



Australian Government

Department of Education, Employment and Workplace Relations

BSBSMB404A Undertake small business planning

Release: 1

BSBSMB404A Undertake small business planning

Modification History

Not applicable.

Unit Descriptor

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| Unit descriptor | <p>This unit describes the performance outcomes, skills and knowledge required to research and develop an integrated business plan for achieving business goals and objectives.</p> <p>Specific legal requirements apply to the management of a small business.</p> |
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Application of the Unit

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| Application of the unit | <p>This work is undertaken by individuals who operate a small business.</p> <p>This unit is suitable for micro and small businesses or a department in a larger organisation.</p> |
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

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| Prerequisite units | | |
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Employability Skills Information

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| Employability skills | This unit contains employability skills. |
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Elements and Performance Criteria Pre-Content

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| 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 |
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| 1. Identify elements of the business plan | <ul style="list-style-type: none">1.1. Identify purpose of the business plan1.2. Identify and review the essential components of the business plan1.3. Identify and document business goals and objectives as a basis for measuring business performance |
| 2. Develop a business plan | <ul style="list-style-type: none">2.1. Research resources, legal and compliance requirements, specifically in relation to occupational health and safety (OHS), in accordance with business goals and objectives2.2. Research market needs, and market size and potential2.3. Identify sources and costs of finance, from the financial plan, to provide required liquidity and profitability for the business2.4. Identify methods, from the marketing strategies, to promote the market exposure of the business2.5. Identify methods/means of production/operation from the production/operations plan to conform with business goals and objectives2.6. Identify staffing requirements to effectively produce/deliver products/services2.7. Identify specialist services and sources of advice, where required, and cost in accordance with resources available |
| 3. Develop strategies for minimising risks | <ul style="list-style-type: none">3.1. Identify specific interests and objectives of relevant people and seek and confirm their support of the planned business direction3.2. Identify and develop risk management strategies according to business goals and objectives, and relevant legal requirements3.3. Develop contingency plan to address possible areas of non-conformance with the plan |

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- communication skills to assess business performance
- literacy skills to enable interpretation of business information
- numeracy skills to analyse data.

Required knowledge

- commonwealth, state/territory and local government legislative requirements relating to business operation, especially in regard to OHS and environmental issues, equal employment opportunity, industrial relations and anti-discrimination
- methods of evaluation
- OHS responsibilities and procedures for identifying hazards relevant to the business
- planning processes
- preparation of a business plan
- principles of risk management relevant to business planning
- reasons for and benefits of, business planning
- relevant industry codes of practice
- setting goals and objectives
- types of business planning - feasibility studies; strategic, operational, financial and marketing planning.

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:

- development of a business plan which provides for finance, marketing and provision of products/services to facilitate the business goals and objectives
- identification of and planning for, OHS and duty of care responsibilities
- development of risk management strategies
- knowledge of relevant legislation.

Context of and specific resources for assessment

Assessment must ensure:

- access to relevant documentation
- candidate's individual circumstances and work in the context of running a small business, 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 business plan and risk management strategies
- oral or written questioning to assess knowledge of OHS responsibilities and procedures for identifying hazards relevant to the business
- demonstration of practical skills
- review of documented business goals and objectives
- review of contingency plans developed to address possible areas of non-conformance with the business plan.

Guidance information for assessment

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

- BSBSMB401A Establish legal and risk management requirements of small business
- BSBSMB402A Plan small business finances
- BSBSMB403A Market the small business.

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.

