



Australian Government

Department of Education, Employment and Workplace Relations

BSBSBM404A Undertake business planning

Release: 1

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Modification History

Not applicable.

Unit Descriptor

This unit covers the research and development of an integrated business plan for achieving business goals and objectives. It is suitable for setting up or existing micro and small businesses or a department in a larger organisation.

This unit is related to BSBSBM301 Research business opportunities. Consider co-assessment with BSBSBM401 Establish business and legal requirements, BSBSBM402 Undertake financial planning and BSBSBM403 Promote the business.

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Application of the Unit

Not applicable.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Not applicable.

Employability Skills Information

Not applicable.

Elements and Performance Criteria Pre-Content

Not applicable.

Elements and Performance Criteria

Elements and Performance Criteria

Element	Performance Criteria
1 Identify elements of a business plan	1.1 Components of a business plan relevant to a business opportunity identified and reviewed 1.2 Purpose of the business plan is identified 1.3 Business goals and objectives are identified and documented, as a basis for measuring business performance
2 Develop a business plan	2.1 The business plan demonstrates research into customer needs, resources and legal requirements especially occupational health and safety, in accordance with business goals and objectives 2.2 The financial plan identifies sources and costs of finance to provide required liquidity and profitability for the business 2.3 Marketing/ promotion strategies identify methods to promote the market exposure of the business 2.4 Production/operations plan identifies methods/means of production/operation to conform with business goals and objectives 2.5 Staffing requirements, are identified as required to effectively produce/deliver products/services 2.6 Specialist services and sources of advice are identified where required, and costed in accordance with resources available
3 Develop strategies for minimising risks	3.1 Specific interests and objectives of relevant people are identified and their support of the planned business direction is sought and confirmed 3.2 Risk management strategies are identified and developed according to business goals and objectives and relevant legal requirements 3.3 Contingency plan is developed to address possible areas of non conformance to plan

Required Skills and Knowledge

Not applicable.

Evidence Guide

The Evidence Guide identifies the critical aspects, knowledge and skills to be demonstrated to confirm competence for this unit. This is an integral part of the assessment of competence and should be read in conjunction with the Range of Variables.

Critical Aspects of Evidence

The development of a business plan which provides for finance, marketing and provision of products/ services to facilitate the business goals and objectives

Ability to identify and plan for Occupational Health and Safety, Duty of Care responsibilities (knowledge of relative legislation)

Underpinning Knowledge*

* At this level the learner must demonstrate understanding of a broad knowledge base incorporating some theoretical concepts.

National, State/Territory and Local Government legislative requirements affecting business operation, especially in regard to Occupational Health and Safety and environmental issues, EEO, industrial relations and anti-discrimination

OHS responsibilities and procedures for identifying hazards relevant to business

reasons for and benefits of business planning

planning processes

preparation of a business plan

setting goals and objectives

methods of evaluation

types of business planning:- feasibility studies, strategic, operational, financial planning

relevant industry codes of practice

principles of risk management relevant to business planning

Underpinning Skills

Literacy skills to enable interpretation of business information,

Communication skills relevant to business performance

Numeracy skills for data analysis

Ability to relate to people from a range of social, cultural and ethnic backgrounds and

physical and mental abilities

Resource Implications

The learner and trainer should have access to appropriate documentation and resources normally used in the workplace

These may include:

Computer equipment

Business references such as relevant legislation and regulation relating to the business operation especially OHS requirements

Consistency of Performance

In order to achieve consistency of performance, evidence should be collected over a set period of time which is sufficient to include dealings with an appropriate range and variety of situations

Context/s of Assessment

Competency is demonstrated by performance of all stated criteria, including paying particular attention to the critical aspects and the knowledge and skills elaborated in the Evidence Guide, and within the scope as defined by the Range of Variables

Assessment must take account of the endorsed assessment guidelines in the Business Services Training Package

Assessment of performance requirements in this unit should be undertaken in an actual workplace or simulated environment

Assessment should reinforce the integration of the key competencies and the business services common competencies for the particular AQF level. Refer to the Key Competency Levels at the end of this unit

Key Competency Levels

Collecting, analysing and organising information (Level 3) - to develop a business plan

Communicating ideas and information (Level 2) - to gain support for the business plan

Planning and organising activities (Level 3) - to support the business operation

Working with teams and others (Level 2) - to plan staffing and supply of goods and services

Using mathematical ideas and techniques (Level 3) - to aid financial planning

Solving problems (Level 3) - to support business planning

Using technology (Level 1) - to aid business planning

Please refer to the Assessment Guidelines for advice on how to use the Key Competencies

