



Australian Government

Department of Education, Employment and Workplace Relations

FNSACC607A Evaluate business performance

Revision Number: 1

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Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to analyse trends in an organisation's business operations, develop performance indicators and identify options for improvement. This unit may apply to job roles subject to licensing, legislative, regulatory or certification requirements so Commonwealth, State or Territory requirements should be confirmed with the relevant body.
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Application of the Unit

Application of the unit	The unit has application across all sectors of the financial services sectors and could be used by business analysts, accountants and project managers.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		
	FNSACC503A	Manage budgets and forecasts

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. Analyse trends in performance	1.1. Data relating to program and organisational performance is gathered and analysed using standard accounting techniques to identify past, current and future performance 1.2. Variations from targets and divergences from trends are researched and evaluated to determine margins of errors and any repeating patterns 1.3. Trends in performance are assessed in terms of organisational short-term and long-term objectives
2. Develop performance indicators	2.1. Performance indicators are developed that link organisational processes, resource use and organisational objectives to environmental factors 2.2. Performance indicators are developed using processes that are planned, inclusive and realistic within available timeframes and resources 2.3. Components of performance indicators are regularly reviewed for relevance against performance trends and organisational capacities
3. Identify options for improvement	3.1. Factors inhibiting performance are identified, minimised or eliminated and organisational programs are reviewed to include factors that promote performance in line with available resources 3.2. Value is added through the use of standard financial management techniques such as capital budgeting 3.3. Communication strategies are developed and implemented to facilitate the extension of improvement options in line with operational goals and needs

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- well-developed communication skills to:
 - determine current business performance and improvement requirements using questioning and active listening as required
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- high level research skills for accessing and managing information and evaluating organisational structures and lines of management authority
- literacy skills for analysing organisational performance and preparing clear written advice for clients
- numeracy skills for financial calculations and analysis, estimating and forecasting
- IT skills for developing and using spreadsheets and databases and internet information
- learning skills to maintain knowledge of best practice organisational performance processes and procedures
- problem solving skills to identify any business performance issues that have the potential to impact on clients and to develop options to resolve these issues when they arise
- organisational skills, including the ability to plan and sequence work and correctly schedule organisational monitoring and reporting

Required knowledge

- ethical considerations such as:
 - conflict of interests
 - confidentiality
 - disclosure requirements
- options, methods and practices for deductions, benefits and depreciations
- principles and methods of valuation
- principles of capital budgeting analysis and investment analysis
- principles of cost-benefit analysis and use of forecasting techniques

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 ability to: • apply standard accounting techniques to analyse trends in business performance • develop performance indicators and identify options for improvement • establish organisational objectives, policies and procedures.
Context of and specific resources for assessment	Assessment must ensure: • competency is demonstrated in the context of the financial services work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment • access to and the use of a range of common office equipment, technology, software and consumables • corporate governance documentation and organisational operational policies and procedures information.
Method of assessment	A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit: • evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency • verbal or written questioning on underpinning knowledge and skills which may include formal examinations • setting and reviewing workplace projects and business simulations or scenarios • evaluating samples of work • accessing and validating third party reports.
Guidance information for assessment	

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.

Data may include:	• Australian Bureau of Statistics (ABS) economic data • budgets and forecasts • capital equipment and development plans • credit ratings • financial markets monitoring services • financial statements and reports • investment plans • market valuations.
Standard accounting techniques may include:	• capital budgeting • deprival asset valuations • direct allocation • discounted cash flows • impact statements • pay-back periods • pro rata and percentage apportionment • rates of return • ratio analysis • working capital management.
Targets may include:	• asset turnover • budgeted expenditures • budgeted revenue • capital expenditure management • cost of capital • profits and losses • rate of investment returns • sales • working capital levels.
Short and long term objectives may include:	• asset management • budgetary targets: • quarterly • half-yearly • annually

RANGE STATEMENT	
	• client development • investment levels and returns • investment realisations • monthly cash flows • profit growth • sales and revenue targets.
Performance indicators may include:	• compliance with scheduled payment dates • debt reduction targets • debt-to-equity ratios • investment levels • profits and losses • reports: • daily • weekly • monthly • quarterly • half yearly • annually • target cost of capital.
Environmental factors may include:	• community service obligations • competitors' behaviour • consumer demand • cost of debt • environmental sustainability factors • government financial policies • inflation • market share • skills shortages.
Factors inhibiting performance may include:	• client opinions and interface • financial management techniques and tools • financial monitoring • information management systems • internal procedures • market share • staff skills.
Communication strategies may include:	• documented procedures and staff manuals • memos • newsletters • staff meetings

RANGE STATEMENT

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| | <ul style="list-style-type: none">workshops. |
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Unit Sector(s)

Unit sector	Accounting
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		