



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **BSBSMB201A Identify suitability for micro business**

**Revision Number: 1**

## BSBSMB201A Identify suitability for micro business

### Modification History

Not applicable.

### Unit Descriptor

<b>Unit descriptor</b>	This unit describes the performance outcomes, skills and knowledge required to set up a micro business.  Specific legal requirements apply to the management of a micro business.
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### Application of the Unit

<b>Application of the unit</b>	This unit requires individuals to examine their potential for entering a micro business.
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### Licensing/Regulatory Information

Not applicable.

### Pre-Requisites

<b>Prerequisite units</b>		

## Employability Skills Information

<b>Employability skills</b>	This unit contains employability skills.
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## Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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## Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Explore potential business ideas	1.1. Identify products and services that are available from local <i>micro and small businesses</i> 1.2. Identify products and services that are not available locally 1.3. Determine opportunities for new micro businesses based on gaps in the provision of goods and services 1.4. Identify and utilise a <i>range of sources</i> to gather information about micro business opportunities identified 1.5. Outline the processes to be undertaken by the micro business to provide the products/services
2. Compare personal skills and aspirations with micro business opportunities	2.1. Identify personal reasons for entering into a micro business in realistic terms of own <i>personal commitments, expectations and capabilities</i> 2.2. Match personal capabilities realistically with the identified business opportunities 2.3. Examine personal commitments, expectations and capabilities to realistically identify impacts on the preferred business opportunity 2.4. Examine options to address and minimise the negative impacts and strengthen the positive impacts of these issues
3. Access business learning opportunities, mentoring and advice	3.1. List the skills and knowledge required to develop and operate the business opportunity 3.2. Identify and interpret <i>business information and terminology</i> 3.3. Identify gaps in <i>personal skills and knowledge</i> which are needed for the business 3.4. Identify appropriate <i>learning opportunities</i> to rectify gaps in personal skills and knowledge 3.5. Identify potential mentors, advisers, networks and sources of assistance for the business

## Required Skills and Knowledge

### REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

#### Required skills

- analytical skills to prioritise micro business opportunities and to identify own skills gaps
- communication skills to describe ideas, and own personal and life goals
- literacy skills to record micro business opportunities, personal expectations, commitments and skills
- research skills to investigate micro/small business products and services and the likely demand for products and services.

#### Required knowledge

- characteristics of micro/small business and its environment
- learning opportunities and sources of assistance for micro/small business operators
- personal skills required for micro business
- products and services that are available from local micro/small businesses and those that are not available.

## Evidence Guide

### EVIDENCE GUIDE

The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

#### Overview of assessment

#### Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the following is essential:

- sound description of the potential micro business opportunity
- clear description of own personal and business capabilities
- effective matching of personal attributes with micro business opportunities and identification of personal development opportunities
- knowledge of learning opportunities and sources of assistance for micro/small business operators.

#### Context of and specific resources for assessment

Assessment must ensure:

- access to relevant documentation
- candidate's individual circumstances and work are the basis for assessment.

#### Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit:

- portfolio of evidence including a short oral or audiovisual presentation
- review of personal skills plan
- oral or written questioning to assess knowledge of own personal and business capabilities
- review of personal capabilities matched with identified business opportunities.

#### Guidance information for assessment

Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended, for example:

- BSBSMB301A Investigate micro business opportunities.

## Range Statement

### RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

<b><i>Micro and small businesses</i></b> may include:	<ul style="list-style-type: none"> <li>• community owned and/or run businesses               <ul style="list-style-type: none"> <li>• family owned and/or run businesses</li> </ul> </li> <li>• franchise</li> <li>• government owned business</li> <li>• sole trader owned and/or run business</li> <li>• other such forms of small businesses which meet the accepted definition of a small business</li> </ul>
<b><i>Range of sources</i></b> may include:	<ul style="list-style-type: none"> <li>• Australian Bureau of Statistics</li> <li>• business advisors</li> <li>• business incubators</li> <li>• business people</li> <li>• business/trade associations</li> <li>• friends, family and community</li> <li>• government agencies</li> <li>• internet</li> <li>• local government</li> <li>• market research publications</li> <li>• mentors</li> <li>• teachers</li> </ul>
<b><i>Personal commitments, expectations and capabilities</i></b> may include:	<ul style="list-style-type: none"> <li>• community commitments and expectations</li> <li>• cultural values, behaviours and expectations</li> <li>• current and preferred lifestyle</li> <li>• customer expectations</li> <li>• family commitments and expectations</li> <li>• other business interests or employment</li> <li>• own financial background, commitments and aspirations               <ul style="list-style-type: none"> <li>• personal motivation and entrepreneurship</li> <li>• personal principles and ethics</li> <li>• time commitments and availability</li> </ul> </li> </ul>
<b><i>Business information and</i></b>	<ul style="list-style-type: none"> <li>• terms frequently used in business such as:</li> </ul>

<b>RANGE STATEMENT</b>	
<b><i>terminology</i></b> may include:	<ul style="list-style-type: none"> <li>• balance sheet</li> <li>• cost</li> <li>• liabilities</li> <li>• margin</li> <li>• mark-up</li> <li>• pricing</li> <li>• profit</li> <li>• return</li> <li>• sales</li> <li>• information relating to businesses such as:               <ul style="list-style-type: none"> <li>• compliance with legislation, regulations and codes of practice</li> <li>• financial management</li> <li>• marketing</li> <li>• information technology (including e-business)</li> <li>• production</li> <li>• quality assurance</li> </ul> </li> </ul>
<b><i>Personal skills and knowledge</i></b> may include:	<ul style="list-style-type: none"> <li>• ability to prioritise obligations and commitments</li> <li>• communication skills both with own community and other communities</li> <li>• cultural knowledge and sensitivities</li> <li>• financial management skills and business knowledge</li> <li>• life skills (including assertiveness)</li> <li>• literacy and numeracy skills</li> <li>• time management</li> <li>• marketing and selling skills</li> <li>• planning skills</li> <li>• positive relationships with family, customers, suppliers, staff and community</li> <li>• self-promotion and self-image</li> <li>• specific industry and local knowledge</li> </ul>
<b><i>Learning opportunities</i></b> may include:	<ul style="list-style-type: none"> <li>• coaching, mentoring and/or supervision</li> <li>• courses</li> <li>• informal training</li> <li>• personal study</li> <li>• recognition of competence or skills recognition</li> <li>• work experience</li> </ul>



**RANGE STATEMENT**

	• workplace training
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**Unit Sector(s)**

<b>Unit sector</b>	
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**Competency field**

<b>Competency field</b>	Management and Leadership - Small and Micro Business
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**Co-requisite units**

<b>Co-requisite units</b>		