



**Australian Government**

# **BSBSMB402 Plan small business finances**

**Release: 1**

## BSBSMB402 Plan small business finances

### Modification History

Release	Comments
Release 1	This version first released with BSB Business Services Training Package Version 1.0.

### Application

This unit describes the skills and knowledge required to identify financial requirements of a business, including profit targets, cash flow projections and strategies to garner financial support.

It applies to individuals who operate a small business or work within an existing micro or small businesses or in a department of a larger organisation. Individuals in this role interpret financial data competently and are skilled communicators.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

### Unit Sector

Management and Leadership – Small and Micro Business

### Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Identify costs, calculate prices and prepare profit statement	<p>1.1 Identify and document costs associated with production and delivery of the business' products/services</p> <p>1.2 Calculate prices based on costs and profit margin, as an hourly charge-out rate for labour or unit price for products</p> <p>1.3 Calculate break-even sales point to establish business viability and profit margins</p> <p>1.4 Identify appropriate pricing strategies in relation to market conditions to meet business profit targets</p> <p>1.5 Prepare projected profit statement to supplement the business plan</p>

ELEMENT	PERFORMANCE CRITERIA
2. Develop a financial plan	2.1 Set profit targets/goals to reflect owner's desired returns 2.2 Identify working capital requirements necessary to attain profit projections 2.3 Identify non-current asset requirements and consider alternative asset management strategies 2.4 Prepare cash flow projections to enable business operation in accordance with business plan and legal requirements 2.5 Identify capital investment requirements accurately for each operational period 2.6 Select budget targets to enable ongoing monitoring of financial performance
3. Acquire finance	3.1 Identify start-up and ongoing financial requirements according to financial plan/budget 3.2 Identify sources of finance, including potential financial backers, to provide required liquidity for the business to complement business goals and objectives 3.3 Investigate cost of securing finance on optimal terms 3.4 Identify strategies to obtain finance as required to ensure financial viability of the business

## Foundation Skills

*This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.*

Skill	Performance Criteria	Description
Reading	1.1, 1.5, 2.1-2.5, 3.1, 3.2	<ul style="list-style-type: none"> <li>Identifies, analyses and evaluates complex information from a range of sources</li> </ul>
Writing	1.1, 1.5, 2.1, 2.4, 3.2	<ul style="list-style-type: none"> <li>Prepares written reports and workplace documentation that communicate complex information clearly and effectively</li> </ul>
Oral Communication	1.1, 3.2	<ul style="list-style-type: none"> <li>Uses specific and relevant language to secure finance and uses questioning and listening techniques to clarify outcomes</li> <li>Participates in verbal negotiations using language</li> </ul>

		suitable to audience
Numeracy	1.1-1.5, 2.1, 2.2, 2.4-2.6, 3.1, 3.3, 3.4	<ul style="list-style-type: none"> <li>Analyses numerical information to determine costs, prices, profit and losses, and other financial data</li> </ul>
Navigate the world of work	2.4	<ul style="list-style-type: none"> <li>Appreciates implications of legal and regulatory responsibilities related to own work</li> </ul>
Get the work done	1.1, 1.4, 2.1-2.3, 2.5, 2.6, 3.1, 3.2, 3.4	<ul style="list-style-type: none"> <li>Sequences and schedules tasks required to implement and monitor financial strategies</li> <li>Makes a range of critical and non-critical decisions in relatively complex situations, taking a range of constraints into account, making adjustments as necessary</li> <li>Regularly uses formal thinking techniques to generate new ideas</li> </ul>

## Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
BSBSMB402 Plan small business finances	BSBSMB402A Plan small business finances	Updated to meet Standards for Training Packages	Equivalent unit

## Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=11ef6853-ceed-4ba7-9d87-4da407e23c10>