



™ INSTITUTE OF ENTERPRISE  
AND ENTREPRENEURS

NATIONAL OCCUPATIONAL STANDARDS  
**BUSINESS ENTERPRISE**

POWERED BY

**SFEDI® GROUP**



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# CFABD1

## Check the likely success of a business idea

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### Overview

You need to check a new business idea to see if it will succeed. This will:

1. help you know that an idea is worth developing further; and
2. stop you wasting time and money on an idea that will not succeed

You might do this if you are:

1. setting up a new business or social enterprise
2. expanding your business or a social enterprise
3. changing or adapting the products or services offered by your business or a social enterprise

This unit involves checking the likely success of a business idea:

1. looking at your business idea as a whole, in an open-minded way and identifying how it will work in practice
2. developing a clear understanding of your customers' needs, your competitors activities and the market for your business idea
3. identifying the implications of any laws you will need to meet, resources you will need to buy and skills you or others will need to develop
4. deciding whether your business idea is likely to make you enough money to cover your costs and any profits that you need to make

# CFABD1

## Check the likely success of a business idea

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### Performance criteria

*You must be able to:*

- P1 describe your business idea and why it will be successful
- P2 understand the kind of market your business idea will be in
- P3 research to make sure there is room for your business idea in the market
- P4 find out who your competitors would be, what their strengths and weaknesses are and how you might compete with them
- P5 check up on market trends, business trends and anything else beyond your control that might affect your proposed business idea
- P6 check what laws and regulations would affect your business idea and how you would meet them
- P7 identify what skills, abilities or knowledge you or other people will need to deliver your business idea
- P8 identify what equipment, tools, materials or additional people you would need to deliver your business idea and how much they would cost you
- P9 find out how much it is likely to cost you to deliver your business idea, how you will pay for it and how you will pay early running costs
- P10 work out how much you can charge your customers to cover your costs and meet your profit targets
- P11 judge your business idea and decide whether you should pursue it, adapt it or discard it

# CFABD1

## Check the likely success of a business idea

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### Knowledge and understanding

*You need to know and understand:*

#### **Business focus**

- K1 how to identify a business idea's unique selling point and why it will be successful
- K2 how to judge whether a business idea is worth developing or adapting

#### **Market research**

- K3 what you need to research, how you can get hold of published market research and how you can carry out your own
- K4 how customers' actions and choices might affect the success of your business idea

#### **Competitors**

- K5 how you can tell if your competitors will affect your business

#### **Market and business trends**

- K6 what political and commercial changes could affect your business idea
- K7 what local, national and international events could limit or improve your business opportunities

#### **Law and regulations**

- K8 what laws will affect your business idea and how

#### **Skills and abilities**

- K9 how you can judge your own and other people's skills, abilities and knowledge
- K10 different ways that skills, abilities and knowledge can be developed

#### **Resources**

- K11 how to identify resource needs and how much they will cost

#### **Finances**

- K12 how much profit you hope to make, how to cost a product or service and how to work out a selling price
- K13 how to understand and use cash-flow forecasts and profit and loss accounts and what information you would need to produce them

# CFABD1

## Check the likely success of a business idea

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### Additional Information

#### Links to other NOS

1. WB1 Check what customers need from your business
2. BD2 Define the product or service of your business
3. BD10 Get support for a creative business idea
4. YS3 Improve your business skills
5. OP1 Review the skills your business needs
6. OP6 Develop people's skills for your business
7. BS1 Identify needs and suppliers for your business
8. MN4 Manage cash flow in your business
9. LG2 Keep up to date with current legislation affecting your business

# CFABD1

## Check the likely success of a business idea

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# CFABD2

## Define your product or service

### Overview

This unit is important as you need to properly define a product or service before you offer it so that you:

1. offer the right product or service for the market
2. charge the right price for it
3. sell enough to achieve what you want to achieve

You might do this if you are:

1. setting up a new business or social enterprise
2. expanding a business or social enterprise
3. changing or adapting the products or services offered by your business or social enterprise

This involves defining a product or service:

1. defining your product or service in detail and how it is different to other similar products or services
2. deciding how much to charge for your product or service
3. setting targets of how many or how much you will sell or distribute

# CFABD2

## Define your product or service

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### Performance criteria

*You must be able to:*

- P1 decide on the detail of your business product or service and how it could be provided
- P2 find out who your competitors are and how their product or service differs from yours
- P3 work out who your customers will be
- P4 work out the likely demand for your product or service
- P5 decide how many you expect to sell or distribute
- P6 research all the costs of providing your product or service
- P7 decide what price to charge for your product or service
- P8 work out how much profit you may make from your product or service
- P9 work out and decide when and how you could sell or distribute the product or service
- P10 make sure you can achieve what you want to achieve from your product or service

# CFABD2

## Define your product or service

---

### Knowledge and understanding

*You need to know and understand:*

#### **Products or services**

- K1 how to describe a product or service
- K2 how to find out about the market and its prices in a sector
- K3 how to work out the cost of providing products or services
- K4 different ways to price a product or service and their benefits
- K5 how costs affect a product or service
- K6 how price affects sales

#### **Competitors**

- K7 where to find out about your competitors products or services
- K8 how competitors' products or services may differ (for example price, quality, delivery times, payment terms, level of service)
- K9 how to analyse the market and competition

#### **Market research**

- K10 how to find out who your customers might be
- K11 how you can find out what customers want

#### **Selling**

- K12 where and when a product or service can be sold
- K13 how to set realistic sales targets

#### **Business focus**

- K14 what you want to achieve from your product or service

## CFABD2

Define your product or service

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### Additional Information

#### Links to other NOS

1. WB1 Check what customers need from your business
2. WB3 Plan how you will sell your products or services
3. BD1 Check the likely success of a business idea

## CFABD2

### Define your product or service

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# CFABD3

## Plan where your business is going

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### Overview

This unit is important when taking the time to think about where you want your business to go and how you want it to get there will mean that your business is much more likely to do what you want it to do. The most important part of this is thinking everything through. It is up to you whether you will find it useful to write all or parts of your plans down. If you want to use your plans to help you get funding or other support you will need to write them down.

You might do this if you are:

1. setting up a new business or social enterprise
2. expanding a business or social enterprise
3. changing or adapting the way a business or social enterprise operates
4. reviewing what you want for a business or social enterprise

This unit involves planning where your business is going:

1. being clear about where you want your business to be in the future
2. setting targets of what you want it to achieve
3. working out detailed plans to help it get there
4. deciding what parts of your plans need to be written and how they need to be presented

# CFABD3

## Plan where your business is going

---

### Performance criteria

*You must be able to:*

- P1 assess the current market position and image of your business
- P2 decide where you would like your business to be in the short, medium and long term
- P3 set targets for the different parts of your business and make sure that they do not conflict with each other
- P4 plan in detail how the different parts of your business will work and how the targets will be met
- P5 design a framework that will allow you to monitor the performance of your business against your plans
- P6 make sure your plans are in a format that is suitable for their future use
- P7 make sure you obey all the laws and regulations that apply to your business and plan how to keep up to date with any new laws and regulations
- P8 seek advice when you need it
- P9 decide how you will put your plans into practice and how you will deal with things that don't go to plan
- P10 make sure that everybody concerned with your business understands your plans and will help to make them successful

# CFABD3

## Plan where your business is going

---

### Knowledge and understanding

*You need to know and understand:*

#### **Business focus**

- K1 the current market position and image of your business if it is already trading
- K2 how to identify the current market position and image of your business
- K3 how to define where you want your business to be in terms of market position and success
- K4 how to set realistic targets for the different parts of your business (for example finances, production, sales, marketing, customer service, quality, staff recruitment, reward, appraisal or training and development)
- K5 how the different parts of your business affect each other (for example financial targets can affect productivity, income and costs)

#### **Business planning**

- K6 how to make plans that are practical and useful and help you achieve what you want to
- K7 what resources are needed to carry out your plans, how you will get them and how much they will cost (for example, products, staff, finance, premises, plant, equipment, marketing and administration)
- K8 how you can review and monitor the success of your plans
- K9 who will use your plans, how they will be used, whether parts or all of them need to be written and if so, what they need to contain, how they need to be formatted and how they need to be arranged

#### **Law and regulations**

- K10 what laws and regulations affect your business and how

#### **Information and advice**

- K11 where to find help and advice (this could include business associates, business advice centres, business advisers, mentors or counsellors, specialist consultants, non-executive directors, accountants and other professionals)

#### **Motivating others**

- K12 how to communicate with everybody involved in your business about your plans and how to motivate people and encourage them to put your plans into practice

# CFABD3

## Plan where your business is going

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### Additional Information

#### Links to other NOS

1. EE1 Achieve the goals for your business
2. EE4 Find innovative ways to improve your business
3. WB2 Plan how to let your customers know about your products or services
4. WB4 Advertise your products or services
5. WB11 Decide how you will treat your business customers
6. BD4 Carry out a review of your business
7. BD5 Carry out the plans for your business
8. OP1 Review the skills your business needs
9. OP2 Plan what people your business needs
10. BI1 Create the infrastructure your business needs
11. BS1 Identify needs and suppliers for your business
12. MN2 Set and monitor financial targets for your business
13. MN7 Get finance for your business
14. LG2 Keep up to date with current legislation affecting your business

#### Links to other standards

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

15. B3 Develop a strategic business plan
16. C5 Plan change

# CFABD3

## Plan where your business is going

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# CFABD4

## Carry out a review of your business

### Overview

This unit is important if you regularly review your business so you will have a clear idea of how it is doing. This will help you to:

1. spot problems quickly and deal with them before they get out of hand
2. see what opportunities there are for your business
3. see what threats it will need to combat
4. identify what changes and improvements need to be made

You might do this if you are:

1. making sure your business or social enterprise is doing what you want it to
2. reviewing what you want for your business or a social enterprise
3. expanding or downsizing your business or a social enterprise
4. changing or adapting the way your business or social enterprise operates

This unit involves carrying out a review of your business looking at:

1. whether your business is doing what you expect
2. analysing the things that affect it
3. deciding how to change or improve things

# CFABD4

## Carry out a review of your business

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### Performance criteria

*You must be able to:*

- P1 find out what changes, opportunities or problems (factors) your business faces
- P2 assess the effect of different factors on your business and decide which are affecting your business the most
- P3 decide what the strengths and weaknesses of your business are
- P4 assess the current market position and image of your business
- P5 look at how you sell your products or services and if you need to promote them more to customers
- P6 assess the products or services and identify ways to improve productivity and quality
- P7 identify ways you can improve your existing products or services and think about developing new products or services
- P8 accurately assess the financial state of your business
- P9 decide what you want and need from yourself and check that any staff have the skills they need to perform well
- P10 use suitable ways of checking to give you accurate and fair information
- P11 find out why the performance of your business varies from what you expected
- P12 consult relevant people to confirm your results
- P13 seek help when you need it
- P14 keep records so that you can use them to help plan future business activities
- P15 make a list of improvements for your business

# CFABD4

## Carry out a review of your business

### Knowledge and understanding

*You need to know and understand:*

#### **Business Focus**

- K1 what factors outside your business are important and how they affect business (for example, customer demand, competition and laws or regulations)
- K2 what inside factors are important and how they affect your business (for example staff organisation, attitudes, training and work environment, business management and organisation, product or service design, quality, marketing and sales)
- K3 how to measure and assess each of the things that affect your business
- K4 what possible opportunities there are for your business and how to keep up to date with them (for example moving into new markets, improving products or services, simplifying your business and increasing profits)
- K5 what possible threats there are for your business and how to keep up to date with them (for example market changes, competitors actions, new laws or problems with suppliers or backers)
- K6 how to make sense of any differences between the targets you set for your business and the actual performance

#### **Marketing and sales**

- K7 how the current market position can be identified
- K8 how to assess the image of your business by investigating what other people think of it and how image affects your business (for example, the way staff behave, what customers think of the premises and how suppliers respond)

#### **Products or services**

- K9 how to assess the effect of products or services on your business (for example by reviewing what your customers think of the products or services, the quality of products or services and the length of time each take to produce, the range of products or services, costs and overheads and unique selling points [USPs])
- K10 how to identify different opportunities regarding products or services
- K11 what quality standards are available and necessary

#### **Finances**

- K12 how to assess the financial state of your business (for example, by examining profits, cash flow, assets and liabilities, break-even point, and estimating the risk of losses or less-than-expected returns) and what financial information you can use (for example, basic cash flow, profit statements, high and low profit and loss forecasts, break-even point and basic balance sheets)

## **CFABD4**

### Carry out a review of your business

#### **Skills and abilities**

K13 how to assess what skills and abilities you and any staff may need

#### **Information and advice**

K14 where to find help and advice (For example business associates, business advice centres, business advisers, mentors or counsellors, specialist consultants, non-executive directors, accountants and other professionals.)

