

RICS official definition

This competency must be achieved at least to level 1.

At level 1

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

At level 2

Provide evidence of application of the principles and demonstrate your ability to use the tools of business planning appropriate to your area of practice.

At level 3

Provide evidence of reasoned advice given to clients and others of the principles and tools of business planning and be able to evaluate your performance and outcomes.

isurv recommended reading and services

- [Practice Management Guidelines](#) (RICS guidance)

(Note: this competency used to be called M002)

Practical guidance

This is a vast subject, and most candidates generally benefit by attending some kind of basic management training course. These are run by a number of bodies, including Open University and the Chartered Management Institute. Many employers also offer training in this area. You may well not be directly involved in managing your business, and this is not expected of you for the purposes of level 1, but you must be able to understand - and explain to the assessors, if necessary - the underlying factors of business management.

A lot will also be learned on the job, of course, and coaching and training from an experienced supervisor or counsellor will be invaluable. There is a lot of overlap with the requirements of the other mandatory competencies (communications and negotiation, teamworking, client care, and so on). Reading a management skills textbook will also develop knowledge and understanding of issues such as motivation, mission statements, strategy, organisational structures, and so on.

A useful textbook in this respect is *The handbook of management and leadership: a guide to managing for results* by Michael Armstrong and Tina Stephens (Kogan Page, London, 2005). This book covers the practice of management, delivering change, enhancing customer relations and enabling continuous improvement.

Testing areas of knowledge

Key areas of knowledge include:

- linking business planning to achievement of objectives;
- business planning:
 - Who is your audience?;
 - What should the plan include?:
 - executive summary;
 - description of the business opportunity;
 - marketing and sales strategy;
 - management team and personnel;
 - your operations; and
 - financial forecasts;
- setting corporate objectives;
- knowing your organisation's business plan and objectives; and
- the role of real estate/construction.

Consider the following questions and what should be included in answering them.

How do you feel your role contributes to the achievement of the organisation's objectives?

Make sure you are familiar with your employer's key objectives ? in a large company this could be at a corporate and a departmental level. Consider how what you do helps those objectives to be met.

How do you think an up to date business plan can help an organisation in the current economic climate?

Consider issues such as:

- to seek funding;
- to gain new instructions, new clients, new customers;
- to help focus on key priorities;
- to allow the organisation to respond to change;
- for budgeting; and
- for setting targets for staff.