

---

## GOVERNMENT NOTICES

---

### SOUTH AFRICAN QUALIFICATIONS AUTHORITY

No. 459

25 May 2007



#### SOUTH AFRICAN QUALIFICATIONS AUTHORITY (SAQA)

In accordance with Regulation 24(c) of the National Standards Bodies Regulations of 28 March 1998, the Standards Generating Body (SGB) for

#### Generic Management

registered by Organising Field 03 – Business, Commerce and Management Studies, publishes the following Qualification for public comment.

This notice contains the title, field, sub-field, NQF level, credits, and purpose of the Qualification. The full Qualification can be accessed via the SAQA web-site at [www.saga.org.za](http://www.saga.org.za). Copies may also be obtained from the Directorate of Standards Setting and Development at the SAQA offices, SAQA House, 1067 Arcadia Street, Hatfield, Pretoria.

Comment on the Qualification should reach SAQA at the address below and **no later than 25 June 2007**. All correspondence should be marked Standards Setting – Generic Management and addressed to

The Director: Standards Setting and Development  
SAQA

*Attention: Mr. D. Mphuthing*

Postnet Suite 248

Private Bag X06

Waterkloof

0145

or faxed to 012-431-5144

e-mail: [dmphuthing@saga.org.za](mailto:dmphuthing@saga.org.za)

---

**DR. S. BHIKHA**

DIRECTOR: STANDARDS SETTING AND DEVELOPMENT



## SOUTH AFRICAN QUALIFICATIONS AUTHORITY

### QUALIFICATION:

Masters Degree in Business Management (*Motor Retail*)

SAQA QUAL ID	QUALIFICATION TITLE		
58623	Masters Degree in Business Management (Motor Retail)		
SGB	PROVIDER		
SGB Generic Management			
ETQA			
QUALIFICATION TYPE	FIELD	SUBFIELD	
Masters Degree	3 - Business, Commerce and Management Studies	Generic Management	
ABET BAND	MINIMUM CREDITS	NQF LEVEL	QUAL CLASS
Undefined	240	Level 8 and above	Regular-Unit Stds Based

### PURPOSE AND RATIONALE OF THE QUALIFICATION

#### Purpose:

The purpose of the qualification is to describe the skills, knowledge and values required to lead a motor retail business. A motor retail business would typically consist of several different departments or business units each of which contributes to the overall service provided for customers and the sustainability and profitability of the business as a whole. The motor retail business may also have formal and informal partnerships with other businesses which provide an additional range of services required by companies or the motoring public.

This qualification would be assessed in any motor retail business which includes a combination of several of the following:

- New vehicle sales.
- Used vehicle sales
- Vehicle finance and insurance.
- Vehicle servicing and repairs.
- Parts and accessories.
- Body repairs
- Leasing,
- Rental.
- Retail finance and administration.
- Specialised services such as.
- Automotive engineering and engine rebuilding.
  - o Customising and tuning.
- Wheels, tyres and shock absorbers.
- Auto-electrical diagnostics and repairs.
- Fleet management.
- Vehicle security, environmental and entertainment systems.

Since most motor retail businesses are embedded in communities, the activities which relate to this qualification would also include social responsibility and community outreach, broad-based black economic empowerment, etc.

This qualification will provide education and training providers, workplaces, coaches, mentors, assessors and learners with a clear idea of how to plan and implement learning programmes

Source: National Learners'

and to assess the outcomes of such learning programmes, or how to assess those with extensive experience for the purpose of recognising prior learning.

A further purpose of this qualification is to provide the basis for development projects aimed at broad-based black economic empowerment (BBBEE). Not only does the qualification act as a means to accelerate the development of managers, it also accelerates the development of sustainable enterprises in locations which previously did not enjoy such services.

The specific purpose of this qualification represents the skills, knowledge and understanding required 'by competent motor retail business owners, dealers, franchisees and senior managers to:

- Lead and manage the motor retail business.
- Measure performance of the motor retail business.
- Develop, implement and evaluate strategies for revised or new business activities.
- Compile a mini-dissertation based on research.

This qualification together with the other management of motor retail business qualifications are conceptualised as an integrated set of building blocks which define a career and occupational pathway.

Rationale:

The way vehicles are sold and maintained, and the way customers are identified, serviced and looked after has changed dramatically and continues to change as dealers and manufacturers respond to increasingly higher consumer expectations, new financing and insurance options, new technology, the globalisation of the industry, safety and environmental challenges and a continuously changing marketplace.