#### **Business Improvement**

K15 what types of improvements are possible and what information can be used to identify them (for example, financial statements and accounts, order books, customer records, budgets, feedback from staff and customers, information from suppliers, guidelines on the law and other regulations)

## CFABD4

### Carry out a review of your business

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#### Additional Information

#### Links to other NOS

1. EE1 Achieve the goals for your business
2. EE4 Find innovative ways to improve your business
3. BD3 Plan where your business is going
4. BD5 Carry out the plans for your business
5. BD6 Make changes to improve your business

#### Links to other standards

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

6. B2 Map the environment in which your organisation operates
7. B3 Develop a strategic business plan
8. B4 Put the strategic plan into action

## CFABD4

### Carry out a review of your business

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# CFABD5

## Carry out the plans for your business

### Overview

This unit is important when making sure your plans for your business are carried out properly. This is a valuable thing to do to make sure that your business actually goes in the direction you want it to.

You might do this if you are running:

1. your own business
2. a franchise or format business
3. a social enterprise

This unit involves carrying out your plans for your business:

1. deciding how to judge success
2. deciding who does what and when
3. thinking about possible problems
4. monitoring and controlling progress
5. evaluating your plans to make sure they achieved what you wanted them to

## CFABD5

### Carry out the plans for your business

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#### Performance criteria

*You must be able to:*

- P1 decide what needs to be done, and when, to put your plans into practice
- P2 decide what you need to carry out your plans, and how you will get it
- P3 make sure the results of your plans will not harm your business
- P4 think about any problems that might prevent the results of your plans being achieved and identify ways to deal with them
- P5 decide when and how you will monitor progress against your plans and regularly check progress
- P6 make sure that everybody concerned with your business knows about your plans and will help to make them successful
- P7 make sure resources are being used efficiently and in the best possible way
- P8 regularly check with the people who are involved with putting your plans into practice to see what they think about progress
- P9 identify problems with putting your plans into practice, and take prompt action to solve them and to change them, if necessary
- P10 check what resources are still available if plans do not proceed the way you expect them to
- P11 identify any new opportunities that emerge, and make any changes that are needed to your plans
- P12 assess the costs, benefits and success of plans in a fair and accurate way
- P13 decide which resources were of the most use in meeting the aims and targets set
- P14 review your long-term plans for your business using the information you have gathered

# CFABD5

## Carry out the plans for your business

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### Knowledge and understanding

*You need to know and understand:*

#### **Planning**

- K1 how to break down large targets into activities with timescales and deadlines that can be achieved and measured
- K2 what problems could prevent your plans being achieved (for example, changes in the market, competition, lack of resources, staff changes or changes to laws or non-statutory regulations)
- K3 how to plan ways of avoiding any uncertainties (contingency planning)

#### **Resources**

- K4 what resources are needed to carry out your plans, how you will get them and how much they will cost (for example, products, staff, finance, premises, plant, equipment, marketing and administration)

#### **Motivating others**

- K5 who should be involved in putting your plans into practice, and how and why they should be consulted
- K6 how to communicate with everybody involved in your business about your plans and how to motivate people and encourage them to put your plans into practice

#### **Monitoring**

- K7 how to set deadlines for achieving goals and targets, chasing and reviewing progress
- K8 what monitoring arrangements are suitable (for example, why, when, how and how often) and who to involve
- K9 how and when to review the resources used for your plans and how to assess their effectiveness
- K10 how to make fair and accurate assessments by using other people's views and balancing them with your own, as well as gathering other information about your business
- K11 how you will judge the costs, benefits and success of your plans

#### **Business focus**

- K12 how to identify new opportunities and what they are likely to involve (for example, new markets, products or services, changes in competitors' activities, local or government issues)

## CFABD5

### Carry out the plans for your business

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#### Additional Information

#### Links to other NOS

1. BD3 Plan where your business is going
2. BD4 Carry out a review of your business

#### Links to other standards

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

3. B3 Develop a strategic business plan
4. B4 Put the strategic plan into action

## CFABD5

### Carry out the plans for your business

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## CFABD6

# Make changes to improve the business

### Overview

This unit is important as there are many times when you will want to make changes to improve your business. It is important that you make them effectively so that they disrupt your business as little as possible and achieve what you want.

You might do this if you:

1. have recently reviewed a business or social enterprise
2. have identified changes in your business or social enterprise, or its market to which you need to react
3. wish to change the way your business or social enterprise works or take it in a new direction

This unit involves making changes to improve your business:

1. identifying what changes you need to make and how to make them
2. making sure they do not have a negative effect on the people or your business
3. monitoring and evaluating the changes to make sure they happen as you intended

## CFABD6

### Make changes to improve the business

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#### Performance criteria

*You must be able to:*

- P1 use reliable information to identify changes in line with what you want for your business
- P2 think about anything that may stop you achieving the changes, and identify ways of dealing with them
- P3 decide what risks you are prepared to take and make sure they are worth it
- P4 give opportunities for relevant people to comment on proposed changes and contribute to planning change
- P5 explain proposed changes clearly, accurately and in good time to anyone who needs to know about them
- P6 plan changes accurately and in detail and clearly identify the implications for all those involved
- P7 think about what resources you need to make your change happen
- P8 check and confirm people's understanding of the implications of the change and their commitment to their role in the process
- P9 allocate resources and support so that the changes can take place
- P10 monitor the changes and solve any problems that arise
- P11 make sure that work is not affected whilst the change is happening
- P12 make sure that changes have achieved what you wanted them to

# CFABD6

## Make changes to improve the business

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### Knowledge and understanding

*You need to know and understand:*

#### **Planning**

- K1 how to assess changes, before they are made to make sure they are likely to achieve the results you want, by reviewing the costs, benefits and risks that you are prepared to take
- K2 what problems could prevent your plans being achieved and how you might deal with them
- K3 the importance of planning for the management of change and how to plan for it
- K4 what resources are needed to carry out your plans, how you will get them and how much they will cost (for example, products, staff, finance, premises, plant, equipment, marketing and administration)

#### **Motivating others**

- K5 the value of consulting all relevant people (for example, business advisers, partners, shareholders, stakeholders, staff, customers and suppliers)
- K6 how to communicate with everybody involved in your business about your plans and how to motivate people and encourage them to put your plans into practice

#### **Monitoring**

- K7 the importance of monitoring and evaluating change and how to make sure it does not have a negative effect on current work or your business

## CFABD6

### Make changes to improve the business

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#### Additional Information

#### Links to other NOS

1. BD4 Carry out a review of your business
2. BD5 Carry out the plans for your business

#### Links to other standards

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

3. B3 Develop a strategic business plan
4. B4 Put the strategic plan into action
5. C4 Lead change
6. C6 Implement change
7. F12 Improve organisational performance

## CFABD6

### Make changes to improve the business

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# CFABD7

## Improve the quality of products or services

### Overview

This unit is important as quality can give your business a competitive edge and can help you to keep and gain more customers. Quality can affect:

1. the performance of your business overall
2. your marketing and sales activities
3. how you develop and produce or provide your products or services
4. how you keep business records
5. how you deal with customers

You might do this if you:

1. have recently reviewed your business or social enterprise
2. have identified poor quality in activities or outputs to which you need to react

This unit involves improving the quality of products or services:

1. making sure you give your customers the level of quality they expect
2. making sure your quality is equal to, or higher than, that offered by your competitors
3. continually monitoring and improving quality

# CFABD7

## Improve the quality of products or services

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### Performance criteria

*You must be able to:*

- P1 find out what quality your customers expect and if they would like your business to have a quality award
- P2 check what you currently do to measure and improve quality in the operational, technical and management parts of your business and compare it to what your competitors do
- P3 set or review targets for quality for all parts of your business that take account of your customers' expectations
- P4 plan how to deal with faults and complaints and use the information you get to improve products or services
- P5 decide whether to use a quality recognition scheme to improve your business's performance
- P6 take advice from experts when you need it
- P7 check that quality improvements are happening as you wanted
- P8 regularly check progress by sampling products, services and processes and asking for the views of all those involved
- P9 assess the skills and attitudes of any staff to improving quality
- P10 check whether resources are helping to improve quality
- P11 identify any problems in making improvements, and take prompt action to deal with them
- P12 identify new opportunities and threats and change quality plans as necessary
- P13 use the results of monitoring to review the effectiveness of your business

# CFABD7

## Improve the quality of products or services

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### Knowledge and understanding

*You need to know and understand:*

#### **Quality management**

- K1 how quality helps your business aims and targets and how to bring it into your business
- K2 what information from your business is useful when looking at quality (for example, views of staff and customers, information about the products or services you deliver)
- K3 how to explain what quality and quality management are to those people involved (for example, staff, customers, backers and professional advisers)
- K4 how to measure quality (for example, the number of faults in products or complaints about services)
- K5 how you can find out what your customers expect in relation to quality and how they view poor quality
- K6 how you can find out about what your competitors do about quality
- K7 where to look in your business for quality improvements, staff skills and attitudes in day-to-day activities (for example production, service delivery, sales, marketing, customer relations, supplies, maintenance and administration)
- K8 how you should state the detail of quality you expect in products, services and processes
- K9 the schemes for recognising quality that are relevant to your business, the benefits of each and where to find out about them
- K10 how to judge that your products or services meet the level of quality that you have set
- K11 how to sample products, services and processes to carry out quality checks
- K12 what potential problems you could face when you try to improve quality in your business (for example, change in market conditions, resource difficulties, staff or competitor activity)

## CFABD7

### Improve the quality of products or services

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#### Additional Information

#### Links to other NOS

1. WB1 Check what customers need from your business
2. WB5 Sell your products or services
3. WB11 Decide how you will treat your business customers
4. WB12 Deliver a good service to customers
5. BD4 Carry out a review of your business
6. BD6 Make changes to improve your business
7. BS2 Monitor the quality and use of supplies and equipment in your business

## CFABD7

### Improve the quality of products or services

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# CFABD8

## Plan your exit strategy

### Overview

This unit is important as at some point you will leave your business and need to prepare to handover to someone else. Whether through retirement, sale of your business, passing it on to a family member, floating or merging your business it is important to plan your exit well in advance so you can move on when you are ready with the least disruption. By incorporating an exit strategy in your business plans it demonstrates to others that you are thinking strategically for the long-term as well as strengthening your business. Whatever your reason it is important that you plan your exit carefully to make sure that your departure leaves your business in the best possible position.

