



Australian Government

Department of Education, Employment and Workplace Relations

BSBSMB405A Monitor and manage small business operations

Release: 1

BSBSMB405A Monitor and manage small business operations

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to operate a small business and to implement a business plan. The strategies involve monitoring, managing and reviewing operational procedures. Specific legal requirements apply to the management of a small business.
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Application of the Unit

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

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

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

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
1. Develop OPERATIONAL STRATEGIES AND PROCEDURES	1.1. Develop an action plan to provide a clear and coherent direction, in accordance with the business goals and objectives 1.2. Identify occupational health and safety (OHS) and environmental issues and implement strategies to minimise risk factors 1.3. Develop a quality system for the business in line with industry standards, compliance requirements and cultural criteria 1.4. Develop performance measures and operational targets to conform with the business plan 1.5. Develop strategies for innovation, including the utilisation of existing, new or emerging technologies, where practicable, to optimise business performance
2. Implement operational strategies and procedures	2.1. Implement systems and key performance indicators/targets to monitor business performance and customer satisfaction 2.2. Implement systems to control stock, expenditure/cost, wastage/shrinkage and risks to health and safety in accordance with the business plan 2.3. Maintain staffing requirements, where applicable, within budget to maximise productivity 2.4. Carry out the provision of goods/services in accordance with established legal, ethical cultural and technical standards 2.5. Provide goods/services in accordance with time, cost and quality specifications, and customer requirements 2.6. Apply quality procedures to address product/service and customer requirements
3. Monitor business performance	3.1. Regularly monitor/review the achievement of operational targets to ensure optimum business performance, in accordance with the business plan goals and objectives 3.2. Review systems and structures, with a view to more effectively supporting business performance 3.3. Investigate and analyse operating problems to establish causes and implement changes as required as part of the business quality system

ELEMENT	PERFORMANCE CRITERIA
	3.4. Amend operational policies and procedures to incorporate corrective action
4. Review business operations	4.1. Review and adjust business plan, as required, to maintain business viability, in accordance with business goals and objectives 4.2. Clearly record proposed changes to aid future planning and evaluation 4.3. Undertake ongoing research into new business opportunities and adjust business goals and objectives as new business opportunities arise

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- analytical skills to develop criteria and targets for the business plan
- communication skills to question, clarify and report
- literacy skills to interpret legal requirements, company policies and procedures
- numeracy skills to manage performance information and to control the finances
- technology skills to use relevant business equipment.

Required knowledge

- methods for developing and maintaining networks
- methods for implementing operation and revenue control systems
- methods for monitoring performance and implementing improvements
- OHS responsibilities and procedures for managing hazards
- principles of risk management relevant to the business, including risk assessment
- quality system principles and methods
- relevant industry codes of practice
- relevant marketing, sales and financial concepts
- relevant performance measures
- role of innovation
- systems to manage staff, stock, expenditure, services and customer service
- technical or specialist skills relevant to the business operation.

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:

- developing strategies and procedures to successfully manage the operation of the business
- making appropriate adjustments to the business operations as required
- knowledge of quality system principles and methods.

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 operational strategies and procedures
- oral or written questioning to assess knowledge of principles of risk management relevant to the business, including risk assessment
- review of analysis of operating problems (establishing causes and implementing changes as required as part of the business quality system)
- review of records proposing changes to the business operations.

Guidance information for assessment

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

- BSBSMB406A Manage small business finances
- BSBSMB407A Manage a small team.

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.

Operational strategies and procedures may be determined by:

- business premises (size, location, layout)
- financial control systems and procedures
- management and administrative systems and procedures
- methods/techniques/technology
- physical and natural resources
- plant and equipment , including OHS requirements
- premises, plant and equipment, which may be new or previously owned
- purchase (sole or shared ownership) or leasing
- raw materials
- requirements, which may be one-off requirements or recurrent requirements (such as equipment maintenance) specific to the nature of the business
- technology
- use of existing, new and emerging technologies including e-commerce

Business goals and objectives may include:

- customer needs/marketing projections
- family or community benefits
- financial projections
- goals, objectives, plans, systems and processes
- lifestyle issues
- proposed size and scale of the business, market focus of the business
- short-, medium- or long-term goals
- social responsibility

Occupational health and safety and environmental issues must include:

- controls, which may include instructions to workplace personnel concerning site hazards and controls, material safety data sheets, use of personal protective equipment, vehicle access, signs and barricades, traffic control, outside contractors

RANGE STATEMENT	
	- establishment and maintenance of procedures for assessing and controlling risks - establishment and maintenance of procedures for identifying risks to health and safety - waste and by-products
Quality system may include:	- manual or computer quality control systems - quality assurance/management approaches - random inspections and assessments of goods and services against predetermined standards - random inspections and assessments of processes against predetermined standards - random sampling and follow-up of customers
Operational targets may include:	- external targets, which may relate to market share and positioning and may involve exploring new markets, building national or international trade links - internal targets, which may relate to size, quality, quantity and diversity, wages to sales, sales to area/stock levels/stock turnover/average debtor payment periods and levels - staffing level and skills mix - targets, which may be short-, medium- or long-term
Technical standards may include:	current and generally agreed descriptions of what the product/service is, how it should be produced/delivered and the quality, safety, efficiency or other measures to determine the activity is done effectively

Unit Sector(s)

Unit sector	
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Competency field

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

Co-requisite units		