In South Africa, in particular, there are additional challenges posed by the changing demographics of the market, the need for broad-based black empowerment, the roll out of motor retail businesses into previously under-served areas, and the entrance of many new brands into what had been a fairly closed market. These challenges and tougher market conditions in general impact on the sustainability of motor retail businesses.

This has created the need for senior managers and entrepreneurs who have to keep up with changing technology in the automotive industry as well as with new trends in the branding, marketing and selling of vehicles, parts and accessories, while maintaining competitiveness. The traditional development pathway for such managers and owners is no longer sufficient to cope with these demands.

This qualification goes beyond other generic management qualifications since most motor retail businesses fall into the small and medium end of the market, even where they form part of larger corporate entities or automotive manufacturers' operations. As a result, the skills and knowledge required are a unique blend of product and technical knowledge, entrepreneurial skills and management skills.

### **RECOGNIZE PREVIOUS LEARNING?**

**Y**

### **LEARNING ASSUMED TO BE IN PLACE**

The credits for this qualification are based on the assumption that the learner either has a formal qualification and some experience of the motor retail business or has extensive experience within the motor retail business. If a learner does not have such experience or qualifications, the learning time will be increased.

Learners are assumed to have communication, management, administrative, human resource, financial, operational, organisational, marketing, sales, problem solving, situational analysis, relationship, decision making and planning skills at NQF Level 6 in the context of the motor retail industry. Such skills may be acquired through the National Diploma in Business Management (Motor Retail): NQF Level 6.

Access to the Qualification:

Access to the qualification is open to learners in possession of an appropriate Honours degree at NQF Level 7.

Recognition of Prior Learning:

This qualification may be obtained through the process of RPL. The learner should be thoroughly briefed prior to the assessment and support should be provided to assist the learner in the process of developing a portfolio. While this is primarily a work-based qualification, evidence from other areas of endeavour may be introduced if pertinent to any of the exit level outcomes.

### **QUALIFICATION RULES**

Rules of Combination:

The qualification consists of the following components:

- Theoretical knowledge is compulsory for all learners, 25% ( 60 credits).
- Application of theory in work environment, 25% ( 60 credits).
- A research thesis on a topic from specific work environment, 50% (120 credits).

### **EXIT LEVEL OUTCOMES**

The Exit Level Outcomes for this qualification reflect a combination of Specific Outcomes and Critical Cross-field Education and Training Outcomes. The way in which the critical outcomes have been advanced through the learning required for this qualification is embedded in the way in which outcomes and assessment criteria have been constructed. Critical Outcomes form the basis of acquiring the skills, and knowledge and values. The application of these critical outcomes in a specific context results in the achievement of specific outcomes described below.

1. Lead and manage the operational aspects of a motor retail business.
2. Use appropriate tools and techniques to evaluate the performance of a motor retail business against industry benchmarks and regulatory and other requirements.
  - Range: Performance includes financial performance, sales and marketing, branding, service levels, customer satisfaction, people development and technical aspects of the business.
3. Conceptualise, develop, implement and evaluate a strategy that enhances the growth, or the performance, or the sustainability or the profitability of a motor retail business.
  - Range: Enhance can include innovation of new markets, products or services.
4. Compile a dissertation based on the formal research of an aspect of the business enhancement strategy in a selected area of specialisation and communicate the findings to a range of audiences.

### **ASSOCIATED ASSESSMENT CRITERIA**

1.
  - Appropriate forms and styles of leadership are applied to a specific context.
  - Human capital, operations, finances, quality and the relationships between the various aspects, including role players, partners, stakeholders and customers of the business are managed and controlled.

- Assets and resources are appropriately managed and optimised.
- Problems, issues, conflicts and disputes are resolved appropriately.
- The performance of all aspects of the motor retail business is monitored and managed
- Leadership and management issues are communicated to relevant role players and stakeholders using appropriate media and business conventions.
- The leadership styles enhance the brand both internally and externally.

2.

- A suitable framework and appropriate sets of metrics are developed to measure the performance of the motor retail business.
- Results are benchmarked against best practice sites.
- Areas of improvement are identified and analysed.
- An appropriate improvement approach is identified and applied.
- The implementation of the intervention and its outcomes are evaluated using a suitable framework and appropriate sets of metrics.

3.