You might need to do this if you are:

1. developing a business plan
2. developing an exit strategy
3. reviewing your current business plan or exit strategy

This unit involves planning your exit strategy:

1. deciding how and when you want to exit your business
2. taking advice on the exit options
3. checking the feasibility of your plan by involving others

# CFABD8

## Plan your exit strategy

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### Performance criteria

*You must be able to:*

- P1 make sure that you have set goals and objectives of your business well in advance
- P2 investigate and assess the different exit options
- P3 plan for your preferred strategy, while considering what may happen if the situation changes and you are compelled to take a different route
- P4 take advice on the implications of your preferred exit options
- P5 decide who needs to be involved in the planning process
- P6 consult with relevant people on the implications of your plans
- P7 build the exit strategy into your business plan
- P8 be aware of the value of your business, how the value will change over time and the factors that affect it
- P9 keep your business in good shape by making sure finance administration is up to date and that you are complying with all relevant laws and regulations that effect your business
- P10 review your exit strategy regularly

# CFABD8

## Plan your exit strategy

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### Knowledge and understanding

*You need to know and understand:*

#### **Aims and objectives**

- K1 how to set the aims and objectives of your business
- K2 how the aims and objectives can influence your exit strategy (for example are you growing your business to eventually sell on for maximum profit)

#### **Information and advice**

- K3 where to find professional advice on planning your exit strategy (for example business adviser, accountant or lawyer)

#### **Business focus**

- K4 what the value of your business is
- K5 what factors affect the value of your business (for example capital assets, customer loyalty or goodwill, strength of order book, potential for growth and profitability)
- K6 how to keep your business administration in good order (for example keeping finances up to date and ensuring compliance with laws and regulations)

#### **Exit strategy**

- K7 what the different exit options are (for example selling, family succession, closing, floating your business or a merger)
- K8 how to plan an exit strategy, including contingency plans if things change
- K9 who needs to be consulted with when developing the plan (for example family members, employees or investors)
- K10 how your proposed exit strategy will affect the way you run your business
- K11 how and when to review your exit strategy

## CFABD8

### Plan your exit strategy

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#### Additional Information

#### Links to other NOS

1. EE1 Achieve the goals for your business
2. BD3 Plan where your business is going
3. BD4 Carry out a review of your business
4. BD5 Carry out the plans for your business
5. BD6 Make changes to improve your business
6. YS1 Explore your own business motives
7. BI1 Create the infrastructure your business needs

# CFABD8

## Plan your exit strategy

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## CFABD9

# Evaluate an existing business opportunity

### Overview

Buying an existing business may be a viable option for anyone who wants to run a business but doesn't have their own business idea. It is advisable to carry out a considerable amount of research into the business you are looking to buy; to make sure you can make it a success. This includes learning about the matters that make buying an existing business different from starting a business from scratch.

You might do this if you are:

1. looking for an opportunity to become a business owner and don't want to set up a business yourself

This unit involves evaluating an existing business opportunity:

1. deciding what you want to gain from the business
2. researching and understanding the nature of the business you are looking to purchase
3. assessing the value of the business
4. assessing all the costs involved in the purchase of an existing business
5. understanding your legal responsibilities

## CFABD9

### Evaluate an existing business opportunity

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#### Performance criteria

*You must be able to:*

- P1 consider the type of business you want to purchase and the business sector you want to join
- P2 consider what skills, assets and investment you can bring to a business
- P3 decide what you want to get out of the business
- P4 identify a number of suitable business options and assess the strengths and weaknesses of each of the potential options
- P5 investigate why the current business owner is selling the business
- P6 evaluate whether you are the right person to take on the business
- P7 assess the financial health, and potential for growth of the business
- P8 consider the value of the intangible assets of the business
- P9 seek advice from appropriate professionals to help you negotiate arrangements that are based on an appropriate valuation of the business
- P10 make detailed records of all contract negotiations
- P11 understand your commitments to any existing employees and their value to the future of the business
- P12 take into account your responsibilities to begin due diligence, and consider taking assistance to help you identify risk areas
- P13 make sure you understand all the conditions of sale, including existing obligations, and that you are in a position to meet them
- P14 seek legal and other professional advice before signing contracts, leases and other legally binding documents
- P15 do not allow yourself to be hurried into making a purchase before you have all the information you need, and decide it is what you want
- P16 make sure you consult any employees and employee representatives about changes you plan to make

# CFABD9

## Evaluate an existing business opportunity

### Knowledge and understanding

*You need to know and understand:*

#### **Business focus**

- K1 what type of business you want to buy
- K2 where to find information about the business sector you want to join (for example, market trends, competition, and issues and opportunities the sector is facing)
- K3 how to value intangible assets of the business such as reputation, relationship with suppliers and goodwill of customers (for example reputation, relationship with suppliers and goodwill of customers)
- K4 how to assess the value of existing employees to the business

#### **Yourself**

- K5 what assets you can bring to the business that will be of value including an existing customer base (for example investment, existing customer base and relevant skills)
- K6 your motives for wanting to own a business (for example make more money, be your own boss, or spend more time doing the things you enjoy)
- K7 your own strengths and weaknesses as a potential business owner and how these may affect the type of business you seek to purchase

#### **Buying a business**

- K8 how to assess the strengths and weaknesses of potential business options including any responsibilities or liabilities you will inherit from the previous owner (for example location, cost, projected income, investment required, existing staff, and responsibilities or liabilities you will inherit from the previous owner)
- K9 why the current owner is selling and how that may influence your decision to buy
- K10 the additional costs that will be incurred if you decide to buy the business (for example, legal costs, repairs to premises or new equipment required)
- K11 how and when to consult with existing employees about your future plans
- K12 what Transfer of Undertakings and Protection of Employment (TUPE) Regulations are and how they might affect your future plans
- K13 What due diligence entails and where to get assistance to manage the process
- K14 the conditions of sale and all your contractual responsibilities (for example verification of financial statements and transfer of leases, existing contracts and licences and for the financial liabilities of the business)

## **CFABD9**

### Evaluate an existing business opportunity

#### **Information and advice**

K15 where to get advice on assessing the value of a business and its potential for growth (for example, business advisers, property advisers, accountants, valuation experts and solicitors)

K16 what assistance you will need to negotiate contracts

## CFABD9

### Evaluate an existing business opportunity

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#### Additional Information

#### Links to other NOS

1. BD1 Check the likely success of a business idea
2. BD3 Plan where your business is going
3. YS1 Explore your own business motives
4. MN1 Decide on the financial needs of your business
5. MN6 Invest capital in your business

## CFABD9

### Evaluate an existing business opportunity

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# CFABD10

## Get support for a creative business idea

### Overview

Your idea may be for a completely new product or invention, a change to an existing product or a new service. Whatever your creative idea is, you will need the help and support of others to realise it, either through giving their time to help you crystallise your thoughts, money to develop the products and market or reputation to open doors that would otherwise be closed. There is a lot of support and advice available so it is important that you can clearly explain your idea.

You might do this if you are:

1. setting up a new business or social enterprise
2. developing a new product or service
3. planning to expand the range of products or services offered by your business or social enterprise

This unit involves getting support for a creative idea involves:

1. clearly defining your idea
2. working out the commercial application
3. finding out what types of support are available
4. defining what type of support you need
5. presenting your idea to others

# CFABD10

## Get support for a creative business idea

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### Performance criteria

*You must be able to:*

- P1 clearly define your creative idea, describing what the product or service is in detail
- P2 discuss your idea with a few trusted people to help think of things you have missed
- P3 protect your business idea using appropriate means
- P4 research what business support options are available to you
- P5 find out what finance, grants and loans are available and how to apply
- P6 decide what type of support you need
- P7 decide who needs to be involved to turn your plans to reality
- P8 write a clear simple proposal explaining why you think people should support your creative idea
- P9 produce any supporting information, prototypes or samples you may need to help explain your idea
- P10 present your creative idea to potential backers and supporters
- P11 make sure your presentation contains the key information they need to decide whether to give you their support

# CFABD10

## Get support for a creative business idea

### Knowledge and understanding

*You need to know and understand:*

#### **Creative ideas**

- K1 how to describe your creative idea simply and clearly.
- K2 how to define the target market. (For example age group, gender, social status, geographic location and buying preferences.)
- K3 what direct and indirect competition there is to your product or service and what the potential impacts are
- K4 what makes your creative idea different or better to other similar products or services on the market.
- K5 how to write a clear, simple proposition describing why you think your creative idea is a good one.
- K6 what supporting information you may need to help explain your idea and what the resource implications are. (For example a prototype or sample.)
- K7 what the most appropriate methods of protecting your creative idea at different stages of development are. (For example non-disclosure agreements, Intellectual property rights, copyrights, patents and trademarks.)

#### **Finance**

- K8 how to prepare a financial forecast including estimated expenditure and projected income and any borrowing requirements.

#### **Information and advice**

- K9 where to go for advice on legal issues involved in protecting your creative idea.

#### **Getting support**

- K10 what support options are available to you. (For example mentoring schemes, access to business advice or incubator units.)
- K11 what financial support options are available to you. (For example loans, grants or venture capital.)
- K12 how to assess what type of support is most appropriate for your needs.
- K13 how to brainstorm your idea effectively with others. (For example discuss the strengths, weaknesses and the issues and risks involved in bringing your idea to market.)
- K14 what roles you would like others to have in turning your idea into a reality.
- K15 how to prepare a presentation on your creative idea aimed at potential supporters and backers
- K16 what type of questions potential backers or supporters will ask and how to respond.
- K17 how to present your idea enthusiastically to others so that they will give you the backing you need.

## CFABD10

Get support for a creative business idea

### Additional Information

#### Links to other NOS

1. EE3 Make deals to take your business forward
2. WB10 Make presentations about your business
3. BD1 Check the likely success of a business idea
4. BD2 Define the product or service of your business
5. EE5 Build relationships to build your business
6. MN1 Decide on the financial needs of your business
7. MN7 Get finance for your business

## CFABD10

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## CFABD12

# Manage succession for your family business

### Overview

This unit is important as succession is a crucial area for family businesses. At some point you will need to hand over your responsibility to somebody else. Selecting the right successor, and making sure they are ready, willing and able to take on the task, is key to the survival of the business. Getting support and understanding from other family members for your successor helps to promote good relations in your family. Making sure that you support any decisions they make and focus on your own interests outside of the business is important for your own wellbeing and the success of the business for the future.

