



Australian Government

BSBESB403 Plan finances for new business ventures

Release: 1

BSBESB403 Plan finances for new business ventures

Modification History

Release	Comments
Release 1	This version first released with BSB Business Services Training Package Version 7.0.

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.

The unit applies to those establishing a business providing self-employment, as well as those establishing a new venture as part of a larger organisation.

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

Unit Sector

Business Competence – Entrepreneurship and Small 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. Prepare to plan finances	1.1 Identify costs associated with production and delivery of business products and/or services 1.2 Set profit targets according to business venture requirements and workplace procedures 1.3 Calculate prices based on costs and profit targets, as a charge-out rate for labour or unit price for products and/or services 1.4 Calculate break-even sales point to assess viability of business venture 1.5 Evaluate and select pricing strategies in relation to market conditions to meet profit targets and according to workplace procedures

ELEMENT	PERFORMANCE CRITERIA
	1.6 Prepare projected profit statement to supplement business plan
2. Develop a financial plan	2.1 Identify working capital requirements necessary to attain profit projections 2.2 Identify non-current asset requirements and consider alternative asset management strategies 2.3 Prepare cash flow projections to enable business operation according to business plan and legal requirements 2.4 Identify capital investment requirements accurately for each operational period 2.5 Select budget targets to enable ongoing monitoring of financial performance
3. Plan to acquire finance	3.1 Identify start-up and ongoing financial requirements according to financial plan and budget 3.2 Identify sources of finance for required liquidity according to business goals and objectives and workplace procedures 3.3 Research and assess cost of securing finance on optimal terms 3.4 Develop strategies to obtain finance as required to ensure financial viability of business venture

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.

Skill	Description
Reading	Identifies, analyses and evaluates complex information from a range of sources
Writing	Prepares written plans and workplace documentation that communicate information clearly and effectively
Numeracy	Analyses numerical information to determine costs, prices, profit and losses, and other financial data
Self-management	- Identifies implications of legal and regulatory responsibilities for own work - Takes a range of constraints into account and adjusts, if necessary

Unit Mapping Information

Supersedes and is equivalent to BSBSMB402 Plan small business finances.

Links

Companion Volume Implementation Guide is found on VETNet -

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