- External and internal factors are analysed and areas of opportunity or concern are identified.
- Strategic issues and root causes of current situation are identified. a theory of action is developed and strategic objectives are set.
- Organisational vision, commitment and capacity are created.
- Sources of funding and other resources are mobilised.
  - Range: Mobilised includes identified, justified, negotiated, acquired and allocated.
- Stakeholders and role players are involved in all aspects of the process and provided with recognition for their contributions.
- Implementation of the strategy yields an improvement in at least one financial indicator on a sustainable basis.
- The ~~risks~~ implications and consequences of the strategic intervention are assessed and the strategy adjusted.
- The implementation plan includes the operational issues, visualisation, communication and support, training and development and reinforcement mechanisms to promote sustainable change.
- The implementation is monitored, adjustments are made and gains are consolidated and integrated.
- Results and impact indicators are collected, analysed, evaluated and presented.

4.

- The dissertation conforms to the conventions and standards of an academic work at this level.
  - Range: Conventions include a clear statement of the research problem, literature review, independent research, referencing, layout, data analysis and representation, use of information and evidence to support argument.
- The dissertation demonstrates an understanding of the key theories, texts and authors and best practices in the field of specialisation.
- The dissertation demonstrates an understanding of research methodologies and a rationale for the approach selected.
- Data collection and analysis methods are appropriate to the research problem.
- Content, use of language and presentation methods are adjusted for various types of audiences.

Integrated Assessment Criteria:

- Evidence demonstrates that use of theory and research is integrated into other aspects of the overall performance, specifically in strategy formulation and evaluation.
- Evidence demonstrates that the practitioner can critically reflect on the theoretical models in the area of specialisation, their applicability to local contexts and their overall validity.

The assessment should give a 50% weighting to the research aspects of this qualification. The research may be evaluated on a combination of:

- Basic research.
- Applied research.
- Evaluation research
- The dissertation.

#### Integrated Assessment:

The integrated assessment must be based on a summative assessment guide. The guide must spell out how the assessor will assess different aspects of the performance and will include:

- Evaluating evidence in a portfolio of evidence including the dissertation, particularly projects which integrate various aspects of the qualification and which demonstrate the integration of all aspects of learning: fundamental and core; knowledge and skills and values; the development of the critical outcomes.
- Observing and listening to the learner at work, both in primary activities as well as in other interactions, or in relevant simulations.
- Asking questions and initiating short discussions to test understanding and to verify other evidence.
- Looking at records and reports.
- Formative assessment.

The learner may choose in which language he/she wants to be assessed. This should be established as part of a process of preparing the learner for assessment and familiarising the learner with the approach being taken.

While this is primarily a workplace-based qualification, evidence from other areas of endeavour may be presented if pertinent to any of the Exit Level Outcomes.

The assessment process should cover the explicit tasks required for the qualification as well as the understanding of the concepts and principles that underpin the activities. The assessment process should also establish how the learning process has advanced the Critical Cross-field Outcomes.

Assessors should also evaluate evidence that the learner has been performing consistently over a period of time.

#### **INTERNATIONAL COMPARABILITY**

Since the United States and Europe represent the most sophisticated motor retail markets and since many business and management practices originating in these countries influence local business and management practices, the qualifications and courses for review were primarily drawn from there. This influence is also directed by the global vehicle manufacturers whose philosophy and practices strongly influence what has become a global industry.

Far Eastern countries, particularly Japan, also influence local practices and hence education and training programmes, but information is difficult to access or obtain from these countries. The Japanese influence primarily comes through manufacturing and quality improvement programmes such as Kanban and Just-in-Time, Kaizen or Continuous Improvement, lean manufacturing, etc. These have, of course, all become international but they have also found their way downstream from manufacturing into the motor retail business.

In the United States of America and in Europe there is an increasing trend towards the consolidation of individual motor dealerships into larger more structured businesses or franchises. South Africa is following this trend. The implication for the industry is that, as the USA Department of Labour notes in its 2005 overview of career prospects, "Employers increasingly prefer persons with 4-year college degrees in business administration and

marketing, particularly in dealers that are larger, more competitive, and more efficient". In addition, in the USA and in Europe, MBA-type programmes have been developed specifically for the motor retail industry.

This trend is evident in the range of education and training programmes that are offered not only to prepare potential employees for this market, but also for the continuous development of those who are employed by the industry. This ongoing development is illustrated by the number of offerings world-wide which provide a development pathway from business unit manager to those who drive strategy and change in a competitive and demanding industry.

Examples of such international programmes in automobile retail management are listed in the table below and compared to the proposed suite of NQF qualifications:

- USA, UK - all part-time, South Africa.
- Certificate - 1 year.
- Associate degree - 2 years, Post-graduate Certificate - 18 months, National Diploma NQF 5 - 2 years.
- Bachelors Degree - 2 years, Post-graduate Diploma - 18 months in addition to certificate, National Diploma NQF 6 - 2 years.
- MBA - 1 - 2 years, MSc - about 12 months, Masters Degree NQF 7 - 2 years.