You might need to do this if you are:

1. planning to retire or move onto other ventures
2. developing an exit strategy from your family business

This unit involves managing succession in your family business:

1. communicating effectively with family members about succession
2. selecting the successor that is right for the business
3. preparing the successor to take over the business
4. preparing yourself to leave the business

## CFABD12

### Manage succession for your family business

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#### Performance criteria

*You must be able to:*

- P1 encourage family members to discuss ideas and options for succession from an early stage
- P2 find out what family members really want and not just what they think you want to hear
- P3 keep family communication about the business and succession, open, clear and regular
- P4 proactively deal with family conflict about business succession
- P5 consider all family members for the different roles you currently carry out by impartially assessing their skills, ambition and likely success
- P6 agree the future business values and the goals for succession with family members
- P7 decide whether family succession is the best option for your business and your family
- P8 decide on the right shareholding arrangement to benefit the business
- P9 consult with experts to make sure your succession plans are as tax efficient as possible
- P10 recognise when an independent facilitator would be beneficial to help you develop plans to achieve succession
- P11 arrange the necessary training or hand-over for your successor(s)
- P12 keep all documents relating to long term or interim succession up-to-date
- P13 inform all the people who need to know, about your succession intentions and progress
- P14 arrange your personal pension and financial plans so you are not dependent on the ongoing success of the business
- P15 prepare yourself to leave the business
- P16 fully transfer your responsibilities to your successor(s) at the agreed time

# CFABD12

## Manage succession for your family business

### Knowledge and understanding

*You need to know and understand:*

#### **Succession planning**

- K1 the reasons a succession might fail. (For example unclear succession plans, succession discussion left too late, incompetent, unprepared or unwilling successors, family rivalries, a predecessor who will not relinquish control or who undermines the successor.)
- K2 techniques to enable successful succession to family members. (For example allowing them to explore all their options, encouraging them to seek work experience elsewhere, making it clear to them that they do not have to take over the business if they do not choose to, discussing business issues with them from an early stage.)
- K3 whether family succession is most suitable for your business and what other exit strategies you might want to consider. (For example tradesale, management buyout, closing the business.)
- K4 different ways that roles might be allocated after you leave the business and their implications on the structure of the business. (For example splitting ownership and management, separating out technical expertise.)
- K5 what plans for succession might include. (For example any future role you will have in the business, when succession will start and finish, how to pass on key knowledge that you have, how any transitional period might work, any restructuring that will need to take place, contingency plans.)
- K6 what type of role you might have in the business in the future. (For example as a guru or expert on the core product, to carry out a specific task such as the accounts, no role.)
- K7 why it is important to decide the succession route before consulting on the tax implications. (For example succession is driven by business needs rather than by tax efficiency.)
- K8 the uses of documents such as succession plans, partnership agreements, shareholders agreements and wills. (For example planned succession, death, divorce, a falling-out or other significant unforeseen circumstances.)
- K9 why it is important that you let your successor make decisions and take overrunning the business at the agreed time. (For example they need an incentive to continue, new ideas and a fresh viewpoint can allow the business to move forward.)
- K10 who needs to be informed about succession activity and the best way to do it. (For example other family members including sons and daughters in law, managers and other staff, customers or clients, suppliers, other people or organisations who may be affected by it)
- K11 what policy on share distribution the company should follow. (For example held by one generation at a time, divided throughout generations, owned by the children of the family members)

## **CFABD12**

### **Manage succession for your family business**

running the business, executive shares to attract non family employees, sold to employees.)

#### **Communication**

K12 how you come across to your family both inside and outside the business and how you can encourage them to be open and honest with you. (For example listening to and valuing their opinions.)

K13 ways to resolve family conflict. (For example taking out a life insurance policy for those who won't inherit the business, giving shares to other family members, giving co-successors their own separate areas of responsibility.)

K14 how to achieve the best communication amongst family members. (For example the best time of day, who should be involved, format, length, frequency.)

K15 techniques to aid family communication. (For example family meetings, family forums, thorough board discussion, listening to what others really mean, controlling emotions, recognising personality traits of different family members.)

#### **Culture and personality**

K16 the values and culture of the business. (For example whether the needs of the family or business take priority, the ultimate purpose of the business.)

K17 the influence that other family members have on family members and on the business and how to use this positively. (For example your spouse may resolve issues between yourself and your children, daughters and sons in law may have calming effect on your children.)

#### **Information and advice**

K18 who you might approach for help and advice about succession. (For example anon-executive director, business adviser, other business people who have been through the same thing, an accountant, a solicitor.)

#### **Laws and regulations**

K19 what taxes, duties and relief's apply when you sell or gift a business or business asset. (For example inheritance tax, capital gains tax, business property relief.)

#### **Training, mentoring and coaching**

K20 the attributes and skills that are needed by your successor. (For example ambition, energy, strategic vision, interpersonal skills, technical knowledge.)

K21 that training and hand-over your successor needs to take the business forward.(For example development of leadership skills, time and opportunity to gain credibility.)

## **CFABD12**

### **Manage succession for your family business**

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#### **Yourself**

K22 ways to prepare yourself to leave the business. (For example taking time away from the business to reflect, developing outside interests, making plans for your own personal future, developing new ventures.)

# CFABD12

## Manage succession for your family business

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### Additional Information

#### Links to other NOS

1. EE1 Achieve your goals for your business.
2. BD3 Plan where your business is going.
3. BD6 Make changes to improve your business.
4. BD8 Plan your exit strategy.
5. OP1 Review the skills the business needs
6. OP2 Plan what people the business needs
7. YS1 Explore your own motives.

## CFABD12

### Manage succession for your family business

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# CFABI1

## Create the infrastructure your business needs

### Overview

This unit is important as the processes, procedures and systems of your business together make up your business infrastructure. The right infrastructure in your business will help you achieve your business goals and improve your competitiveness by:

1. improving efficiency
2. allowing staff to work effectively
3. managing running costs
4. helping you offer a high quality integrated service
5. supporting internal and external communications

You might do this if you are:

1. setting up a new business or social enterprise
2. reviewing the current infrastructure
3. expanding your business or social enterprise
4. changing or adapting the products or services offered by your business or a social enterprise

This involves creating the infrastructure your business needs:

1. defining what infrastructure your business needs
2. consulting with others including staff and customers
3. evaluating infrastructure options
4. implementing infrastructure plans
5. making sure the infrastructure is working for your business and is not overly complex or costly

# CFABI1

## Create the infrastructure your business needs

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### Performance criteria

*You must be able to:*

- P1 define how you would like your business infrastructure to help you meet your business goals
- P2 find out what your customers need from your business infrastructure
- P3 define what you and your staff need your business infrastructure to achieve
- P4 decide who needs to be consulted with or informed when planning infrastructure requirements
- P5 seek any necessary advice from experts on the technical solutions that will help meet your needs
- P6 research the options available that will help you create your business infrastructure
- P7 decide how much resource you can commit to developing your business infrastructure
- P8 assess the different infrastructure options
- P9 decide on a suitable infrastructure that serves and supports your needs, your customer's needs and helps meet the goals of your business
- P10 test the new infrastructure
- P11 plan and monitor implementation
- P12 keep your staff informed of progress while planning, developing and implementing the infrastructure
- P13 organise appropriate training for your staff so they are able to work effectively with the new infrastructure
- P14 seek and evaluate feedback from relevant people about your business infrastructure and use it to inform future developments

# CFABI1

## Create the infrastructure your business needs

### Knowledge and understanding

*You need to know and understand:*

#### **Business focus**

- K1 what your business goals are and how your business infrastructure could help you meet them (for example effective internal communication, efficient administration systems, and managing costs)
- K2 what the needs of your staff are and how your business infrastructure could help meet them (for example improved communication, integrated IT system across different departments, ability to have up-to-date information on clients)
- K3 what the needs of your customers are and how your business infrastructure could help you meet them and improve customer service

#### **Information and advice**

- K4 where to find professional advice on helping you develop a plan and appropriate technical solutions (for example Business Link adviser, IT & communications specialist, or consultants)

#### **Consultation**

- K5 who you need to consult with in creating your business infrastructure, and how you will keep them informed of progress (for example staff, customers, directors, suppliers, or investors)

#### **Infrastructure**

- K6 what resources you can commit to planning and implementation (for example capital investment and on-going costs, staff time and expertise to manage the infrastructure)
- K7 how to develop an infrastructure plan, describing what you want to achieve, what resources are available, and what your priorities are
- K8 what technical solutions are available, affordable and suitable for your business (for example mobile phones, networked computers, integrated IT and communication systems)
- K9 how to evaluate the different infrastructure options taking into account suitability, staff skills, budget, and timescale of implementation
- K10 how to develop an implementation plan including roles and responsibilities, timescales, budgets, and contingency planning
- K11 how to effectively monitor progress of the plan (for example regular project meetings, and clear reporting responsibilities)
- K12 how to get regular feedback from customers, staff and relevant other people on how they feel the infrastructure is benefiting your business and the service you provide
- K13 how to use the feedback on the infrastructure to help you improve plans for future development

# CFABI1

## Create the infrastructure your business needs

### **Development needs**

K14 what training is required to enable staff to get the most out of your business infrastructure

# CFABI1

## Create the infrastructure your business needs

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### Additional Information

#### Links to other NOS

1. EE1 Achieve the goals for your business
2. EE4 Find innovative ways to improve your business
3. WB1 Check what customers need from your business
4. BD3 Plan where your business is going
5. BD4 Carry out a review of your business
6. BD6 Make changes to improve your business
7. MN6 Invest capital in your business

# CFABI1

## Create the infrastructure your business needs

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# CFABI2

## Undertake freelance work

### Overview

When operating as a freelancer, you are your business and your skills are your service. Through successful engagements or contracts and applying your skills you will build your reputation. You need to be able to sell your skills to customers and promote your achievements, while negotiating favourable contracts. Planning is also very important so you are able to manage the busy times and work to improve your business, increase your customer base and manage your administration during quiet periods. You must also be aware of your obligations regarding accounts, tax and insurance responsibilities as well as manage what may be a fluctuating cash flow. As a freelancer you may be required to work for lots of different customers and you need to be both adaptable and flexible. This unit is tailored from Unit F of the Design standards.