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| <p><i>Business plan</i> may include:</p> | <ul style="list-style-type: none"> • business opportunities, which may be influenced by: <ul style="list-style-type: none"> • amount and types of finance available • expected financial viability • skills of operator • details of ownership/management • 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 • level of risk involved, risk assessment and management • market focus of the business • marketing requirements • need to raise finance and requirements of lenders • organisation/operational arrangements • proposed size and scale of the business • recognition of any seasonal or cyclical (time-based) elements which are crucial to the success of the business • resources required and available • sources of funding • specialist services and sources of advice that may be required • staffing • stages in the business development |
| <p><i>Business goals and objectives</i> may include:</p> | <ul style="list-style-type: none"> • customer needs/marketing projections • family or community benefits |

| RANGE STATEMENT | |
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| | <ul style="list-style-type: none"> • financial projections • goals, objectives, plans, systems and processes • lifestyle issues • market focus of the business • proposed size and scale of the business • short-, medium- or long-term goals • social responsibility |
| <i>Occupational health and safety issues</i> must include: | <ul style="list-style-type: none"> • identification of specific hazard issues such as occupational violence, security, manual handling, equipment and hazardous substances • management of the organisation and operation of OHS as part of the business plan • procedures for managing hazards in the workplace (identify, assess and control) • provisions for ensuring safety of members of the public and contractors visiting the premises/worksite |
| <i>Financial plan</i> may include: | <ul style="list-style-type: none"> • analysis of sales by product/service, identifying where they were sold and to whom • cash flow estimates for each forward period • current financial state of the enterprise (or owner/operator) • estimates of profit and loss projections for each forward period • financial performance to date (if applicable) • likely return on investment • monthly, quarterly or annual returns • non-recurrent assets calculations • profit, turnover, capital and equity targets • projected profit targets, pricing strategies, margins • projections of likely financial results (budgeting) • projections, which may vary depending on the importance of such information and the stage in the life of the business • resources required to implement the proposed marketing and production strategies (staff, materials, plant and equipment) • review of financial inputs required (sources |

| RANGE STATEMENT | |
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| | <ul style="list-style-type: none"> and forms of finance) risks and measures to manage or minimise risks working, fixed, debt and equity capital |
| <i>Marketing strategies</i> may include: | <ul style="list-style-type: none"> achieving lower costs of production and distribution than competitors creating a very different product line or service so that the business becomes a class leader in the industry distribution pricing, presentation and display of products/services product design and packaging product range and mix promotion and advertising pursuing cost leadership and/or product differentiation within a specialist market segment |
| <i>Production/operations plan</i> may include: | <ul style="list-style-type: none"> customer requirements, market expectations, budgetary constraints industrial relations climate and quality assurance considerations means of supply and distribution operational targets and action plan, which may include short-, medium- or long-term goals options for production, delivery, technical and customer service and support |
| <i>Staffing requirements</i> may include: | <ul style="list-style-type: none"> full-time, part-time staff, permanent, temporary or casual staff owner/operator sub-contractors or external advisers/consultants |
| <i>Specialist services</i> may include: | <ul style="list-style-type: none"> accountants business advisors and consultants business brokers contractors government agencies industry/trade associations lawyers and providers of legal advice mentors |

| RANGE STATEMENT | |
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| | <ul style="list-style-type: none"> • online gateways |
| <i>Relevant people</i> may include: | <ul style="list-style-type: none"> • clients • family members • franchise agency • owner/operator, partners, financial backers • regulatory bodies • suppliers • trade or industry associations |
| <i>Risk management strategies</i> may include: | <ul style="list-style-type: none"> • breach of contract, product liability • knowledge management • measures to manage risk including professional indemnity, securing appropriate insurance to cover loss of earnings through sickness/accidents, drought, flood, fire, theft • security systems to provide physical security of premises, plant, equipment, goods and services • security of intellectual property |
| <i>Risk management strategies</i> must include: | <ul style="list-style-type: none"> • OHS requirements |
| <i>Contingency plan</i> may include: | <ul style="list-style-type: none"> • disturbances to cash flow, supply and/or distribution • sickness or personal considerations |

Unit Sector(s)

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| Unit sector | |
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Competency field

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| Competency field | Management and Leadership - Small and Micro Business |
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Co-requisite units

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| Co-requisite units | | |
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