Education programmes for practitioners at a level equivalent to NQF level 7 vary considerably:

- Certification of a 'Master Dealer' which is restricted to the proprietors, partners or senior executives of a motor retail business, generally referred to as the dealer or dealer principal.
- Mid-level executives in the automotive supply chain, from manufacturer to dealer principal.
- Graduates from other automotive programmes (eg certificates or diplomas) who are engaged in the industry.

The Master Dealer programme is essentially a licensing programme for members of an association in the United States of America. To qualify, applicants must:

- Provide evidence that their business is in good standing.
- Attend skills development workshops whose curriculum covers:
  - Management Review.
  - Merchandising Revisited.
  - Managing Human Resources.
  - Financial Management.
  - Business Planning.
  - Pass a written examination.

To retain the certification after the initial 3 year period, the dealer must provide evidence of a further 12 hours of continuing education credits from the university which develops and runs the programme.

The mid-level executive programme is based on an existing Master of Business Administration programme at a private, accredited university in the USA, the DeVos Graduate School, Northwood University. The MBA is extended by including overseas students and visits to other learning sites, eg Singapore. It is a two-year part-time programme using a case study method of tuition and simulation covering the following subjects:

- Financial analysis and control.
- Individual and group behaviour, ethics and organizational implications.
- Global behavioral economics.
- Leadership, organizational design and change.
- Corporate finance.
- Operations management.

- Line of business strategy.
- Corporate strategy.
- Integration.
- Management and leadership simulation.
- Two automotive related disciplines.

Assessment is based on the completion of course work

Loughborough University in the United Kingdom offers an MSc in Automotive Retail Management. It requires the completion of a related Certificate and Diploma in Automotive Retail Management and then two additional modules followed by a dissertation. The modules are:

- Strategic dealership management
- Retail marketing strategy.

The dissertation is workplace based. This MSc portion of the programme lasts 12 months. Module options in the certificate and diploma include choices from:

- Maximising performance through people.
- Creating a marketing plan.
- Managing quality.
- Building successful teams.
- Generating customer loyalty.
- Creating a business plan.
- Operations management for the service business.
- Operations management for the new car sales business.
- Operations management for the used car business.
- Operations management for the parts business.
- Marketing for the new car sales business.
- Marketing for the used car sales business.
- Marketing the after sales business.
- Introduction to employment law.
- Analysing and budgeting for your business.
- Introduction to product and consumer law.
- Personal effectiveness for managers.
- Recruiting the right people.
- Improving performance through coaching.
- Financial skills for nonfinancial managers.
- Successful team leadership.
- Profitability through people.
- Managing the accident repair centre part 1
- Managing the accident repair centre part 2.
- Decision making for managers.
- Coaching and facilitation.
- Professional presentation skills.
- Management and leadership **skills**.
- Operations management for the automotive retail business.
- Operations management for the accident repair centre.

The target market for the MSc is existing dealer principals and managers

Other programmes in Europe are largely based on typical MBAs and include automotive related topics. To promote a global perspective these programmes often link their students with students from other countries, include visits to learning institutions in other countries or include students from various countries in each cohort. Examples of such programmes are found at the



Groupe ICN Ecole De Management in France and SDA Bocconi in Italy. Duration of programmes ranges from 12 months full-time to two years part-time. Assessment is based on completion of course work and a company-based project. The target market is primarily aspiring managers.

A variation of the MBA programme in the UK is focused on parts management and other specialised areas of the motor retail business such as car rental and leasing. The course is split between core business modules (60%) and automotive industry specific modules (40%). Automotive modules are aligned with modules taught in several European countries. Core modules cover:

- Understanding strategy.
- Managing human resources.
- Managing information and knowledge.
- Strategic marketing.
- Learning and changing.
- Financial management.
- Ethical management.
- Strategic operations management.
- Corporate responsibility and risk.

Electives include:

- The leasing industry.
- The daily rental industry.
- The fleet industry.
- The global motor industry.
- Automotive distribution.
- Automotive manufacturing strategy.
- Supply chain management.
- Components and parts management.

Assessment is through course work, examinations and a work-based project.

Conclusion:

The South African qualification combines most of the elements found in these qualifications. In particular, it includes the following elements:

- Motor retail and automotive specific elements,
- Generic management topics.
- A significant element of research.
- A combination of theory and practice.

The contents of international courses and modules are reflected clearly in the exit level outcomes, in the related assessment criteria and in the suggested contents contained in the notes section of this qualification.