You might do this if you are:

1. currently operating as a freelancer; or
2. planning to operate as a freelancer in the future

This unit involves undertaking freelance work:

1. marketing yourself as a freelancer
2. negotiating freelance contracts
3. carrying out freelance work to meet contracts
4. managing your finances, and work administration

# CFABI2

## Undertake freelance work

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### Performance criteria

*You must be able to:*

- P1 identify and use appropriate strategies to enhance your professional reputation and promote yourself to potential customers
- P2 make, follow up and maintain contacts with potential customers
- P3 make follow up and maintain appropriate networks to support you and your work
- P4 assess the value of work and estimate realistic fee rates
- P5 negotiate fees, timescales, outcomes, and completion criteria that meet your own and the customers requirements
- P6 calculate realistic schedules of work allowing time for contingencies and minor changes
- P7 plan ahead to organise and maintain a workflow that can be done in the time available and gives the income you require
- P8 monitor progress against plans
- P9 set up and use effective systems for managing finances and paperwork
- P10 prepare and keep accurate and up-to-date accounts
- P11 adapt to the way other organisations and people work whilst making sure you maintain your personal work ethic and reputation
- P12 produce outcomes using your own or your employing organisations resources, systems and work practices
- P13 produce outcomes that meet the agreed constraints, quality standards and deadlines
- P14 maintain professional standards of behaviour and work within your specialism, to suit the context

# CFABI2

## Undertake freelance work

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### Knowledge and understanding

*You need to know and understand:*

#### **Advice and information**

- K1 where to find the relevant sources of advice and information on employment, insurance, tax regulations and other small business legislation, and VAT

#### **Marketing and networking**

- K2 what the best and most effective promoting tools are to market yourself and your services to potential customers (e.g. CV, advertising, press coverage, exhibitions, website and business cards)
- K3 how to build your reputation and take pride in your work (e.g. by ensuring you send round clear and up-to-date information about your experience, past work, achievements and availability)
- K4 how to make, follow up and maintain contact with potential customers and access work opportunities (e.g. through regular internet trawls, speculative mailings to customers and joining local networks for small businesses)
- K5 how to build personal networks (e.g. of clients, suppliers, support and professional advice)

#### **Planning for yourself**

- K6 how to carry out contingency planning, scheduling and future planning so as to maintain available work and cash flow
- K7 how to plan ahead to maintain workflow in terms of required income, time available and outcomes required
- K8 how to estimate time requirements for jobs

#### **Finances**

- K9 how to set and manage personal and business budgets
- K10 how to keep simple accounts (e.g. book keeping, income, expenditure and cash flow) and set up systems for purchase orders, invoicing, filing and chasing late payments
- K11 how to budget for resources and overheads (e.g. rent, equipment, electricity, telephone and bank interest)
- K12 how to calculate and allow for business development costs
- K13 how to estimate going fee rates for work and resources (such as accommodation and expenses)

#### **Negotiating contracts**

- K14 how to negotiate and agree contracts in line with relevant employer legislation, expected income, time available and established outcomes
- K15 how to make sure contracts are clearly communicated (e.g. contain

## CFABI2

### Undertake freelance work

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details of deadlines, outcomes, payment terms and time limits for payment)

#### **Working with the customer**

K16 how to maintain professional standards of behaviour (e.g. time management, use of resources, co-operating with others and dress).

K17 how to adapt to other organisational cultures and ways of working

K18 the difference between creative decisions and business decisions

## CFABI2

### Undertake freelance work

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#### Additional Information

#### Links to other NOS

1. EE3 Make deals to take your business forward
2. WB1 Check what customers need from your business
3. WB2 Plan how to let your customers know about your products or services
4. WB3 Plan how you will sell your products or services
5. WB9 Bid for work for your business
6. WB12 Deliver a good service to customers
7. MN3 Keep financial records for your business
8. MN5 Get customers to pay on time
9. YS4 Seek advice and help for your business

## CFABI2

### Undertake freelance work

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# CFABL1

## Decide on a business location

### Overview

Choosing the right location for your business can be a complex task and may have a significant impact on the customers you attract and new and existing staff, as well as the suppliers you deal with. It can also be a big investment in time and money. You will need to consider public transport links and access by road for customers, suppliers and business partners. Many businesses rely on a local network of other businesses to provide printing, IT support, office staff, legal and marketing services, your new location may require setting up a new support network and you should be clear on the advantages of a move.

You might need to do this if you:

1. setting up a new business or social enterprise
2. reviewing your current location
3. expanding your business or social enterprise

This unit involves deciding on a business location:

1. working out how close your business needs to be to key people, such as customers, competitors, suppliers, and any staff
2. considering various location options
3. deciding which location most meets the needs of your business in the short and long term

# CFABL1

## Decide on a business location

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### Performance criteria

*You must be able to:*

- P1 work out where your customers are and how close you need to be to them
- P2 decide how close your business needs to be to suppliers and business services
- P3 decide how close your business needs to be to your existing staff
- P4 investigate where there are sufficient skills available for your future staffing needs
- P5 decide how close to other competitors or related businesses you want to be
- P6 decide on the need for access to transport links for customers, suppliers and staff
- P7 investigate what incentive schemes or enterprise zones are available and any conditions involved
- P8 make a list of location options
- P9 calculate the financial affect of different locations on your business
- P10 investigate the legal requirements you need to take into account when you decide on your needs for a business location
- P11 consider the advantages and disadvantages of different locations

# CFABL1

## Decide on a business location

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### Knowledge and understanding

*You need to know and understand:*

#### **Suppliers**

- K1 how your location will affect the service suppliers provide to you (for example will they increase their charges if your new location is further away from them, or will you need to source new suppliers)
- K2 what business services you need to use on a regular basis and how close you need to be to them (for example bank or post office)

#### **Competitors**

- K3 the impact your competitors will have on your choice of location (for example is it important to be near your competitors or related businesses as that is where customers expect to find you, or is it more important to be located away from other competition)

#### **Staff**

- K4 what effect different locations will have on your existing staff (for example will they have to travel to work, will a new location help with motivation)
- K5 what options are available for staff regarding their place of work (for example do all staff need to be based at the new location, or could they work from home, or both)

#### **Skills**

- K6 how to identify what future skills your business needs as it develops
- K7 how to identify whether there are sufficient skilled people in the location to meet future needs

#### **Business location**

- K8 who your customers are and where they are located
- K9 how your location will affect the service you provide to customers (for example do you need to be in a location accessible to customers or attract passing trade; or is most of your business conducted by telephone or on the internet)
- K10 what the different location options are and how to evaluate the advantages and disadvantages of them (for example working from home, a rural, urban or possibly an overseas location)
- K11 what incentives are available to small businesses to attract them to certain locations (for example start up grants, subsidized premises or incubator units, enterprise zones, additional support packages)
- K12 what access is needed to transport links for you, your staff, customers, and suppliers (for example road, rail, air or sea ports)
- K13 what facilities are available locally (for example leisure facilities, childcare, libraries, post office, shops or bank)

# CFABL1

## Decide on a business location

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K14 how different locations will affect fixed costs, cash flow and the profitability (for example business rates and congestion charges)

### **Laws and regulations**

K15 what the laws and regulations are that apply to your type of business, and how this may affect your choice of location – you will need to think about national and local requirements

### **Information and advice**

K16 where to find advice and information on finding a suitable location (for example an estate agent, location finder or business adviser)

# CFABL1

## Decide on a business location

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### Additional Information

#### Links to other NOS

1. WB1 Check what customers need from your business
2. BL2 Choose a business premises
3. BL3 Contract for a business premises
4. BS1 Identify needs and suppliers for your business

# CFABL1

## Decide on a business location

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## CFABL2

# Choose a business premises

### Overview

When choosing premises for your business you need to think carefully about your own needs and that of your business. The type of premises you need depends on the type of business you have, and other issues such as, whether you need to be close to your customers or suppliers, or how much space you will need for equipment or storage. Conditions of the lease and how much it will cost will also have a substantial impact on your business. Obtaining premises is a substantial commitment and usually requires a lease or a contract, so you will also need to seek out relevant information and suitably qualified advisers to help you understand what is involved.

You might do this if you need to:

1. setting up a new business or social enterprise
2. reviewing your current premises
3. expanding your business or social enterprise
4. changing or adapting the products or services offered by your business or social enterprise

Choosing a business premises involves:

1. assessing the impact a premises will have on you and your business
2. reviewing your business needs and matching them to available premises
3. accessing relevant professional information and advice

## CFABL2

### Choose a business premises

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#### Performance criteria

*You must be able to:*

- P1 work out how you will use the new premises for your business
- P2 decide how much space you need and what other things will be important in choosing premises
- P3 get up-to-date information and advice on possible premises from reliable sources
- P4 review different premises and take into account any alterations they need to fit your business needs
- P5 match the available premises to your own business needs
- P6 review your business needs depending on what premises are available (i.e. space requirements, access)
- P7 review the terms and conditions, and cost for the premises and think about their effect on your business
- P8 find out any legal requirements you need to take into account when you decide on your needs for business premises
- P9 get advice about the premises from suitable advisers

## CFABL2

### Choose a business premises

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#### Knowledge and understanding

*You need to know and understand:*

##### **Business focus**

- K1 what your business needs from a premises such as space requirements and access

##### **Research**

- K2 why you need to look at a number of options to decide which is best for you and your business
- K3 why a particular location is important for your business

##### **Finances**

- K4 how getting premises will affect the fixed costs, cash flow and profitability of your business
- K5 how to calculate costs and benefits of taking on premises:
  - K5.1 costs (for example, financial cost, maintenance, insurance, security, commercial rates and other taxes, professional fees and doing up)
  - K5.2 benefits (for example, where it is, how close it is to markets, convenience for people, space, services and facilities)
- K6 what the terms and conditions mean to your business

##### **Information and advice**

- K7 where to get information about suitable premises (for example estate and property agents, local government, business advice services and professional advisers)
- K8 what information you may need about contracts and leases
- K9 how to check that information is accurate and up to date
- K10 how to deal with property and professional advisers

## CFABL2

### Choose a business premises

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#### Additional Information

#### Links to other NOS

1. WB1 Check what customers need from your business
2. WB3 Plan how you will sell your products or services
3. BL1 Decide on a business location
4. BL3 Contract for a business premises
5. MN1 Decide on the financial needs of your business
6. LG4 Conduct an assessment of risks in the workplace

## CFABL2

### Choose a business premises

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# CFABL3

## Contract for business premises

### Overview

Entering into a contract for new business premises will often be the largest commitment of cash a business will make. As well as being a significant financial commitment it means taking on the responsibility of a property that needs to be agreed under the right contractual terms, over an appropriate period and with suitable break points. It also needs to be insured, maintained, cleaned and heated. Negotiations with commercial landlords to secure the right premises are different to buying a house.

You might do this if you need to:

1. agree a contract for premises when starting up a business or social enterprise
2. are considering moving into new business premises
3. want to review the contract of your current premises

Contracting for business premises involves:

1. negotiating beneficial terms and conditions of purchase or lease
2. identifying relevant sources of professional advice and information
3. getting commitment from backers or other relevant parties

# CFABL3

## Contract for business premises

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### Performance criteria

*You must be able to:*

- P1 assess the terms and conditions being offered on the premises you have chosen
- P2 clearly state the terms and conditions which your business needs to have
- P3 state the negotiation limits you will set
- P4 work out the full cost to your business of getting and running premises before you agree to anything formally
- P5 use professional advice to help you decide
- P6 make sure that the contract clearly shows the roles and responsibilities of those involved
- P7 get agreement from your backers before you sign contracts for the premises

# CFABL3

## Contract for business premises

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### Knowledge and understanding

*You need to know and understand:*

#### **Terms and conditions**

- K1 what the terms and conditions for the premises are, including the following:
  - K1.1 whether you are buying or leasing (for example long-term lease, licence, short-term lease, rental, freehold purchase or managed work space)
  - K1.2 which services are provided and who pays for them
  - K1.3 what fixtures and fittings are included
  - K1.4 who is responsible for maintenance and decoration
  - K1.5 what charges and costs have to be paid (for example insurance, commercial rates and other local government charges)

#### **Negotiation**

- K2 why you need to set negotiation targets before you start discussions
- K3 how to get the best deal for your business
- K4 why negotiation skills are important
- K5 why you need to record what has been discussed and agreed

#### **Finances**

- K6 what other costs may be involved in getting your business running in a new premises (for example alterations, decorating, fittings, equipment and removal)
- K7 what laws and other regulations apply to your premises (for example planning restrictions, class order uses, fabric regulations, light, heat, space, security, insurance compliance, fire exits and equipment, access and exits for the disabled, toilets and bathrooms, ventilation, health and safety)

#### **Consultation**

- K8 who else needs to be involved in the decisions or told about the plans (for example, backers, staff, partners and advisers)

#### **Information and advice**

- K9 why it is important to take legal advice before you sign any contracts

# CFABL3

## Contract for business premises

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### Additional Information

#### Links to other NOS

1. EE3 Make deals to take your business forward
2. BL2 Choose a business premises

# CFABL3

## Contract for business premises

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# CFABL4

## Run a business from home

### Overview

Running a business from home is becoming increasingly common with the expansion of the internet. It is relatively low risk with low overheads. You can work from home while you build a business slowly before moving out to a separate premises or you can do it long term because it suits your finances or lifestyle. There are many challenges to running a business from home, including other people's perception of your business. It is important that you manage it so that the business prospers without taking over your entire home.

