



**Australian Government**

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

# **CPPDSM4060A Negotiate sale and manage sale to completion or settlement**

**Release: 1**

## **CPPDSM4060A Negotiate sale and manage sale to completion or settlement**

### **Modification History**

Not Applicable

### **Unit Descriptor**

#### **Unit descriptor**

This unit of competency specifies the outcomes required to negotiate and execute the sale of listed businesses within the context of a business brokerage. It requires the ability to provide information to clients, negotiate and complete sales, draft and distribute contracts and encourage sellers, landlords and buyers to accept appropriate offers. The knowledge requirements for this unit include interpersonal communication and negotiation techniques, sales completion strategies and legislative requirements.

The unit may form part of the licensing requirements for persons engaged in business broking in those States and Territories where business broking is a regulated activity.

### **Application of the Unit**

#### **Application of the unit**

This unit of competency supports the work of those involved in providing business broking services, particularly negotiating and executing sales of listed businesses.

### **Licensing/Regulatory Information**

Refer to Unit Descriptor

## Pre-Requisites

**Prerequisite units** Nil

## Employability Skills Information

**Employability skills** The required outcomes described in this unit of competency contain applicable facets of employability skills. The Employability Skills Summary of the qualification in which this unit of competency is packaged, will assist in identifying employability skills requirements.

## Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.

Performance criteria describe the required performance needed to demonstrate achievement of the element. Where ***bold italicised*** text is used, further information is detailed in the required skills and knowledge and/or the range statement. Assessment of performance is to be consistent with the evidence guide.

## Elements and Performance Criteria

### ELEMENT

### PERFORMANCE CRITERIA

#### 1 Qualify buyer.

- 1.1 *Appropriate rapport* is established with buyers and their enquiries are handled promptly to enable high quality service delivery according to *agency requirements*.
- 1.2 Buyer requirements are clarified and assessed using *appropriate interpersonal communication techniques*.
- 1.3 Potential buyers/lessees are provided with *information* about available and prospective listings and assisted to find the listing that best matches their requirements.

#### 2 Provide information to clients.

- 2.1 Appropriate rapport is established with sellers/buyers and their enquiries are handled promptly to enable high quality service delivery according to agency requirements.
- 2.2 Seller/buyer requirements are clarified and assessed using appropriate interpersonal communication techniques.
- 2.3 Preparation and presentation of documents are discussed with seller to assist in best promoting business for sale.
- 2.4 Buyers and sellers are encouraged to seek clarification as required and are assisted to make an informed choice.

#### 3 Manage negotiation.

- 3.1 *Factors* that may affect success of a sale are identified and accounted for in negotiations with sellers and buyers.
- 3.2 Relationships between the parties are managed according to agency requirements.
- 3.3 *Action plans* are implemented to assist in moving negotiations through to successful completion.
- 3.4 *Potential areas of conflict* between seller and buyer are managed and resolved to the satisfaction of parties to facilitate sale/lease.
- 3.5 Documentation for impending sale/lease is completed with due consideration of *legislative and industry requirements* and *seller and buyer requirements*.

#### 4 Execute contract.

- 4.1 Seller/landlord is provided with clear information about offer and encouraged to make an informed and positive choice regarding the sale/lease of the

| <b>ELEMENT</b>                          | <b>PERFORMANCE CRITERIA</b>   |
|---|---|
|   | business.   |
|   | 4.2 Deposits are secured and appropriate arrangements are made to administer the deposit on subsequent settlement.                  |
|   | 4.3 Arrangements for exchange of contracts are completed according to agency and legislative requirements.                          |
|   | 4.4 <b>Feedback</b> is collected and provided to personnel and agencies involved in the sale according to legislative requirements. |
|   | 4.5 Recommendations on future directions of sales processes and completion rates are made based on verifiable evidence.             |
| <b>5 Manage contract to settlement.</b> | 5.1 <b>Standard and special conditions</b> are completed in line with agency and legislative requirements.                          |
|   | 5.2 Progress of contract is monitored in line with agency practice.   |
|   | 5.3 Progress of <b>assisting professionals</b> is monitored in line with agency practice.   |

## Required Skills and Knowledge

### REQUIRED SKILLS AND KNOWLEDGE

This section describes the essential skills and knowledge and their level, required for this unit.