While some of the international qualifications appear to focus either on the dealerships or on the corporate business, this qualification is designed to straddle the divide between the independent dealers and the increasing trend towards dealers becoming part of larger groups. This qualification caters for a wider range of motor retail businesses, including traditional dealerships and other combinations of motor retail related services and products.

This qualification is designed to retain the entrepreneurial flair of the independent retailers while optimising the management and development of the business through the application of corporate best practice.

## References:

## USA:

- Automotive Jobs Today <http://www.autojobstoday.org>.
- Automotive Retailing Today <http://w.autoretailing.org>.
- Career Guide to Industries, Bureau of Labor Statistics, U.S. Department of Labor - <http://www.bls.gov/oco/cg/cgs025.htm>.
- Minnesota's gateway to career, education, employment and business information - <http://www.iseek.org/sv/22030.jsp?id=162400>.
- National Automobile Dealers Association <http://www.nada.org/Content>.
- Richard DeVos Graduate School of Management, Northwood University - <http://www.northwood.edu/mi/pr/2005/February/devoslaunchglobal.html> & > >  
>>[http://www.northwood.edu/pdf/mba/2004\\_05GraduateCatalog.pdf](http://www.northwood.edu/pdf/mba/2004_05GraduateCatalog.pdf).
- The National Association of Minority Automobile Dealers (NAMAD) <http://www.namad.org>
- The National Independent Automobile Dealers Association - <http://w.niada.com>.

## UK:

- Automotive Retail Management Standards (ARMS) - [http://www.automotive-skills.org.uk/auto/control/StandardsManagementStandards\\_ARMS](http://www.automotive-skills.org.uk/auto/control/StandardsManagementStandards_ARMS).
- Delphi. in conjunction with Nottingham Business School, Nottingham Trent University, <http://www.delphiauto.couk>.
- Institute of the Motor Industry - <http://www.motor.org.uk/>- 1997 Manual for Owner Management: Business Management and Development Level 4, Q1027862  
Loughborough University Business School, Leicestershire - <http://www.lboro.ac.uk/departments/bs/mdc/courses/pgautoman.html>.
- Sewells Information & Research - <http://www.sewells.co.uk>.
- Sewells Training and Consultancy - <http://www.sewells-training.com>.
- The Lean Enterprise Research Centre, Cardiff University <http://w.cf.ac.uk/carbs/lom/lerc>.

## France:

- Groupe ICN Ecole de Management - <http://www.icn-nancy.com/index.php?id=110>

## Germany:

- Deutschen Kraftfahrzeuggewerbes <http://www.kfzgewerbe.de/>- <http://www.autoberufe.de/> .  
<http://www.kfz-betriebswirt.de>.
- Europäische Fernhochschule Hamburg - <http://www.euro-fh.de>.

**ARTICULATION OPTIONS**

This qualification has been designed and structured so that qualifying learners can move from one context to another. Employers or institutions should be able to evaluate the outcomes of this qualification against the needs of their context and structure top-up learning appropriately. Equally, holders of other qualifications may be evaluated against this qualification for the purpose of RPL.

Overview of the proposed qualifications pathway and articulation possibilities:

NQF level, Qualification, Other Specialisations:

- 7, Masters Degree in Business Management (Motor Retail), PhD in a business-related field, Specialised masters levels qualifications, eg marketing.

**MODERATION OPTIONS**

Source: National Learners Records Database

Qualification 58623

1510512007

Page 9

Moderators for the qualification should be qualified and accredited with an appropriate ETQA.

To assure the quality of the assessment process, the moderation should cover the following:

- Assessor credentials.
- The assessment instrument
- The assessment process.

Moderators should be qualified assessors in their own right

#### CRITERIA FOR THE REGISTRATION OF ASSESSORS

- Relevant qualification in the field of management at NQF Level 8 or higher.
- Minimum of 5 years' experience in a motor retail environment.
- Registration as an assessor with a relevant ETQA.

#### NOTES

The content of programmes for this qualification should broadly cover the following topics:

- Leadership.
- Financing and financial management.
- Business and asset management.
- Operational management.
- Marketing and brand management.
- Customer relations management.
- Human capital management.
- Automotive technology.
- Information technology, e-commerce.
- Economics related to the automotive industry.
- Global trends in the automotive industry, the motor retail industry and in technology which affects the operations of motor retail businesses.
- Research methodology and techniques related to:
  - Basic research.
  - Applied research.
  - Evaluation research.

Definitions of terms:

- Theory of action: A strategic approach formulated as a theory, (if .. then).
- Motor retail business: Any retail business that provides services related to vehicles or vehicle components.

#### UNIT STANDARDS

This qualification is **not** based on Unit Standards.