You might need to do this if you are:

1. setting up a new business or social enterprise
2. running a business or social enterprise

Running a business from home involves:

1. working in a way that best fits in with the needs of your business and your private life
2. projecting the level of professionalism that is needed for your business
3. managing the expectations of your family, your friends and your clients

# CFABL4

## Run a business from home

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### Performance criteria

*You must be able to:*

- P1 decide on the mix of working and non-working time that best suits you, any other people in your home and your business
- P2 set and stick to ground rules to help you maintain the mix of working time and home life that you need
- P3 decide whether to promote or disguise the fact that your business is run from your home
- P4 set ground rules to maintain the level of professionalism you need for your business
- P5 choose places to meet your clients that do not distract you or your client from focussing on doing business
- P6 make sure you are working from the best place in your home
- P7 make sure the facilities and equipment you use are the best for the needs of the business, the space available and your home
- P8 manage your family's and friends' expectations
- P9 minimise disruption for your neighbours
- P10 find out and comply with the legal requirements relating to running your business from home
- P11 seek advice about running your business from home when you need it

# CFABL4

## Run a business from home

### Knowledge and understanding

*You need to know and understand:*

#### **Yourself**

- K1 when and how you do your best work (for example the time of day you have the most concentration for challenging tasks, the types of tasks you can do when there are other people in the house)
- K2 ways to keep yourself motivated and focused while working (for example wearing work clothes, not answering the door or taking personal phone calls, not doing household chores, setting yourself deadlines)
- K3 the balance you want and need between your work and your home life and how to achieve it (for example setting and sticking to working hours, setting time aside for holidays, using answer phones and other equipment, letting clients know your working hours, using a separate or screened off area for your work, not checking for messages when you are not working, changing out of work clothes)

#### **Business focus**

- K4 the professional image that is right for your business and how to achieve it (for example working in a quiet part of the house, using answer phones when it is not convenient to take calls)
- K5 the things that might give a negative professional image of your business (for example noise from dogs or children when you are on the phone, your behaviour when meeting clients in your own home as opposed to meeting them in their premises, using a virtual business address)

#### **Home-based business**

- K6 the benefits of your business being home-based (for example cost saving to your clients, empathy with clients in a similar situation)
- K7 ways to hide the fact that your business is home-based, if you feel there is a need to (for example using a virtual office address, not telling clients that your work address is also your home address, only taking calls when there is no background noise, making sure the telephone is always answered in a way that is appropriate for your business, not volunteering information about what is going on in the home while you are working)
- K8 what storage, filing and other equipment you need and how to maximise what is practically possible in your own home (for example analysing what storage space and equipment you will use, using space-saving equipment, storing files on computer)
- K9 what message taking and call forwarding options best suit the volume of calls you receive, your time away from the office and whether clients need direct access to you (for example virtual PAs, call divert facilities, answer phone, message taking services, letting your clients know what hours you are available, briefing family members on if and how they

## **CFABL4**

### **Run a business from home**

should answer the phone)

- K10 the technology to assist you in working from home that best meets your business needs (for example adequate and up-to-date security on your computer system, storing backups of your work in another premises, pass-wording and protecting work areas of your computer, using free phone or local call rate numbers, using email, having an easy-to-update website)
- K11 how to find out about your family's expectations with regards to household chores, time that you are available and so on (for example allowing time for discussion, scheduling in family meetings)
- K12 ways to manage other people's expectations (for example setting times when people cannot visit you or when you will not take personal calls, agreeing signs -such as closed doors - to show when you can and cannot be interrupted, agreeing the only reasons you can be disturbed, explaining that there will be pay-back time for the extra work you have to do today, jointly agreeing with them what your work will entail and how this can best be fitted in)
- K13 where you can achieve the atmosphere you require for your meetings with clients (for example cafes, restaurants or hotels, members clubs, clients' premises, rented office space, your own home)
- K14 the things you need to consider if clients come to your house (for example health and safety, your personal safety, security, which parts of your house they will see, which parts of the house must be clean and well maintained, which doors you need to close, the likelihood of being interrupted by other family members)
- K15 ways that your neighbours may be affected by your business (for example noise, smells, receiving deliveries, clients and colleagues parking)
- K16 the implications of upsetting your neighbours (for example they could get your business closed down or cause your property to be re-rated)

#### **Networking**

- K17 the benefits of networking when running a business from home (for example to counter isolation, to make business contacts)

#### **Law and regulations**

- K18 what legal requirements relate to you running your business from home (for example registering so that you are allowed to keep client details on the premises, getting appropriate insurance, registering for change of use from domestic to business, not making alterations to the property without getting prior permission, what you legally need to do so as not to risk losing your home, when and how to claim property costs)

#### **Information and advice**

- K19 what to seek advice about and who can help you (for example an accountant, an independent insurance broker)

# CFABL4

## Run a business from home

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### Additional Information

#### Links to other NOS

1. EE1 Achieve your goals for the business
2. BI1 Create the infrastructure your business needs
3. BI2 Undertake freelance work.
4. BL1 Decide on a business location.
5. BL2 Choose a business premises
6. YS1 Explore your own motives.
7. YS5 Manage your time.
8. YS7 Balance your business and personal life.

# CFABL4

## Run a business from home

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# CFABS1

## Identify needs and suppliers for your business

### Overview

Buying the equipment, tools and materials that you need at the right price, time and quality affects the profitability of your business. This section looks at your need for:

1. equipment
2. utilities (such as gas, water and electricity)
3. materials and other supplies
4. technology

Some will be more important than others depending on the type of business you are in. If you use a lot of materials or supplies on a regular basis then keeping control of stock and when and where you buy from will be important.

You might do this if you need to:

1. set up a new business or social enterprise
2. find a new supplier and agree terms for a new piece of equipment in order to expand your business or social enterprise
3. change your supplier of the materials or components you use regularly in order to adapt the products or services offered by your business or social enterprise

Identifying equipment, tools and materials involves:

1. developing a clear understanding of what equipment, tools and materials you need in the context of your business plan
2. identifying where equipment, tools and materials for your business can be purchased
3. comparing different suppliers of equipment, tools and materials in terms of value for money and reliability
4. ensuring that you can get the equipment, tools and materials when you need them

# CFABS1

## Identify needs and suppliers for your business

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### Performance criteria

*You must be able to:*

- P1 work out what equipment, tools and materials you need for your business now and in the future, in line with your business aims
- P2 identify any computer hardware and/or software that might make your business more efficient
- P3 draw up a schedule that explains what you need and when
- P4 decide how often and when you will need any regular supplies and match this to your financial planning
- P5 set clear targets and limits for buying supplies
- P6 research different suppliers of equipment, tools and materials
- P7 work out the costs and benefits of equipment, tools and materials from different suppliers
- P8 identify suitable suppliers and compare different options
- P9 prioritise and balance options against your needs
- P10 assess the effect agreements will have on sales margins and profitability
- P11 agree the most favourable cost and terms for buying the supplies
- P12 keep accurate records of agreements with suppliers and make sure the appropriate people see them
- P13 check what the laws and regulations are for supplies for your business
- P14 arrange for the equipment, tools and materials to be supplied
- P15 decide on and use an efficient system for recording your supplies

# CFABS1

## Identify needs and suppliers for your business

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### Knowledge and understanding

*You need to know and understand:*

#### **Business focus**

K1 what your business aims are for products, marketshare, price profitability, cash flow, projected turnover, capital and assets

#### **Supplies**

K2 what initial information can be gathered about current and future needs for equipment, tools and materials (for example accounting information, customers, suppliers, market information, order book, sales forecasts and from staff)

K3 what equipment, tools and materials are needed now or in the future. This could include:

K3.1 anything that helps your business with products or services

K3.2 furniture, fixtures and fittings;

K3.3 office supplies, including computers

K3.4 utilities (such as gas, water and electricity)

K4 what resources to use when buying supplies (for example staff, time, storage space and costs)

K5 how to ensure best value when getting supplies

K6 how to work out the full costs of supplies, for example, price of supplies, stock handling and storage, late delivery and insurance

K7 how to carry out a 'cost-benefit analysis' of different equipment, tools and materials (in other words, weighing the costs against the benefits and decide what is best for your business)

K8 how to compare the results of the analysis with your expected profit margins

K9 what the different options are for getting equipment (for example choosing between new, second-hand or hire purchase)

K10 what needs to be known about suppliers (for example, price, hidden costs, quality, reliability, minimum order quantities, delivery time and payment terms)

K11 how to work out the full costs of supplies (for example price of supplies, stock handling and storage, late delivery and insurance)

K12 how to reduce expenditure on machinery and equipment in advance

K13 how to make good use of working capital

#### **Stock control**

K14 how to manage and control your equipment, tools and materials

K15 how to work out what you need and when you need it

K16 how to manage stock and what the shelf life of your supplies is

K17 how you will store materials

K18 how to reduce waste and get rid of waste products

# CFABS1

## Identify needs and suppliers for your business

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K19 how to keep records of your stock

K20 how you will store and maintain equipment and machinery

### **Laws and Regulations**

K21 what laws and regulations you need to follow (for example health & safety, environment or licences)

# CFABS1

## Identify needs and suppliers for your business

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### Additional Information

#### Links to other NOS

1. BD2 Define the product or service of your business
2. BS2 Monitor the quality and use of supplies and equipment in your business

# CFABS1

## Identify needs and suppliers for your business

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## CFABS2

# Monitor the quality and use of supplies and equipment in your business



### Overview

Having equipment, tools and materials at the right quality is essential for the performance of your business. Receiving a sub-standard batch of materials may make it impossible for you to fulfil an order and finding a cheaper or more efficient supplier may be critical in the longer term. This applies to any supplies that your business uses and includes:

1. equipment
2. office supplies
3. furniture, fixtures and fittings
4. utilities such as electricity, water and gas

You might do this if you need to:

1. check the supplies and equipment that you have ordered to start up a business or a social enterprise
2. check that supplies and equipment that you need to develop your business are right
3. monitor the supplies and equipment needed to change or adapt the products or services offered by your business

Monitoring the quality and use of supplies involves:

1. checking that you continue to have the right equipment, tools and materials for your business
2. improving the use of equipment, tools and materials
3. identifying ways of using equipment and resources more effectively

## CFABS2

### Monitor the quality and use of supplies and equipment in your business

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#### Performance criteria

*You must be able to:*

- P1 check whether the equipment, tools and materials you currently receive are adequate
- P2 check whether or not suppliers provide what you need
- P3 identify when changes that your suppliers make affect your business
- P4 keep suppliers informed about anything that will affect what your business needs from them
- P5 regularly check the quality and cost effectiveness of the equipment, tools and materials of your business
- P6 identify any problems you experience with equipment, tools, materials and suppliers and deal with them in a way that does not affect your business
- P7 work out how your use of equipment, tools and materials may change in the future
- P8 identify any changes to supplies that would enable your business product or service you provide to be improved
- P9 identify any improvements you could make to the way you use supplies of equipment, tools and materials
- P10 keep up to date with any laws and regulations about business supplies

## CFABS2

# Monitor the quality and use of supplies and equipment in your business

---

### Knowledge and understanding

*You need to know and understand:*

#### Supplies

- K1 what further information you can gather about your current and future needs for equipment, tools and materials (for example trends, customers, suppliers, market information, sales forecasts and feedback from staff)
- K2 how to carry out a complete review of the equipment, tools and materials being used to see if they are still meeting the requirements of your business
- K3 how to forecast changes need to your supplies through your business planning and review
- K4 how to assess the supply of equipment, tools and materials in the light of changes because of new products being introduced or in the context of your business expanding
- K5 what problems there may be with equipment, tools and materials. (for example quality, reliability, fault reporting, health and safety issues and maintenance)
- K6 how to reduce what is being spent in advance on machinery and equipment
- K7 how to ensure that your business continues to receive equipment, tools and machinery in the most cost-effective way

#### Quality

- K8 how to check if the quality of the equipment, tools and materials being supplied is being maintained
- K9 how to monitor the quality of equipment, tools and materials (for example timetable for checking or feedback from staff or customers)
- K10 why it is important to check on the quality of the supplies and the performance of your suppliers, to make sure that they meet the needs for quality, quantity and delivery time

#### Suppliers

- K11 how to communicate with suppliers effectively and constructively
- K12 how to ensure that problems with supplies or suppliers are dealt with speedily and effectively
- K13 what to do if your supplier's behaviour changes in a way that effects your business (for example new prices, different quality or discontinuing products or services, late delivery, different payment terms or withdrawing discounts)

#### Laws and Regulations

- K14 what laws and regulations you need to follow (for example health and safety, environment or licences)

## CFABS2

Monitor the quality and use of supplies and equipment in your business

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### Additional Information

#### Links to other NOS

1. BD2 Define the product or service of your business
2. BS1 Identify needs and suppliers for your business

## CFABS2

Monitor the quality and use of supplies and equipment in your business

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# CFAEE1

## Achieve the goals for your business

### Overview

To be successful, you need to have a firm view of where you want your business to go. A clear vision of the future helps you react effectively to changes inside and outside of your business and the challenges presented to you at any given time. Having a vision means you can:

1. be clear about where your business should go
2. understand what will affect your business and how
3. maximise business opportunities
4. manage risk

You might do this if you need to:

1. set up a business or a social enterprise for the first time
2. review the current business plan
3. make changes to the direction of your business
4. persuade staff, clients, stakeholders or others of the need to prioritise or make important changes within your business

Achieve the vision for your business involves:

1. clarifying the purpose, nature and values of your business
2. recognising and creating business opportunities where they do not obviously exist
3. assessing and minimising the risks of different courses of actions
4. making decisions on the evidence available
5. reviewing and monitoring the progress of your business towards the vision from time to time
6. involving other people who are critical to the success of your business

# CFAEE1

## Achieve the goals for your business

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### Performance criteria

*You must be able to:*

- P1 clarify the nature and purpose of your business
- P2 clarify the values that underpin your business
- P3 identify where your business is and where it needs to go
- P4 make sure that your vision underpins the development and planning of your business
- P5 share your vision with others who are critical to your business
- P6 take account of the views of any staff or stakeholders when pursuing your vision
- P7 look for, and recognise, business opportunities
- P8 create business opportunities where they do not obviously exist
- P9 quickly identify potential business developments and how they will affect your business
- P10 identify the additional benefits of potential business opportunities
- P11 identify the resources to do what is needed
- P12 recognise and minimise negative influences on your business
- P13 be willing to take what you assess to be reasonable risks
- P14 confidently make decisions on the best available, but often incomplete, information
- P15 learn from what works and what does not
- P16 find ways to develop and maintain the confidence, drive and enthusiasm to succeed
- P17 make sure you are moving towards your vision at all times

# CFAEE1

## Achieve the goals for your business

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### Knowledge and understanding

*You need to know and understand:*

#### **Vision**

- K1 what success for your business looks like
- K2 what the values that underpin your business are and whether they are consistent with your vision
- K3 how much of the vision is already in place
- K4 what you need to do to achieve your vision
- K5 how to involve people who are critical to your business when developing and realising your vision
- K6 how to ensure that your vision is clearly communicated to all who need to know it
- K7 how to monitor and adjust your business planning and development to support your vision
- K8 what measures you will use to judge if your business is moving towards your vision

#### **Business opportunities**

- K9 what the challenges and opportunities in your business environment are (for example, changes in the marketplace, competition, government policies or other changes in the environment)
- K10 what the implications of any new venture for your business's direction, image and bottom line are
- K11 how to be creative and innovative when recognising new opportunities for your business
- K12 how to take advantage of opportunities presented
- K13 how to take into account the lessons learned from previous business successes or failures
- K14 how to identify and weigh up the risks linked to different courses of action
- K15 how to collect and use evidence to support your decisions

# CFAEE1

## Achieve the goals for your business

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### Additional Information

#### Links to other NOS

1. BD1 Check the likely success of a business idea
2. BD3 Plan where your business is going
3. BD4 Carry out a review of your business
4. BD5 Carry out the plans for your business
5. EE4 Find innovative ways to improve your business

#### Links to other standards

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

6. B2 Map the environment in which your organisation operates
7. B3 Develop a strategic business plan
8. B4 Put the strategic plan into action
9. C4 Lead change
10. C5 Plan change
11. C6 Implement change
12. F12 Improve organisational performance

# CFAEE1

## Achieve the goals for your business

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## CFAEE2

### Win and keep customers

#### Overview

Without customers you have no business. You will need to put as much effort into winning and keeping your customers as you do in providing products or services. Working closely with your customers, understanding their motivations and why they chose your business will help you to keep their custom and innovate to attract new customers. Some estimate that it costs ten times as much to attract a new customer as it does to keep an existing one. Setting your business up with your customers at its heart will help to keep you ahead of competitors and earn you invaluable customer loyalty.

You might do this if you are:

1. setting up a new business or social enterprise
2. running an existing business or social enterprise
3. expanding your business or social enterprise

Winning and keeping customers involves:

1. understanding who your customers are
2. researching their needs
3. developing good relationships with your customers
4. encouraging their feedback on your products or services
5. continuously trying to improve the service your business provides
6. reminding customers why they continue to buy from you

## CFAEE2

### Win and keep customers

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#### Performance criteria

*You must be able to:*

- P1 understand who your customers are and the needs of different groups or types of customer
- P2 identify your customers' current needs and future requirements
- P3 consider if your products or services will appeal to new or potential customers with specific needs
- P4 work out why customers choose to work with your business or buy your products or services
- P5 know your competition and be able to explain to customers the advantages of your offer
- P6 clearly define what products or services your business delivers and make sure that you present it to customers in a way they can relate to
- P7 tell your customers how you are aiming to meet their needs and about new developments
- P8 check that your marketing strategy is based on an accurate understanding of your customer's needs and preferences
- P9 check that your business infrastructure is set up in a way that helps you maximise customer satisfaction
- P10 identify your most valuable customers and channel efforts to meet their needs
- P11 build good relationships with customers by providing good customer service
- P12 encourage customer loyalty
- P13 strive to continuously improve the service to your customers and exceed their expectations
- P14 reinforce the feeling in your customers that they made the right decision by choosing your products or services
- P15 encourage feedback from your customers and act on it

# CFAEE2

## Win and keep customers

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### Knowledge and understanding

*You need to know and understand:*

#### **The market**

- K1 what information about your customers that will help you tailor products or services to meet the needs of the market (for example, typical age, gender, interests and spending habits)
- K2 how to group your customers according to their needs and value to your business
- K3 key information about your competitors (for example, how your product or service differs to theirs, their strengths and weaknesses, how much they charge for similar products or services)

#### **Marketing**

- K4 the vision of your business, the products or services it provides and how best to communicate this information clearly and passionately to potential customers

#### **Business infrastructure**

- K5 what impact your business infrastructure has on the quality of customer service (for example, efficient IT and communication systems, billing processes or customer relationship management processes)

#### **Customer's experience**

- K6 how to build good and trusting relationships with customers (for example respond to queries in a timely manner, be flexible and make the extra effort to meet their requirements)
- K7 how you can improve the experience your customers have when dealing with your business (for example, by being available to them, tailoring products or services to meet their specific needs and offering discounts for customer loyalty)
- K8 how to regularly remind customers of the benefits of dealing with your business

#### **Customer feedback**

- K9 what feedback to get from customers (for example, why they choose to do business with your organisation, how you can improve service and what new products or services you could offer)
- K10 the most effective ways to get feedback from customers
- K11 how to tell customers how you have used their feedback

## CFAEE2

### Win and keep customers

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#### Additional Information

#### Links to other NOS

1. EE4 Find innovative ways to improve your business
2. EE5 Build relationships to build your business
3. WB1 Check what customers need from your business
4. WB2 Plan how to let your customers know about your products or services
5. WB11 Decide how you will treat your business customers
6. WB12 Deliver a good service to customers
7. BI1 Create the infrastructure your business needs

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

8. F4 Develop & review a framework for marketing
9. F5 Resolve customer service problems
10. F6 Monitor and solve customer service problems
11. F9 Build your organisation's understanding of its market & customers
12. F10 Develop a customer focussed organisation
13. F11 Manage the achievement of customer satisfaction

## CFAEE2

### Win and keep customers

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## CFAEE3

# Make deals to take your business forward

### Overview

Making deals is fundamental to all parts of any business. You will need to do this if you want to:

1. expand your business or take your business in new directions
2. work with new people, partners or organisations
3. get more business
4. get the best deal from suppliers

You might do this if you need to:

1. arrange for supplies, premises or finance whilst setting up a new business or social enterprise
2. make agreements for new service or product delivery to develop your business or social enterprise
3. negotiate with suppliers or customers when changing or adapting the products or services you provide

Make deals to take your business forward involves:

1. knowing what you want to achieve and what parameters you hope to achieve it in
2. understanding other people's perspectives and what they are trying to achieve
3. negotiating calmly and effectively
4. keeping an eye on how the outcome of the deal will affect your business at each stage of negotiations
5. understanding how the outcome will affect the other person and how far you can push them
6. finding innovative solutions when you need to give ground
7. projecting a personal commitment and business capacity to deliver; and
8. signing off deals so they are clear to all parties

