M&L 27 Develop and implement an operational plan

|  |  |  |
| --- | --- | --- |
| **Learning Outcome** | **Assessment Criteria** | **Guidelines and range**  **The candidate provides evidence that they understand:** |
| 1.Understand the principles of operational planning | * 1. Evaluate the use of risk analysis techniques in operational planning | Management of operational risk is usually the direct responsibility of a senior or middle manager who will be responsible for dealing with conditions that may cause risks to materialise and for ensuring that identified risks are dealt with promptly and appropriately.  Measurement of risk is necessary in order to compare and rate risks across the organisation in terms of agreed risk criteria such as potential consequences and probability of each risk happening.  There are a variety of techniques available for analysing risk, including:   * Risk probability and impact assessment * Probability and impact matrix * Expert judgment * etc.   Most organisations define scales for rating risk in terms of an agreed risk criteria in order to ensure consistency across the organisation and to allow ranking and prioritisation of risks, and a Risk Log that defines each risk and the action to be taken should the risk materialise will be incorporated in the operational plan |
|  |  | *In this criterion the learner is required to evaluate the use of two risk analysis techniques used in operational planning in order to ascertain how well they work and how useful they are.* |
|  | * 1. Explain the components of an operational plan | An operational plan is part of an organisation’s strategic plan, and it sets out the work to be carried out and the workflow from initial input to end results, including all the resources that will be needed.  It also sets out how risks will be dealt with and how the achievements of the plan will be sustained.  Key components of an operational plan include:   * + Clear objectives   + Activities to be delivered   + Quality standards   + Key targets and key performance indicators   + Risk management plan   + Staffing and resource (including budget) requirements   + Implementation timetables   + A process for monitoring progress   *‘Ultimate Workbook Develop and Implement an Operational Plan (M&L 27)’* |
|  |  | *In this criterion the learner is required to explain each of the components of an operational plan* |
| * 1. Analyse the relationship between strategic and operational plans | In general terms, a strategic plan is an overview of an organisation’s objectives and the methods of achieving those objectives, whilst operational plans are the means by which different parts of the organisation will use their resources to achieve the strategic objectives.  The relationship between strategic and operational plans is sometimes referred to as ‘alignment’, and one of the most important criteria for success in implementing operational plans is the degree of alignment with strategy. |
| *In this criterion the learner is required to determine the essential features of strategic and operational plans in order to analyse the relationship between them and draw conclusions* |
| * 1. Evaluate the use of planning tools and techniques in the operational planning process | There are a number of planning tools and techniques that may be used in the operational planning process, including:   * Work Breakdown Structure (WBS) * GANTT charts * Project Evaluation and Review Technique (PERT) |
| *In this criterion the learner is required to evaluate the use of two planning tools and techniques in the operational planning process in order to ascertain how well they work and how useful they are.* |
| * 1. Explain how to carry out a cost-benefit analysis | As its name suggests, Cost-Benefit Analysis (CBA) compares the benefits associated with a course of action with the costs of that course of action.  The results of a Cost-Benefit Analysis are generally expressed as a payback period, i.e. the time it takes for the benefits to outweigh the costs. |
| *In this criterion the learner is required to explain how to carry out a cost-benefit analysis* |
| 2. Be able to develop an operational plan | 2.1 Identify specific, measurable, achievable, realistic and time-bound (SMART) objectives and key performance indicators (KPIs) | An operational plan must have clear SMART objectives to provide focus and direction:   * Specific: Clear, unambiguous, straightforward, understandable * Measurable: Related to quantified or qualitative performance measures * Achievable: With known resources * Realistic: Linked to business needs * Time-bound: Building-in completion date and review dates   Key Performance Indicators (KPIs) are a set of values that measure the effectiveness of an operational plan or business process, and selecting and monitoring the right KPIs is essential for effective business performance and decision-making.  There are a number of sub-categories of KPIs, including:   * Quantitative indicators * Qualitative indicators * Leading indicators * Lagging indicators * Input indicators * Process indicators * Output indicators * etc.   In short, SMART objectives are what the operational plan needs to achieve, whilst KPIs are the measures that that indicate the degree of progress to those objectives. |
| *In this criterion the learner is required to provide evidence that he or she has iidentified an appropriate range of specific, measurable, achievable, realistic and time-bound (SMART) objectives and an appropriate range of key performance indicators (KPIs) for an operational plan* |
| 2.2 Identify evaluation mechanisms appropriate to the plan | Monitoring and evaluation is integral to the operational planning process, and is necessary to ensure effective implementation and attainment of objectives.  Systems and processes should be put in place to ensure that potential problems can be quickly identified and dealt with, and these systems and processes must be clearly communicated and understood.  As outlined in AC 2.1, KPIs are used to monitor and evaluate progress against objectives, and other methods such as periodic review, questionnaires, interviews and focus groups may also be useful as evaluation mechanisms. |
| *In this criterion the learner is required to identify two or more evaluation mechanisms appropriate to the plan* |
