

## Comparing the Difference Between the Two Future Proofing Standards

### Level 2 Future Proofing

This standard looks at what the influences are, not what the solutions to mitigate the issues are or could be (that is Level 3).

Primarily it focusses on;

- what COULD / IS impacting on the agribusiness and how this MIGHT affect the agribusiness - Achieved,
- now and in the future - Merit, and
- predict impacts on the actual agribusiness and outside of it e.g. community, another agribusiness, or biodiversity – Excellence.

As opposed to what is impacting and what the agribusiness is doing to mitigate these i.e. solutions. The issue with this standard is that all agribusinesses are solutions focussed so students tend to pick up on this and talk about what the agribusiness is doing (strategies) rather than what the impact could be (influences).

A good way around this is to get the students to select an influence, state what it is, what affect it could have on the agribusiness and how this might affect its running costs, brand reputation, market share, day to day running, competition etc.

A SWOT analysis may be useful for the evaluation.

For Merit they will need to talk (in-depth) about how these influences could affect the agribusiness now and into the future.

Excellence involves looking at possible impacts and consequences on the actual agribusiness (e.g. running costs, brand/reputation, staffing), **and** outside of the agribusiness such as on the community, on other agribusinesses, on council bylaws, on public perception, etc.

91865: Demonstrate understanding of future proofing influences that affect business viability As at December 2019.

- Students are required to choose a specific agribusiness and explain at least two influences that could impact agribusiness viability. For example, a student could explain the potential for a proposed government policy to damage brand reputation, market share and profits of the agribusiness.
- As an example of a specific agribusiness, the student could refer to a local veterinary practice or case study of a farm or another type of agribusiness, rather than examine a whole industry sector.
- The viability of a agribusiness is measured by its long-term survival and its ability to sustain profits over a period.
- The influences could be actual ones experienced by the agribusiness or could be theoretical. They may be positive, causing the agribusiness to consider opportunities to enhance viability, or negative, representing threats to viability. Influences might include the increasing demand for traceability of products, the use of robotic technology, technological disruptions, animal welfare, biosecurity, and volatility of agribusiness income.
- Students need to focus on the future proofing influences rather than on solutions that could mitigate the influences. For example, the context might be proposed new environmental regulations that will come into effect in three years. These regulations, and how they could impact viability of the agribusiness, would need to be explained.

### **Merit and Excellence**

At Merit, the student would explain in detail how at least two influences impact or have the potential to affect the agribusiness in the near and long-term future. A thorough explanation could cover how the influences might impact resourcing, including staffing, production and profitability.

Excellence involves predicting then evaluating the short and long-term impacts of the influences on the agribusiness, as well as impacts on external parties such as consumers, the local community, other agribusinesses etc. The consequences of these impacts should also be evaluated.

In discussing short and long-term impacts of the influences on the agribusiness, a student needs to consider impacts and consequences on the agribusiness and on external parties. This will enable the student to make a judgement on how well the short and long-term impacts of the influences ensure the continuity of the agribusiness.

### **Level 3 Future Proofing**

This standard looks at what influences ARE impacting on the agribusiness, what the agribusiness is doing or could be doing to mitigate them, or take advantage of them, and what course of action/solution is the best to maintain agribusiness viability.

A possibly way to approach it is:

- What are the future needs of the agribusiness (I find that if they talk about what the agribusiness is and why it needs to stay viable, they tend to talk back to that when they are explaining the strategies)
- What is the threat/opportunity (i.e. what is that influence that is causing the potential or actual problem or the opportunity)
- Strategies to mitigate, prevent, lessen the threat (and therefore future proofing the agribusiness) and how do they affect the agribusiness now and in the future. Or if it is an opportunity the strategies they are implementing or could be implementing to take advantage of this etc.
- Which is the best strategy or combination of strategies (therefore is one strategy '*justifying the recommended future proofing strategy*' can be one or two if they need to work together to be the best strategy – often how it is in real life situations) and why it is the best - discuss the advantages and disadvantages for now and in the future.

You can give this information, or a slightly more student friendly version, as a checklist or on the back of the task.

91869: Analyse future proofing strategies to ensure long term viability of a business  
As at December 2019.

- Students are required to identify and analyse a specific agribusiness rather than examine a whole sector or industry. For example, information could be sourced from a case study, by visiting a local fertiliser company, or hearing an orchardist guest speaker.
- A student should identify at least two actual or potential influences that affect viability, such as a biosecurity risk or changes required to meet new environmental regulations. A more



positive influence on viability might be the agribusiness' ability to exploit an opportunity by embarking on a three-year plan to gain certified organic status.

- A student needs to explain how the agribusiness can respond to the influences, and what course of action is best to maintain continuity of agribusiness operations.
- For each influence, a student should explain one or more future proofing strategies to mitigate or take advantage of the influence. Students also need to state how these strategies contribute to the long-term viability of the agribusiness.

### **Merit and Excellence**

At Merit, future proofing strategies need to be thoroughly explained. The influences or drivers for change, such as stakeholder demands, government regulations, rising costs, technological advancement and innovation, need to be explained in detail. The explanations should be clearly linked to an appropriate strategy (or strategies) to maintain or enhance viability.

The most effective strategy could be a combination of actions that work together or complement each other.

Excellence requires students to evaluate and justify the recommended future proofing strategy by considering its advantages and disadvantages over other strategies or solutions. Students should discuss, in detail, the consequences of the strategy on the ability to maintain or enhance viability.