



Australian Government

BSBESB407 Manage finances for new business ventures

Release: 1

BSBESB407 Manage 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 implement and review financial management strategies, including by using new and emerging digital technologies and interpreting financial reports and other numerical data.

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. Implement financial strategy	1.1 Identify financial information requirements and obtain specialist services, as required 1.2 Produce financial budgets or projections for each forward period, and distribute to required people according to legal requirements and workplace procedures 1.3 Develop a plan to negotiate and manage business capital to best enable implementation of the business plan 1.4 Develop and maintain strategies and enable adequate financial provision for taxation according to legal requirements 1.5 Develop, monitor and maintain client credit policies to maximise cash flow 1.6 Select key performance indicators (KPIs) to enable ongoing

ELEMENT	PERFORMANCE CRITERIA
	monitoring of financial performance in line with business plan 1.7 Record and communicate financial procedures to required personnel to facilitate implementation of business plan according to workplace procedures
2. Monitor financial performance	2.1 Use available systems to monitor and report on financial performance targets, and analyse data to establish extent to which financial goals have been met 2.2 Monitor marketing and operational strategies for their effects on financial goals 2.3 Calculate and evaluate financial ratios according to own business and/or industry benchmarks
3. Review financial performance	3.1 Assess financial strategy to determine whether variations or alternative plans are needed according to workplace procedures, and change as required 3.2 Research and implement, with relevant personnel, new and emerging digital technologies to boost business profitability according to business plan

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	Evaluates complex text to determine legislative, regulatory and workplace documentation
Writing	Prepares written reports and workplace documentation that communicate complex information clearly and effectively
Oral communication	Articulates clearly using specific and relevant language suitable to audience to convey requirements, and employs listening and questioning techniques to confirm understanding
Numeracy	Interprets numerical information to calculate required financial information
Self-management	- Identifies implications of legal and regulatory responsibilities for own work - Selects appropriate form, channel and mode of communication for a specific purpose relevant to own role
Initiative and enterprise	Uses formal and informal processes to monitor implementation of ideas and analyse outcomes

Skill	Description
Planning and organising	Develops plans to manage relatively complex, non-routine tasks that may contribute to longer-term operational and strategic goals

Unit Mapping Information

Supersedes and is equivalent to BSBSMB421 Manage 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>

Assessment Requirements for BSBESB407 Manage finances for new business ventures

Modification History

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

Performance Evidence

The candidate must demonstrate the ability to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including evidence of the ability to:

- implement a financial strategy for at least one business or new business venture according to business plan and goals.

In the course of the above, the candidate must:

- adhere to legal requirements
- produce financial projections, including cash flow estimates
- develop a plan to negotiate and manage business assets and financial capital
- define strategies for debt collection and contingencies for debtors
- manage cash flow
- define key indicators for financial performance
- communicate with required people
- seek specialist services, where required
- monitor the financial performance of the business and make changes to strategy as required
- identify opportunities to implement new and emerging digital technologies to support the financial management of the business.

Knowledge Evidence

The candidate must be able to demonstrate knowledge to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including knowledge of:

- legislative and regulatory financial requirements that apply to new business venture described in performance evidence
- key purposes of financial reports
- components of financial budgets or projections, including cash flow estimates
- workplace procedures for:
 - recording and communicating financial procedures to required personnel

- distributing financial budgets and projections
- using digital technologies to monitor and report on financial performance targets and analyse data
- assessing and changing financial plan
- forms, channels and modes of communication used in relation to managing business finances
- key features of business and industry benchmarking used to evaluate financial ratios
- key features of financial decision-making relevant to the business, including:
 - strategies that enable adequate financial provision for taxation
- components of client credit policies, including contingencies for debtors in default
- key features of significant financial indicators
- key features of balance sheet preparation and interpretation
- key features of debt collection procedures and strategies
- key features of profit and loss statement preparation and interpretation
- key features of stock records and stock control relevant to the business.

Assessment Conditions

Skills in this unit must be demonstrated in a workplace or simulated environment where the conditions are typical of those in a working environment in this industry.

This includes access to:

- business equipment and resources, including business technology
- legislation, regulations, codes of practice and standards relating to business described in performance evidence
- workplace documentation and resources relevant to performance evidence.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

Links

Companion Volume Implementation Guide is found on VETNet -

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