost of outdoor advertising for cafes and restaurants, with shared branding of umbrellas and barriers.

Venture: Strengths and Weaknesses

Supplier is committed to the coffee bean industry, with some sharing of the client base. Product image is not quality but more commodity-based.

Venture: Risks

1. Risks with poor brand association.
2. Long-term commitment in signage.

Venture: Cost-Benefit Analysis

50 cafes per year, at \$200 per cafe cost for each partner. 50 machines sold at \$500 profit is \$15,000 profit return for the year. Break-even point after 20 cafes.

Venture: Financials – Not available.



Venture: Trend Analysis

Sales (Calendar Year)

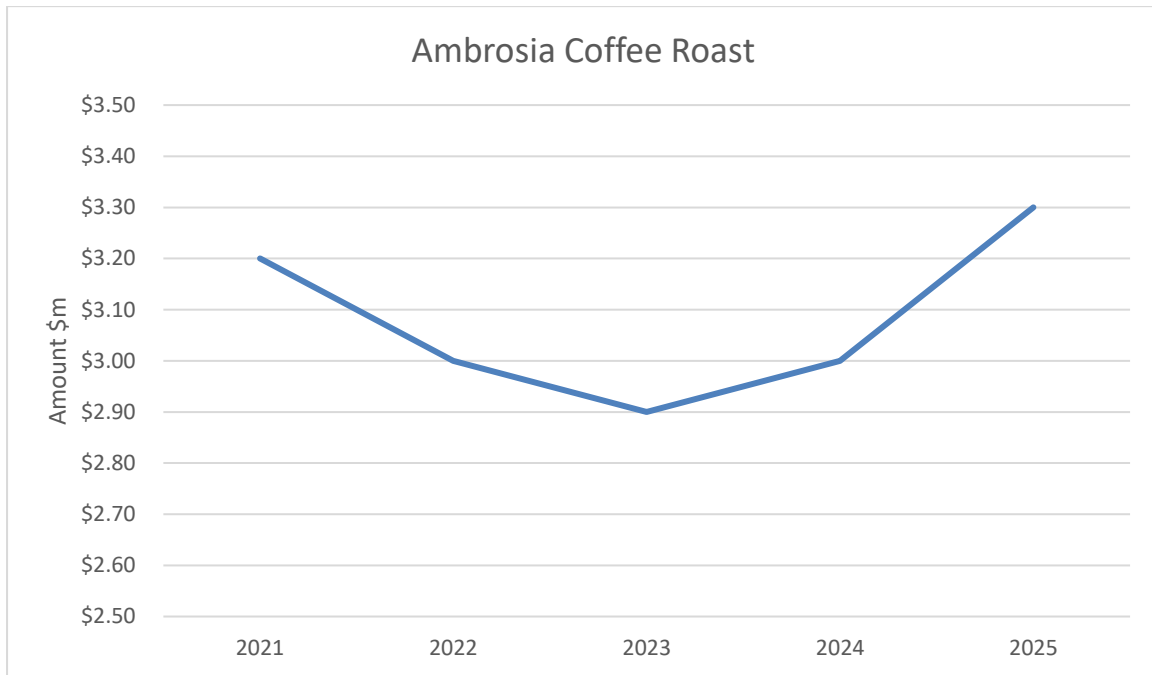
2021 – \$3.2m

2022 – \$3.0m

2023 – \$2.9m

2024 – \$3.0m

2025 – \$3.3m



Able to Provide Access to Due Diligence Materials?

- Copies of other strategic alliance agreements? YES NO
- Statement of Financial Position from last tax return? YES NO
- Full personal contact details of all directors? YES NO
- Supporting data for trends, and cost benefit analysis? YES NO



BUSINESS NAME – JAVA ESTATE

Description of Business (include vision, etc)

To sell quality Arabica roasted coffee beans to all states of Australia.

Description of Joint Venture

Java Estate provides MacVile espresso machines to client for no-charge. Java Estate pays MacVile cost price for the delivery and installation of the machine, then pays the remainder of the purchase price on a 12-month repayment program.

Venture: Strengths and Weaknesses

Australia wide partner – 100% committed to hospitality and coffee bean market. Other coffee bean suppliers may not recommend MacVile machines with this strong strategic alliance.

Venture: Risks

Concern over the amount of money outstanding.

Venture: Cost-Benefit Analysis

Potentially 200 machines installed in the first year. Interest costs \$40,000 p.a. profit \$100,000. Break-even point after 80 machines sold.