| 2.3 Take action to ensure that plans are consistent with organisational strategy, objectives, values, policies and procedures | It was noted in AC 1.3 that operational plans are the means by which different parts of the organisation will use their resources to achieve strategic objectives.  Operational plans should not therefore be developed in isolation, and must also take into account other aspects of the organisation, such as organisational values, policies and procedures, when being developed. |
| *In this criterion the learner is required to provide evidence that he or she has taken action to ensure that plans are consistent with organisational strategy, objectives, values, policies and procedures* |
| 2.4 Develop proportionate and targeted plans to manage identified risks | Risk Management is the process of identifying, assessing and controlling the level of those risks that present a threat to the operational plan.  There are a number of ways to respond to risk, depending upon factors such as cost, available resources, the likelihood of it occurring and the potential consequences of the risk:   * ignore the risk – if the organisation can live with the impact of the risk event or the cost to remove the risk is prohibitive * monitor the risk – if the risk event is unlikely * avoid the risk – if the condition causing the risk can be isolated * outsource the risk – assign the responsibility for the risk to a third party * mitigate the risk – eliminate or minimise the risk   The development, implementation and maintenance of risk management processes can be time consuming and costly, and the time and cost involved must be in proportion to the potential impact of the risk. |
| *In this criterion the learner is required to develop proportionate and targeted plans to manage identified risks* |
| 2.5 Take action to ensure that plans complement and maximise synergy with other business areas | AC 1.2 and 2.3 have noted that operational plans must be consistent with organisational strategy, objectives, values, policies and procedures and not be developed in isolation: operational plans in an organisation should complement each other and maximise synergy across the business since they are all using their resources to achieve the same strategic objectives. |
| *In this criterion the learner is required to provide evidence that he or she has taken action to ensure that plans complement and maximise synergy with other business areas* |
| 2.6 Adhere to organisational policies and procedures, legal and ethical requirements | In addition to ensuring that plans are consistent with organisational strategy, objectives, values, policies and procedures (AC 2.3), care must also be taken to ensure that operational plans, and the preparation and implementation of operational plans, adhere to any relevant legal and ethical requirements. |
| *In this criterion the learner is required to provide evidence that he or she has adhered to organisational policies and procedures, legal and ethical requirements* |
| 3. Be able to implement an operational plan | 3.1 Implement plans within agreed budgets and timescales | AC 1.2 indicates the main components of an operational plan, which include budgets and timescales. |
| *In this criterion the learner is required to provide evidence that he or she has Implemented an operational plan and any associated sub-sets or sub-plans within agreed budgets and timescales* |
| 3.2 Communicate the requirements of the plans to those who will be affected | In order to ensure effective implementation of the operational plan, it is necessary to communicate the requirements of the plan to those involved or affected by the implementation, i.e. the ‘stakeholders’.  Communication strategies might include:   * team meetings * toolbox talks * a formal communications plan that includes:   + description of the operational plan   + communication objectives   + key messages   + target groups   + communication tools for each target group   + allocated responsibilities for communication to named individuals   + communication timelines   + communications budget * use of intranet or bulletin boards * etc. |
| *In this criterion the learner is required to provide evidence that he or she communicated the requirements of the operational plan and any associated sub-sets or sub-plans to those who will be affected* |
| 3.3 Revise plans in the light of changing circumstances in accordance with strategic objectives and identified risks | ACs 1.1 and 1.3 note the importance of operational plans taking full account of risk and strategic objectives, and, if operational plans are to remain current and viable, they may need to be reviewed and revised if there are any changes in circumstances that might prevent the plan effectively managing risk or attaining strategic objectives.  It will, of course, be necessary to inform all stakeholders of any adjustments to the plan so that they are then able to make any necessary changes to their own associated sub-sets or sub-plans |
| *In this criterion the learner is required to provide evidence that he or she has revised plans in the light of changing circumstances in accordance with strategic objectives and identified risks* |
| 4. Be able to evaluate the effectiveness of an operational plan | 4.1 Conduct periodic reviews of the progress and effectiveness of the plans, using information from a range of sources | AC 2.2 notes the importance of monitoring and evaluation, and part of this process will be periodic reviews of the progress and effectiveness of the plan to date.  In some organisations, and depending upon the complexity of the operational plan, the periodic review will be a formal report to senior management.  Information should be gathered from a range of sources, preferably including all stakeholders. |
| *In this criterion the learner is required to provide evidence that he or she conducted an appropriate number of periodic reviews of the progress and effectiveness of the plans, using information from a range of sources* |
| 4.2 Report on the effectiveness of operational plans in the appropriate format | A Report on the effectiveness of the operational plan and its associated sub-sets or sub-plans should record, for example, how the plan has been put into practice and how it has been evaluated and adjusted, and it should also identify good practice and areas for improvement to help and inform future planning.  The Report should be communicated to all stakeholders in an appropriate business format. |
| *In this criterion the learner is required to produce a formal Report on the effectiveness of an operational plan and any associated sub-sets or sub-plans in the appropriate format* |