



Australian Government

Department of Education, Employment and Workplace Relations

CPPDSM4053A List business for sale

Release: 1

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Modification History

Not Applicable

Unit Descriptor

Unit descriptor

This unit of competency specifies the outcomes required to list a business for sale with a business brokerage. It requires the ability to establish fees and cost structures; liaise with clients; assess documents relating to ownership of a business and associated plant, equipment, fixtures and fittings; and complete the steps required to prepare to list a business. The unit requires knowledge of agency fee structures and paperwork, and source business and legal documentation.

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 the listing of businesses for sale with a business brokerage.

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 <i>bold italicised</i> 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.
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Elements and Performance Criteria

ELEMENT

PERFORMANCE CRITERIA

1 Establish client and agency requirements.

- 1.1 Agency fees and fee structures are explained to client and negotiated as necessary according to **agency and legislative requirements** and expectations.
- 1.2 Schedules and budgets for listing and promotion are discussed with client according to agency practice.
- 1.3 Client **questions or concerns** are canvassed, clarified and wherever possible resolved according to agency and legislative requirements.
- 1.4 **Client instructions** in relation to the listing and potential sale are recorded to prepare the **client profile** and meet legislative and agency requirements regarding sales and listings.

2 Establish status and ownership of status.

- 2.1 Client guidelines in relation to the sales process are obtained and agreed to.
- 2.2 **Source documents** for the business and owners and appropriate seller warranties are obtained according to legislative and agency requirements.
- 2.3 **Structure, ownership and status of associated plant and equipment** are determined and verified according to legislative and agency requirements.
- 2.4 **Conditions of occupancy** are identified and verified.
- 2.5 Identified **status and ownership concerns** are communicated to client and clarification is sought.

3 Complete listing.

- 3.1 **Pricing structures and price break-ups** are determined, discussed and agreed with the client according to agency practice.
- 3.2 **Marketing plans** and budgets for the sale of business and related components are determined, drafted and agreed.
- 3.3 Formal documents are produced and distributed to reflect agreements made by parties involved in the listing process.
- 3.4 Information is provided to clients that reflects progress made in relation to determining the status of business, listing process and terms of the agreement.
- 3.5 Clients are provided with **further information** about available choices for meeting their needs and are assisted in selection of preferred options.

ELEMENT**PERFORMANCE CRITERIA**

3.6 **Formal documentation** for listing of the business is finalised.

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 listing a business and relevant information regarding legislative requirements
- identify current market trends and positions and determine best listing options
- liaise with clients
- provide information on recommended methods for listing
- relate to people from a range of social, cultural and ethnic backgrounds and of varying physical and mental abilities
- resolve client concerns and issues
- select and use appropriate technology.

Required knowledge and understanding:

- agency's business structure
- mechanisms to obtain and analyse client comments and feedback
- organisation's policy and procedures for client service, including ethical behaviour and listing procedures
- principles and techniques for checking and validating ownership and status of a business, associated plant and equipment, and financial statements; and communicating concerns to clients
- relevant federal and state or territory legislation and local government regulations related to:
 - anti-discrimination
 - business broking
 - business operation and listings, especially in regard to franchises and business structures and the sale and listing of businesses
 - consumer protection
 - environmental issues
 - equal employment opportunity
 - industrial relations
 - OHS

REQUIRED SKILLS AND KNOWLEDGE

- service standards and best practice models
- strategies for planning and monitoring business listing activities
- types of listings available and benefits and limitations of each for a variety of business types.

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 a practical demonstration of listing a business for sale with 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 business and associated plant and equipment ownership and status, as they relate to listing a business with a brokerage office
- clarifying concerns and communicating with clients to enable the listing process and to resolve complications
- documenting agreements and distributing relevant information to clients and relevant internal and external parties
- knowledge of agency practice, ethical standards and legislative requirements related to listing a business for sale
- preparing and structuring advice on the listing process for businesses.

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.

Agency and legislative

requirements may relate to:

- access and equity policy, principles and practice
- business and performance plans, including organisational goals and objectives
- client service policies
- confidentiality and privacy concerns
- goals, objectives, plans, systems and processes
- industry and agency codes of conduct and practice and code of ethics
- legislative and statutory requirements for provision of business brokerage services
- mission statements and strategic plans
- OHS policies, procedures and programs
- policies and procedures relating to own role, responsibility and delegation
- policy documents on pricing and fee structures
- quality assurance and procedures manual, including continuous improvement processes and standards and sales and client liaison procedures
- records and information systems
- reporting and communication structures
- terms and conditions of employment.

Questions or concerns may arise regarding:

- business broking opportunities and potential difficulties
- fees and fee structures
- possible price
- the agency and its reputation
- the business appraisal and marketing process
- the listing process
- the sales and market climate
- type and term of agency agreement.

Client instructions may relate to:

- agency processes that may affect client
- frequency and contact details for provision of information in relation to listing and sale
- how they would like the business listed and marketed
- selling price expectations.

- Client profile** may relate to:
- availability of finance
 - commitments to suppliers, staff, and clients or customers
 - existence of a management succession plan
 - intended use of sale proceeds
 - involvement client is prepared to have in sale process
 - limitation on due diligence, if any
 - opinions of professional advisers
 - reason for sale
 - support and training provided to buyer where needed
 - tax position in terms of capital gains and superannuation rollover provisions
 - timeframe expected by client for settlement of sale.
- Source documents** may include:
- current documentation and official records
 - financial records, including owner's financial position
 - fittings and fixtures documentation
 - franchise agreements
 - leases
 - plant and equipment inventories
 - statutory paperwork.
- Structure, ownership and status of plant and equipment** may be determined and verified against:
- current documentation and official records
 - relevant federal, state or territory, and local government legislation and by-laws
 - statutory arrangements and regulations regarding incorporated bodies, public companies, corporations, businesses, sole proprietors, partnerships and franchises.
- Conditions of occupancy** may include:
- agreements
 - certificates
 - contracts
 - environmental conditions
 - franchise
 - lease
 - licences
 - native title
 - permits
 - statutory concerns
 - title.
- Status and ownership concerns** may include:
- authority to sell
 - debtors
 - financial viability
 - intellectual property

- management and staff
 - ownership structure
 - plant, fixtures, fittings and equipment
 - security of tenure
 - stock
 - warranties and liabilities.
- Pricing structures and price break-ups** may relate to:
- client-financed sale
 - encumbered or unencumbered
 - method of sale, such as auction or direct purchase
 - plant and equipment as separate sales
 - pricing for sale of business as a whole or in component parts
 - staggered purchase and/or retention arrangements
 - tax implications.
- Marketing plans** may relate to:
- market trends and conditions
 - preferred, optimum and minimum acceptable outcomes
 - timeframes for listing and marketing
 - type of listing
 - where and how business would be marketed.
- Further information** may relate to:
- agency procedures
 - appraisal processes
 - marketing processes.
- Formal documentation** may include:
- agency agreements
 - agreements on listing and appraisal process between the agency and client
 - draft contracts
 - information for client on the listing appraisal and marketing process
 - listing forms, including fee negotiations
 - sellers' disclosure statement.

Unit Sector(s)

Unit sector Property development, sales and management

Competency field

Competency field

Business broking