Venture: Financials

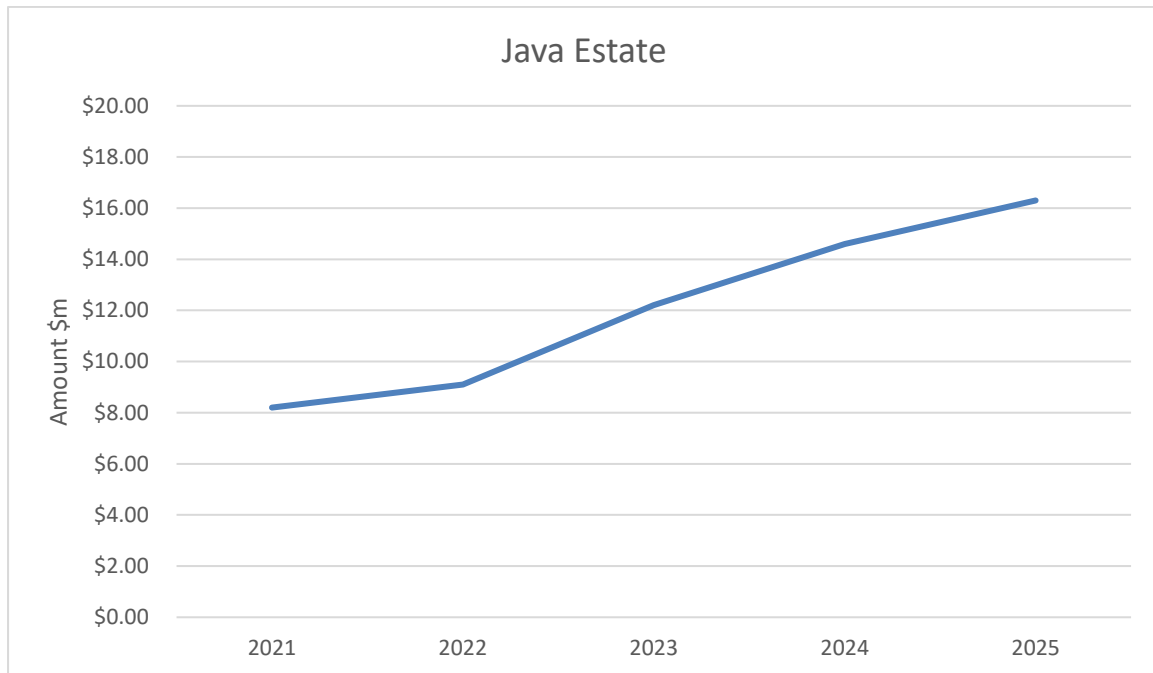
Java Estate			
Statement of Financial Position			
as at 30 June 2020			
ASSETS	\$	\$	\$
Current Assets			
Cash at bank	78,000		
Accounts receivable	123,000		
Stock	100,000		
Prepaid expenses	12,000		
Total Current Assets		313,000	
Non-Current Assets			
Buildings	240,000		
Less accumulated depreciation	(123,000)		
Equipment	230,000		
Less accumulated depreciation	(78,000)		
Goodwill	39,500		
Total Non-Current Assets		308,500	
Total Assets			621,500
LIABILITIES			
Accounts payable	25,500		
Long term loan	151,000		
Total Liabilities			176,500
OWNERS EQUITY			
Initial capital	100,000		
Current earnings	345,000		
Total Owners Equity			445,000



Venture: Trend Analysis

Sales (Calendar Year)

2021 – \$8.2m
2022 – \$9.1m
2023 – \$12.2m
2024 – \$14.6m
2025 – \$16.3m



Able to Provide Access to Due Diligence Materials?

- Copies of other strategic alliance agreements? YES NO
- Statement of Financial Position from last tax return? YES NO
- Full personal contact details of all directors? YES NO
- Supporting data for trends, and cost benefit analysis? YES NO



BSB61315 Advanced Diploma of Marketing and Communication

BSBMGT616 Develop and Implement Strategic Plans

Assessment 3 – Portfolio of Activities

Submission Details			
Student ID Number:			
Student Name:			
Assessor Name:			
Due date:			
Student Declaration:	By signing this declaration, I certify that: <ul style="list-style-type: none">• The assessment work is my own work;• All sources and materials have been acknowledged where required;• I have not copied or plagiarised in any way materials of another person or work of a fellow student and referenced all sources of information.		
Student Signature:			
Assessment Result Details			
Result:	Satisfactory		Not Satisfactory
Feedback to Student:			
Student Declaration:	I have been provided with feedback on my assessment performance/result from Magill College Sydney assessor.		
Student Signature:			
Assessor Signature:			
Date:			



Submission details

The Assessment Task is due on the date specified by your assessor. Any variations to this arrangement must be approved in writing by your assessor. Submit this document with any required evidence attached. See specifications below for details.