#### Required skills:

- access a variety of information relating to selling a business
- determine most appropriate sales methods
- identify current market trends and positions
- interpersonal communication and negotiation skills to negotiate and execute a sale
- interpret and comply with relevant legislative requirements
- liaise with sellers, buyers and their respective agents and other staff
- obtain information relevant to selling a business and provide information on the sales process and its progress
- relate to people from a range of social, cultural and ethnic backgrounds and of varying physical and mental abilities
- resolve potential negotiation dilemmas, buyer or seller concerns and issues, and conflict arising from the sale process

## REQUIRED SKILLS AND KNOWLEDGE

- select and use appropriate technology.

### Required knowledge and understanding:

- agency's business structure
- conflict resolution techniques as they relate to sales processes
- interpersonal communication and negotiation techniques
- mechanisms to obtain and analyse buyer or seller comments and feedback
- organisation's policy and procedures for client service and sales, including ethical behaviour and marketing procedures
- principles and techniques for communicating concerns to buyers and sellers
- principles and techniques for selling a business
- relevant federal and state or territory legislation and local government regulations related to:
  - anti-discrimination
  - business broking
  - consumer protection
  - environmental issues
  - equal employment opportunity
  - financial probity
  - franchise and business structures
  - industrial relations
  - OHS
  - selling a business, particularly through an agency
- risk factors relating to various transactions
- service standards and best practice models
- types of sales techniques and benefits and limitations of each for a variety of clients and settings.

## 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, the range statement and the Assessment Guidelines for this Training Package.

#### Overview of assessment

This unit of competency could be assessed through practical demonstration of negotiating and executing the sale of a listed business within the context of a business brokerage. Targeted written (including alternative formats where necessary) or verbal questioning to assess the candidate's underpinning knowledge would provide

additional supporting evidence of competence. The demonstration and questioning would include collecting evidence of the candidate's knowledge and application of ethical standards and relevant federal, and state or territory legislation and regulations. This assessment may be carried out in a simulated or workplace environment.

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

A person who demonstrates competency in this unit must be able to provide evidence of:

- analysing sales process, buyer intentions and seller expectations
- communicating and negotiating with relevant parties and monitoring the sales process to ensure successful completion of the sale of the business
- documenting and distributing information to all parties pertaining to the sale
- knowledge of agency practices, ethical standards and legislative requirements associated with negotiating and executing the sale of a listed business
- preparing and structuring information and documents relating to the negotiation and completion of a sale.

**Context of and specific resources for assessment**

Resource implications for assessment include:

- access to suitable resources and simulated or real opportunities to demonstrate competence
- assessment instruments that may include personal planner and assessment record book
- access to a registered provider of assessment services.

Where applicable, physical resources should include equipment modified for people with disabilities.

Access must be provided to appropriate learning and/or assessment support when required.

Assessment processes and techniques must be culturally appropriate, and appropriate to the language and literacy capacity of the candidate and the work being performed.

Validity and sufficiency of evidence require that:

- competency will need to be demonstrated over a period of time reflecting the scope of the role and the practical requirements of the workplace
- where the assessment is part of a structured learning experience the evidence collected must relate to a number of performances assessed at different points in time and separated by further learning and practice with a decision of competence only taken at the point when the assessor has complete confidence in the

- person's competence
- all assessment that is part of a structured learning experience must include a combination of direct, indirect and supplementary evidence
  - where assessment is for the purpose of recognition (RCC/RPL), the evidence provided will need to be current and show that it represents competency demonstrated over a period of time
  - assessment can be through simulated project-based activity and must include evidence relating to each of the elements in this unit.

