



Australian Government

BSBMGT803 Use financial and economic information for strategic decision making

Release: 1

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Modification History

Release	Comments
Release 1	This version first released with BSB Business Services Training Package Version 1.0.

Application

This unit describes the skills and knowledge required to analyse financial and economic information to achieve the objectives of an organisation. It covers the use and interpretation of financial information to support business decision making, analysis and use of budget systems and reporting processes and the impact of micro and macro-economic information on enterprise planning.

It applies to senior management, including strategic business analysts and executive managers, who use cognitive and creative skills to review, critically analyse, consolidate and synthesise knowledge, generate ideas and provide solutions to complex problems. They use communication skills to demonstrate their understanding of theoretical concepts and to transfer knowledge and ideas to others.

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

Unit Sector

Management and Leadership - Management

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. Analyse financial resources	1.1 Identify and incorporate the financial resources required to achieve organisational objectives from the budget 1.2 Forecast additional expenditure requirements and make provisions in the budget as required 1.3 Develop contingency plans for obtaining additional financial

ELEMENT	PERFORMANCE CRITERIA
	resources in the event of a shortfall of available funds
2. Interpret financial and economic information	2.1 Analyse financial reports by calculating balance sheet ratios, income statement ratios and cash flow statement ratios 2.2 Identify and evaluate macro and micro economic factors and measure their impact on enterprise financial capabilities 2.3 Review and report financial performance of business units within the enterprise
3. Use financial information to support decision making	3.1 Model different financial scenarios to support the decision making process 3.2 Conduct a cost benefit analysis of organisation's activities to determine viability 3.3 Consult appropriate financial advisers about financial information to support decisions 3.4 Analyse financial information to ensure it is valid and reliable 3.5 Make strategic decisions based on up to date financial information
4. Maximise returns on financial resources	4.1 Monitor actual income and expenditure against budgets to ensure available and budgeted resources are not exceeded 4.2 Explain variations and implement corrective action when deviations in budgets occur 4.3 Collect, analyse and report data on the use of financial resources 4.4 Communicate recommendations for improving returns on financial resources to relevant parties 4.5 Agree performance indicators with managers and staff

Foundation Skills

This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.

Skill	Performance Criteria	Description
Reading	2.1-2.3	Analyses organisational information to establish and communicate understanding

Writing	1.1, 2.3, 3.1, 4.4, 4.5	Researches, plans and prepares information for stakeholders incorporating appropriate vocabulary, grammatical structure and numerical conventions
Oral Communication	3.3, 4.2, 4.4, 4.5	Uses appropriate language, questioning and listening techniques to provide and elicit information and to articulate policy, plans, results and related information effectively
Numeracy	1.1-1.3, 2.1-2.3, 3.1, 3.2, 3.4, 4.1, 4.3-4.5	- Selects and uses familiar mathematical techniques to organise resources to support organisational objectives - Applies knowledge of mathematical information to statistically analyse data, confirm reliability, conduct modelling and forecast trends - Selects and uses familiar mathematical techniques to calculate costs and to conduct cost benefit analyses
Interact with others	3.3, 4.2, 4.5	Selects and uses appropriate conventions and protocols when communicating with stakeholders to achieve agreement and seek or share information
Get the work done	1.2, 1.3, 3.1, 3.4, 3.5, 4.1, 4.3	- Accepts responsibility for planning and sequencing complex tasks and workload - Systematically gathers and analyses all relevant information, reviews data and evaluates options to inform decisions about complex organisational strategies - Negotiates agreed plans and outcomes and required indicators and routinely monitors and reports on them to identify required corrective actions

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
BSBMGT803 Use financial and economic information for strategic decision making	Not applicable	New unit	No equivalent unit

Links

Companion Volume implementation guides are found in VETNet -

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

Assessment Requirements for BSBMGT803 Use financial and economic information for strategic decision making

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Performance Evidence

Evidence of the ability to:

- negotiate, monitor and review an enterprise financial strategy based on valid data analysis
- use and analyse financial and economic information to achieve enterprise objectives and maximise returns on financial resources
- analyse and use budget systems and reporting processes including:
 - calculating balance sheet ratios
 - calculating income statement ratios
 - calculating cash flow statement ratios
 - monitoring income and expenditure
 - forecasting expenditure
 - developing contingency plans
 - adjusting budgets
- review and report on financial performance
- use financial data to support strategic decision making including:
 - modelling financial scenarios
 - conducting a cost benefit analysis
 - consulting with financial advisers
 - agreeing on performance indicators.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must:

- explain relevant financial and accounting principles relating to analysis and interpretation of financial reports and resources

- summarise financial, accounting and economic terminology and systems relevant to the financial strategy
- explain techniques for calculating and analysing financial data and how they are applied.

Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the management and leadership field of work and include access to:

- legislation, regulations and codes of practice
- workplace policies and procedures
- business equipment and resources
- case studies and, where possible, real situations.

Assessors must satisfy NVR/AQTF assessor requirements.

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