

This unit describes the performance outcomes, skills and knowledge required to develop a financial plan to support business viability.

Designed for: This work is undertaken by individuals who operate a small business.

The unit is suitable for existing micro and small businesses or a department in a larger organisation.

Duration: 1 day

Elements of Competency and Performance Criteria

Identify costs, calculate prices and prepare profit statement

- Identify and document costs associated with the production and delivery of the business' products/services
- Calculate prices based on costs and profit margin, as an hourly charge out rate for labour or unit price for products
- Calculate break-even sales point to establish business viability and profit margins
- Identify appropriate pricing strategies in relation to market conditions to meet business profit targets
- Prepare projected profit statement to supplement the business plan

Develop a Financial Plan

- Set profit targets/goals to reflect owner's desired returns
- Identify working capital requirements necessary to attain profit projections
- Identify non-current asset requirements and consider alternative asset management strategies
- Prepare cash flow projections to enable business operation in accordance with business plan and legal requirements
- Identify capital investment requirements accurately for each operational period
- Select budget targets to enable ongoing monitoring of financial performance

Acquire finance

- Identify start-up and ongoing financial requirements according to financial plan/budget
- Identify sources of finance, including potential financial backers, to provide required liquidity for the business to complement business goals and objectives
- Investigate cost of securing finance on optimal terms
- Identify strategies to obtain finance as required to ensure financial viability of the business



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