Performance objective

In this assessment, you are required to develop and document a strategic plan for the organisation based on the research you have conducted. You will also need to communicate the strategic plan to key stakeholders in the organisation and finally implement the strategic plan within the organisation, monitor progress and develop a report evaluating the implementation.

Assessment description

This assessment task is divided into two parts (Part A and Part B).

Part A:

Write a strategic plan, including consideration of resource implications, and then circulate to stakeholders. After endorsement from the Board, communicate the plan to employees and describe any implications for their role in the organisation.

Part B:

As part of your review, you need to develop a report describing the implementation as measured by the achievement of KPIs, milestones and overall effectiveness. You also need to identify and describe any refinements or improvements that can be made to the implementation process.

Once your report is completed, you are to present the report to relevant stakeholders, seeking feedback and input.

Procedure

Part A:

For the provided case study information in **Appendix 1**, following on from your analysis of the organisation, and competitors and allies in Assessment Task 2, you need to do the following:

1. Formulate strategic objectives for the organisation (based on the records of the Board minutes).
2. For each objective, develop and describe strategies that you think could be used to meet the objective in the future.
3. For the strategies described, you need to:
 - Develop a prioritised list of strategies
 - Describe a timeframe for each to be completed
 - Assign responsible parties to each strategy
 - Assign measurable performance indicators to individual strategies.

When you have completed your draft strategic plan, you need to make an appointment to meet with the CEO of your organisation (role-played by your assessor) to discuss your plan. They will gain endorsement from the Board for the plan, and return it to you with any required amendments.

After you have received the endorsed plan from the Board, you need to do the following:

1. Develop briefing materials (dot-point descriptors) for the identified responsible parties, outlining the requirements of their role in achieving the relevant strategy.
2. Develop a cover statement/letter to be sent out with the strategic plan that includes:
 - a. A brief overview of key objectives
 - b. A description of the research and process used to develop the plan.

Part B:

From the case study information provided in **Appendix 2**, you need to develop a progress report (minimum 1,000 words) with information provided under the following headings:

1. **KPI progress:** Review and describe the progress of the strategic plan, according to each of the identified performance indicators.
2. **Milestone progress:** Evaluate the achievement of identified objectives against the established timeline milestones for the strategic plan.
3. **Overall progress:** Evaluate and describe the overall effectiveness and progress of the strategic plan.
4. **Improvements:** Make necessary refinements to ensure continued achievement of the plan; describe methods for improving strategic planning processes.

Once the report is completed, draw up a communication plan outlining:

- Who the audience will be
- What resources will be needed
- The delivery timeframe
- The content of the presentation (can be in a PowerPoint presentation or similar medium).

Then deliver the information session (maximum of 20 minutes) to the relevant audience (your assessor).

Specifications

Part A:

You must provide:

- A completed draft strategic plan based on your analysis in Assessment Task 2, with organisational objectives, and strategies for enacting and achieving the objectives.
- Summary notes from your meeting with the organisation's CEO (your assessor).
- Briefing and information materials about the revised strategic plan for staff and responsible parties.
- Cover statement/ letter to with the strategic plan

Part B:

You must provide:

- A completed progress report (minimum 1,000 words), as described above
- A presentation and communication plan.

Your assessor will be looking for:

- Evidence that you have analysed and identified the needs of the case study, and reflected these in the strategic plan and informational materials you have developed.
- Evidence that you have analysed and evaluated the progress of the strategic plan implementation through the case study, and reflected these in the progress report you have developed
- Evidence of the way in which you communicated the contents of the report and to whom, including how you implemented the strategic plan and the process you used to monitor its progress. You will also need to gather input from the audience (your assessor).

Appendix 1 – Case Study 1

You are provided with the minutes of the board meeting, where the CEO spoke about the strategic objectives that will form part of the strategic plan.

MacVille Board Meeting Minutes: 1 July 2020 6:00pm Board Room, Brisbane

Board Members:

Present: Alan Jones (Chair), Jenny Ng, Olga Hartwick (Secretary), John Brennen, James Laird, George Saldais.

Absent:

Quorum Present? Yes.

Others Present:

CEO: Patricia Mees.

Proceedings:

Meeting called to order at 7.00 pm by Chair, Alan Jones, who explained that this was a special meeting of the Board to hear the presentation of the strategic plan by the CEO Patricia Mees.