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Range Statement

The Range Statement provides advice to interpret the scope and context of this unit of competence, allowing for differences between enterprises and workplaces. It relates to the unit as a whole and facilitates holistic assessment. The following variables may be present for this particular unit:

Legislation, codes and national standards relevant to the workplace which may include:

award and enterprise agreements and relevant industrial instruments
national, State/Territory and Local Government legislative requirements affecting business operation, especially in regard to Occupational Health and Safety and environmental issues, EEO, industrial relations and anti-discrimination
relevant industry codes of practice

Occupational Health and Safety issues must include:

management of the organisation and operation of OHS as part of the business plan
procedures for managing hazards in the workplace (identify, assess&control)
identification of specific hazard issues such as occupational violence, security, manual handling, equipment and hazardous substances.

Provisions for ensuring safety of members of the public and contractors visiting the premises/worksite.

Business plan may include:

proposed size and scale of the business
market focus of the business
marketing requirements
sources of funding
need to raise finance and requirements of lenders
level of risk involved, risk assessment and management
stages in the business development
business opportunities
resources required and available
details of ownership/management
staffing
organisation/ operational arrangements
specialist services and sources of advice which may be required
finance, expenditure statement, balance sheet and cash flow forecast, projections for the initial years of operation assumptions underlying the business plan, expected level of inflation and taxation, expected trend of interest rate, capital expenditure and its timing, stock turnover, debtors collection period, creditor payment period, return on investment
recognition of any seasonal or cyclical (time-based) elements which are crucial to the success of the enterprise

Business opportunities may be influenced by:

expected financial viability,
skills of operator
amount and types of finance available

Business goals and objectives may include:

goals, objectives, plans, systems and processes
short, medium or long term goals
financial projections
customer needs/marketing projections

proposed size and scale of the business
market focus of the business
lifestyle issues

Financial plan may include:

the current financial state of the enterprise (or owner/operator)
financial performance to date (if applicable)
likely return on investment
a review of financial inputs required (sources and forms of finance)
projections of likely financial results (budgeting)
projected profit targets, pricing strategies, margins
profit, turnover, capital and equity targets
risks and measures to manage or minimise risks
working, fixed, debt and equity capital
non-recurrent assets calculations
projections may vary depending on the importance of such information and the stage in the life of the business
monthly, quarterly or annual returns
analysis of sales by product/service, identifying where they were sold and to whom
estimates of profit and loss projections for each forward period
cash flow estimates for each forward period
resources required to implement the proposed marketing and production strategies (staff, materials, plant and equipment)

Financial resources may include:

personal, financial institutions, trade/industry sources
government sources eg. Federal and state governments which provide various forms of technical and financial assistance including direct cash grants, subsidies, tax concessions and professional and technical advice

Financial backers may include:

owner, family and friends
providers of venture capital
banks or finance companies
leasing and hire purchase financiers

Production/operations plan may include:

options for production, delivery, technical and customer service and support
means of supply and distribution
operational targets and action plan may include short, medium or long term goals
customer requirements, market expectations, budgetary constraints
industrial relations climate and quality assurance considerations

Staffing requirements may include:

owner/operator
full-time, part-time staff, permanent, temporary or casual staff
sub-contractors or external advisers/consultants

Specialist services may include:

accountants
lawyers and providers of legal advice
government agencies
industry/trade associations
online gateways

business brokers/business consultants

Relevant people may include:

owner/operator, partners, financial backers

family members

clients

suppliers

franchise agency

trade or industry associations

regulatory bodies

Risk management strategies may include:

security systems to provide physical security of premises, plant, equipment, goods and services

security of intellectual property

knowledge management

breach of contract, product liability

measures to manage risk including securing appropriate insurance to cover loss of earnings through sickness/accidents, drought, flood, fire, theft, professional indemnity

And must include:

Occupational Health and Safety requirements

Contingency plan may include:

disturbances to cash flow, supply and/or distribution

sickness or personal considerations

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stages in the business development

business opportunities

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accountants
lawyers and providers of legal advice
government agencies
industry/trade associations
online gateways
business brokers/business consultants

Relevant people may include:

owner/operator, partners, financial backers
family members
clients
suppliers
franchise agency
trade or industry associations
regulatory bodies

Risk management strategies may include:

security systems to provide physical security of premises, plant, equipment, goods and services
security of intellectual property
knowledge management
breach of contract, product liability
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Unit Sector(s)

Not applicable.