

APC Advice

Welcome to QS Week’s APC Advice, your online portal giving you all the information you need to pass your Assessment of Professional Competence.

Business Planning M002

A mandatory competency to level 1 (to be achieved at least to level 1)

Note: Candidates should read the pathway specific definitions of the competencies published by the RICS separately from the main guides.

Areas of Study

Legislation	
Strategy	Short term Long term Five year plan
Support services	Administration Secretarial Human resources IT Marketing
Staffing	Facilities management Recruitment Training Appraisal Churn

At level 1

Demonstrate knowledge and understanding of how business planning activities contribute to the achievement of corporate objectives.

What is Business Planning? Testing the viability of a project or organisation by predicting income and expenditure over a period of time. It may take place before start a business or expand the existing Business.

Steps of Business Planning:

Three steps in business planning and business development.

- Establishing the Vision and Mission
- Internal and external analysis
- Set-up target & develop a strategy
- Monitor Set-up Strategies

1. Establishing the **Vision** and **Mission**:

- a) **What is Vision?** Vision is what you want to be in a business. And the vision statement is about what the business's future will look like if the mission is achieved. Some say a vision statement imagines what success looks like.

Eg. Want to be the best contractor in the country in next ten years

Want to increase turnover (sales) by 5.0 million in next 5 years
RICS Vision - The mark of property professionalism worldwide

b) **What is Mission?** Mission is how the business going to achieve the set objectives in the vision. A mission statement defines the long-term goals of your business.

2. **Internal and External Analysis:**

A study undertaken by an organization to identify its internal strengths and weaknesses, as well as its external opportunities and threats.

SWOT: Analysis internal and external.

The SWOT analysis is an extremely useful tool for understanding and reviewing the company's position prior to making decisions about future company direction or the implementation of a new business idea. Also called as aanalysis of internal and external.

S : Strengths
W : Weaknesses
O : Opportunities
T : Threats

The SWOT method (which is sometimes called TOWS) was originally developed for business and industry, but it is equally useful in the work of community health and development, education, and even personal growth.

SWOT is not the only assessment technique you can use, but is one with a long track record of effectiveness. The strengths of this method are its simplicity and application to a variety of levels of operation.

PEST Analysis (External)

The PEST analysis is a tool to evaluate external factors. It is often helpful to complete a PEST analysis prior to a SWOT analysis, although it may be more useful to complete a PEST analysis as part of, or after, a SWOT analysis. A SWOT analysis measures a business unit; a PEST analysis measures trends and changes in the market.

P : Political
E : Economical
S : Social
T : Technological

3. **Set-up Target & Develop a Strategy:**

This is one method to develop well-written objectives is to use the SMART approach. Developing specific, measurable objectives requires time, orderly thinking, and a clear picture of the results expected from program activities. The more specific your objectives are, the easier it will be to demonstrate success.

Always should be a **SMART** Target

S : **Specific**, What exactly are we going to do for whom?
M : **Measurable**, Is it quantifiable and can We measure it?
A : **Achievable**, Can we get it done in the proposed time frame with the resources and support we have available?

- R** : **Relevant**, Will this objective have an effect on the desired goal or strategy?
- T** : **Time bound**, When will this objective be accomplished?

Strategies should develop to achieve set Target. Business planning strategies can be divided in to 3 main categories;

- 1 Year - Project Planning
- 2 to 4 Years - Operational Planning
- 5 to 10 Years - Strategic Planning

4. **Monitor Set-up Strategies:**

Above develop strategies should be monitored in regular intervals to know whether business is achieving set targets

Typical Questions

The following are typical questions you might be expected to answer on this subject to demonstrate your competence.

Level 1

- What sort of things would be considered when setting a business strategy?
 - What would you expect to see in a five year plan for a business?
 - How do staff appraisals influence business planning?
 - In terms of business planning how does the management of your company ensure that you are making a profit?
 - What is the role of marketing in business planning?
 - Describe a SWOT analysis?
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