(Last month's) meeting minutes were amended and approved.

Overview of the Strategic Plan: Patricia Mees

- Patricia Mees gave a presentation concerning the objectives that would form part of the strategic plan for the next five years.
- Objective 1 – To sell and service MacVille espresso coffee machines in every state of Australia. This was a top priority that would involve the acceptance of Java Estates tender. This was an important alliance and one that should be managed at the highest level. With the Sydney warehouse now established, it was important to look for other warehouse opportunities in high volume states. The other states could be managed with an agent's network and by outsourcing the maintenance.
- Objective 2 – To increase profit margins by 5% from our 2020 benchmark over the next five years. This should occur naturally, with increased sales allowing for better price negotiations with suppliers, and getting all departments to make optimum use of their staff.
- Objective 3 – To establish the MacVille brand recognition in key markets over the next five years, mostly via new technologies but also co-branding with our strategic partner. This is also a high priority if the successful rollout is to be achieved.
- Objective 4 – To reduce our waste and energy use by 10% from our 2020 benchmark within the next five years. Education programs and incentive rewards for innovations in this area should see the organisation achieve its objectives.

Meeting adjourned at 9.30 pm.

Minutes submitted by Secretary, Olga Hartwick.

Appendix 2 – Case Study 2

Objective 1:

To sell and service MacVille espresso coffee machines in every state of Australia in the next five years. All states have a MacVille machine, apart from the Northern Territory where it took some time to get an agent, and an experienced espresso machine repairer has not yet been found to take on the job due to the attractiveness of mining industry pay rates.

Strategy (a) – Sign, action and establish the strategic alliance agreement with Java Estate.

KPI (plan) – 200 machines installed p.a.

KPI (actual) – Agreement signed within the time limit and actioned, but only 180 machines installed in the past 12 months. There was a slower uptake in Northern Territory and North Queensland, due to the tourist slump with the strong Australian dollar.

Strategy (b) – Establish a MacVille Melbourne warehouse.

KPI (plan) – MacVille opens in Melbourne within two years after Sydney opens for business.

KPI (actual) – Melbourne warehouse is still not open. It is currently being run on the more expensive agency model.

Strategy (c) – Set up agents in other states and outsource maintenance contracts.

KPI (plan) – Agent agreements and outsource maintenance contracts for South Australia, Western Australia, Northern Territory, Tasmania, ACT.

KPI (actual) – Still no service contractor for Northern Territory. All others met the deadline, although agents in Western Australia, Tasmania and Northern Territory were very expensive.

Objective 2:

To increase profit margins by 5% from our 2020 benchmark in the next five years. After two years, profit margins have improved by 2%. Some agent contracts and outsourcing contracts are very expensive.

Strategy (d) – Instigate bulk buying negotiations to reduce supplier price.

KPI (Plan) – 100% of purchase by the container load.

KPI (Actual) – 100%. Volumes have increased to the point that all orders fill a container. KPI achieved in quicker time due to the initial increase in demand.

Strategy (e) – Operate all departments at optimum capacity and productivity.

KPI (plan) – Wages to turnover ratio of 12.5%.

KPI (actual) – 13.8%. Some states still underperforming. Strategy still in line with timetable.

Objective 3:

To establish the MacVille brand recognition in our key markets over the next five years. After two years, 50% of our target market recognises the brand and 87% of those responding said the brand reaction was very positive.

Strategy (f) – Establish social, internet and networking marketing.

KPI (plan) – 10,000 clicks per day on the website.

KPI (actual) – 12,000 clicks per day. Achieved in half the time allocated. SEO specialist contractor very experienced.

Strategy (g) – Join with Java Estate in co-branding cups and cafe banners.

KPI (plan) – 100% of cafes with our machine, using our cups.

KPI (actual) – Survey reveals only (50%) uptake. Design and colours not attractive. Strategy introduced within timeframe.



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Objective 4:

To reduce our waste and energy use by 10% from our 2020 benchmark within the next five years. After two years, the reduction is 8% lower than 2020 benchmarks.

Strategy (h) – Set up innovation and reward programs for reducing waste use.

KPI (plan) – 25 suggestions per year; 6 new innovations introduced per year in relation to reducing waste.

KPI (actual) – 30 suggestions and 8 new innovations, leading to a significant reduction in waste. Introduced within designated timeframe.

Strategy (i) – Develop and implement energy use awareness campaign.

KPI (plan) – kW per use per person to drop to 10kW.

KPI (actual) – 12kW per person. Introduced too late in the year and not rolled out across the whole organisation.