In all cases where practical assessment is used it will be combined with targeted questioning to assess the underpinning knowledge. Questioning will be undertaken in such a manner as is appropriate to the language and literacy levels of the candidate and any cultural issues that may affect responses to the questions, and will reflect the requirements of the competency and the work being performed.

## 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 in the performance criteria is detailed below. Add any 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.

***Appropriate rapport*** relates to use of techniques that:

- establish and build confidence and trust in the agency and its representatives
- make the seller or buyer feel valued
- promote and maintain an effective relationship with the seller or buyer.

***Agency requirements*** may be outlined within:

- access and equity policy, principles and practice
- business and performance plans
- ethical standards
- goals, objectives, plans, systems and processes
- legal and organisational policies and guidelines
- mission statements and strategic plans
- OHS policies, procedures and programs
- privacy and confidentiality requirements
- quality and continuous improvement processes and



- standards**
- quality assurance and procedures manuals, including sales and client liaison procedure manuals.
  - active listening
  - providing an opportunity for the buyer or seller to clarify understanding of the sales process
  - soft questioning and seeking feedback from the seller or buyer to confirm own understanding of their needs and expectations
  - summarising and paraphrasing to check understanding of seller or buyer's message
  - using appropriate body language.
- Appropriate interpersonal communication techniques** may include:
- advantages of various purchases and purchasing options
  - seller's views on sale of business or lease of property
  - business profile portfolio
  - levels of interest in business
  - packaging and presentation of sales proposal to the prospective seller.
- Information** may include:
- arranging appointments
  - buyer capacity
  - buyer credentials, including financial position
  - buyer entity or status
  - buyer needs
  - confidentiality agreements
  - involvement of third or other parties in process and negotiations
  - legal documentation and agreements regarding sales
  - seller motivation and requirements.
- Factors** may include:
- arrangements for obtaining deposits
  - arrangements for suitable inspection times
  - arrangements to secure seller's initial interest
  - arranging and facilitating a stocktake
  - attending to legal requirements, including preparation and exchange of required legal documents
  - contingency plans to accommodate changes and resolve complications
  - developing the terms of contract
  - strategies for maintaining relationships between the parties during negotiation and providing exchange of information directly or via third parties/agents
  - strategies to ensure time lines are met.
- Action plans** may include:
- inventory, fixtures and fittings, valuations and
- Potential areas of conflict**

may relate to:

- determining level of goodwill
- involvement of agents and other parties
- price
- pricing structure
- responsibility for future employee entitlements
- sales process
- time lines
- transfer and transitional arrangements.

***Legislative and industry requirements*** may include:

- access and equity policy, principles and practice
- business and performance plans, including organisational goals and objectives
- client service policies
- industrial awards
- industry and agency codes of conduct and practice, and code of ethics
- legislative and statutory requirements for provision of business brokerage services
- legislative and statutory requirements for the sale of a business or provision of business brokerage services to sell a business
- OHS policies, procedures and programs
- organisational policy, guidelines and requirements
- policies and procedures relating to own role, responsibility and delegation
- records and information systems
- reporting and communication structures
- terms and conditions of employment.

***Seller and buyer requirements*** may include:

- clarification of business structure
- need for quick sale
- need for transparency
- need to specify plant, equipment, fittings and fixtures to determine ownership
- transfer of franchise agreements
- transitional arrangements
- use of business name.

***Feedback*** may be collected from:

- formal and informal discussions with existing and previous clients
- information from potential buyers
- information provided by others involved in the appraisal process, both internal and external to the organisation
- market share data
- sales and completion results.

***Standard and special conditions*** may include:

- additional options
- assign new lease, option, site licence or variation
- transfer or renewal of licences and permits
- franchise agreements
- intellectual property, such as business names, patents and copyrights
- trademarks
- domain names and email addresses
- telephone and facsimile numbers.

***Assisting professionals*** may include:

- accountants
- financiers and financial institutions
- landlords and managing agents
- legal advisers
- licensed settlement agents
- nominated conveyancers.

## **Unit Sector(s)**

**Unit sector**

Property development, sales and management

## **Competency field**

**Competency field**

Business broking