## CFAEE3

### Make deals to take your business forward

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#### Performance criteria

*You must be able to:*

- P1 make sure your potential deal will support your long-term goals and vision for your business
- P2 decide what you want to achieve from a potential deal and how much variation you can accept in the outcome
- P3 identify the risks involved and how you will combat them
- P4 find out what the other person or organisation hopes to gain from making a deal with you
- P5 clearly explain the features of the deal you want to make and the benefits to the other person or organisation
- P6 think whether there is anything you can negotiate on other than price.
- P7 negotiate your deal calmly and effectively
- P8 behave ethically throughout negotiations
- P9 be aware of the affects on your business and the other person or organisation if the outcome of the deal changes
- P10 find innovative solutions when you need to give ground
- P11 project a personal commitment and business capacity to deliver on the deal
- P12 sign off deals so they are clear to all parties

# CFAEE3

## Make deals to take your business forward

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### Knowledge and understanding

*You need to know and understand:*

#### **Business focus**

- K1 the long-term goals of your business and how each deal will affect them
- K2 how changes in outcome will affect your business

#### **Finance**

- K3 what your own costs to deliver the deal will be, including your margins and break-even point

#### **Other people**

- K4 the other person or organisation's perspective, what they are trying to achieve and how you can add value to their future
- K5 why it is important to remain aware of the effects of the deal on the other person or their organisation and how to do so
- K6 when to stop negotiating so you don't jeopardize the deal

#### **Yourself**

- K7 how your behaviour will come across to the other person or organisation
- K8 how to listen to what the other person is really saying
- K9 how to build rapport, empathy and long-lasting relationships
- K10 how behaving ethically will make people want to deal with you in the future

#### **Negotiation**

- K11 what you can negotiate on other than price (for example delivery costs and times, product and service specification, service level and extras)
- K12 why it can be easier to negotiate on things other than the bottom line
- K13 why it is important not to get emotional or personal about a deal
- K14 how to recalculate and present an offer in a different way to meet developments whilst making a deal
- K15 how to close a deal
- K16 how to record the outcome of the deal so it is clear to all parties and legally sound

## CFAEE3

### Make deals to take your business forward

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#### Additional Information

#### Links to other NOS

1. WB5 Sell your products or services
2. WB9 Bid for work for your business
3. BL3 Contract for a business premises
4. MN7 Get finance for your business
5. BD6 Make changes to improve your business
6. OP4 Sub-contract work for your business

## CFAEE3

### Make deals to take your business forward

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## CFAEE4

# Find innovative ways to improve your business

### Overview

To maintain levels of customer satisfaction and to remain competitive it is vital that every business looks for ways to improve. Small innovations in business process, customer service or product design can have large impacts on productivity or profitability. Innovations may come from anyone in your business, your staff, customers or suppliers. Innovations can also emerge at any time, but will often be triggered:

1. by a change in your business, personnel or the supply chain
2. during expansion or downsizing
3. by external factors such as a competitor closing down
4. a new trend in the market

Developing an atmosphere where ideas are welcomed is key to encouraging innovation to maintain or improve the success of your business.

You might need to do this if you are:

1. setting up a new business or social enterprise
2. expanding your business or social enterprise
3. changing or adapting the products or services offered by your business or social enterprise

Finding innovative ways to improve your business involves:

1. exploring different ideas and solutions to problems
2. exploring new markets and new ways of conducting business
3. encouraging others to offer ideas and suggestions
4. making sure business processes allow for innovation

## CFAEE4

### Find innovative ways to improve your business

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#### Performance criteria

*You must be able to:*

- P1 explore different solutions to challenges and problems rather than the most obvious or usual approach
- P2 be radical and prepared to think creatively when finding ways to improve your business
- P3 actively encourage feedback, comments, new ideas and suggestions for improvement from staff, customers, stakeholders, trusted members of your network and professional advisers
- P4 give feedback to your staff, customers, stakeholders, trusted members of your network and professional advisers on how you have used their suggestions and what worked and didn't work
- P5 assess the benefits and risks of new ideas
- P6 be open and receptive to new ideas
- P7 be prepared to take calculated risks to improve your business
- P8 evaluate the success or failure of new ideas you have implemented to help you develop future strategies
- P9 organise your business in a way that allows for innovation and the creation and discussion of innovative ideas

# CFAEE4

## Find innovative ways to improve your business

---

### Knowledge and understanding

*You need to know and understand:*

#### **Consultation**

- K1 how to effectively discuss your business with staff, stakeholders, customers and the wider support network to devise new ideas and strategies for improvement of your business
- K2 how to encourage ideas and suggestions from your staff and others through recognition and reward (for example, positive feedback, bonuses, gifts or public recognition)
- K3 how to encourage new ideas and suggestions from your customers
- K4 how to demonstrate to clients, staff and others that all comments and suggestions have been seriously considered and explain why suggestions have or have not been implemented

#### **Sales**

- K5 different ways to sell your product or service

#### **Business focus**

- K6 the opportunities in new markets

#### **Customers**

- K7 how your behaviour towards customers can positively affect your business
- K8 how your customers will want products or services to change or adapt in the future

#### **Innovation**

- K9 ways to create a variety of alternative and unusual options, ideas, solutions and strategies (for example brainstorming, lateral thinking and mind-mapping)
- K10 what impact your business infrastructure has on cultivating innovative ideas (for example, allocated budget for investment in innovation or technical solutions)
- K11 how to organise your business to help cultivate innovative thinking (for example, outsourcing certain tasks to make sure you and any staff or stakeholders have adequate time to meet, think and plan for the future)
- K12 how to assess the risk involved in implementing an innovative idea
- K13 how to evaluate the success of an idea and use the evaluation to inform future business developments

## CFAEE4

### Find innovative ways to improve your business

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#### Additional Information

#### Links to other NOS

1. EE1 Achieve the goals for your business
2. EE3 Make deals to take your business forward
3. WB1 Check what customers need from your business
4. BD4 Carry out a review of your business
5. BD6 Make changes to improve your business
6. YS4 Seek advice and help for your business

#### Links to other standards

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

7. B3 Develop a strategic business plan
8. C3 Encourage innovation in your organisation
9. F12 Improve organisational performance

## CFAEE4

### Find innovative ways to improve your business

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## CFAEE5

# Build relationships to build your business

### Overview

Building relationships is crucial for finding out about business opportunities, gaining the resources you need, winning customers and getting help and advice. Any successful business relationship has to be based on trust and respect and be mutually beneficial to the individuals involved. This unit identifies the key things that are essential to building effective business relationships.

You might do this if you need to:

1. set up or run your own business or a social enterprise
2. spot new opportunities for your business or social enterprise
3. expand your customer or client base

Build relationships to build your business involves:

1. establishing business relationships by effective networking
2. laying the foundations for long term business relationships
3. developing effective strategies for continuing stable business relationships

## CFAEE5

### Build relationships to build your business

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#### Performance criteria

*You must be able to:*

- P1 invest time in networking activities and build a network of business contacts
- P2 be prepared to make the first approach when an opportunity to network arises
- P3 establish rapport with others quickly and effectively and make a good first impression
- P4 make sure you communicate a consistent message, including your non-verbal signals
- P5 find and use effective techniques to learn and remember other people's names
- P6 make a note of relevant information you learned about an individual or organisation
- P7 tell people clearly what you have to offer and how it is of benefit to your customers
- P8 make sure that you make contact effectively with as many people as possible in any networking situation
- P9 follow through on commitments to make further contact or take action
- P10 let people know why as soon as possible, if you cannot deliver what you have promised
- P11 recommend other people in your contact network when you are unable to provide a service or product
- P12 find ways to keep in regular contact with new and existing contacts
- P13 identify business relationships that are not working as well they should and try different ways to improve them
- P14 take into account the differences between people from different backgrounds in your business relationships
- P15 recognise that people have different approaches in their dealings with others and adapt your behaviour to accommodate this where possible and appropriate

# CFAEE5

## Build relationships to build your business

### Knowledge and understanding

*You need to know and understand:*

#### **Communication**

- K1 how to develop rapport quickly when meeting people (for example by using appropriate eye contact, friendly demeanour and a firm handshake)
- K2 how body language can influence your communications with others

#### **Business relationships**

- K3 how to create a good first impression (for example by finding out what others are interested in and encouraging others to talk about themselves)
- K4 how to listen attentively to other people and paraphrase to show that you have actively listened
- K5 the importance of acting with integrity to others at all times
- K6 what you need to do to develop and maintain respect and trust in business relationships
- K7 how important it is to recognise and respect appropriate boundaries in your relationships with others
- K8 how you benefit by introducing and referring your business contacts to others when the opportunity arises
- K9 how to maintain networking relationships (for example by making time and space in your diary to meet or talk with others relevant to your business even when you are under pressure)

#### **Networking**

- K10 the range of networks that are available to help your business for example:
  - K10.1 general business membership organisations such as the Federation of Small Businesses, Forum for Private Businesses and Chamber of Commerce
  - K10.2 trade or industry association
  - K10.3 business clubs and networking organisations
  - K10.4 your customers and suppliers
  - K10.5 professional advisers
  - K10.6 family, friends and other informal contacts
- K11 the benefit of a geographical network to local businesses in influencing regional decisions or in getting funding for joint action
- K12 how to spot business opportunities in networking situations by listening to what other people do and finding possible connections with your own business
- K13 how to be effective in networking situations (for example, by taking other people's contact details or business card and agreeing when and how to

## **CFAEE5**

### **Build relationships to build your business**

get in touch)

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K14 how to promote what you do in a way that will encourage other people to find out more about your business

#### **Culture and Personality**

K15 how to recognise, learn about and respect the differences between people from different cultures or backgrounds

K16 what makes people behave in certain ways

#### **Information and advice**

K17 how to find specialist advice and support to help you to develop your skills in networking

## CFAEE5

### Build relationships to build your business

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#### Additional Information

#### Links to other NOS

1. EE1 Achieve the goals for your business
2. EE2 Win and keep customers
3. EE3 Make deals to take your business forward
4. EE4 Find innovative ways to improve your business

#### Links to other standards

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

5. A3 Develop your personal networks

## CFAEE5

### Build relationships to build your business

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**Relevant occupations** Business, Administration and Law; Managers and Senior Officials

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**Suite** Business Enterprise

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**Key words** success, business, idea, social, enterprise, customers, products, service, support, creative, idea, skills, needs, suppliers, cash, flow, legislation, marketing, market, trends, competitors, health and safety, VAT, equipment, costs, profit, staff, product

# CFALG1

## Choose a legal format that suits your business

### Overview

It is important to choose the most appropriate way of setting up your business in line with the law. If your business fails, then the format can affect your rights and responsibilities. There are a number of options available and you need to choose the legal format that best suits your specific business requirements.

You might do this if you need to:

1. set up a business or social enterprise
2. review the current status of your business or social enterprise
3. take over another business or social enterprise in its early years

Choose a trading status that suits your business involves:

1. finding out about legal options for setting up and running a business
2. comparing legal format options
3. selecting an option that is best for your business

# CFALG1

## Choose a legal format that suits your business

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### Performance criteria

*You must be able to:*

- P1 research the legal format options for your business
- P2 look at how relevant options will affect your customers, suppliers, any other stakeholders and the future activities of your business
- P3 compare the advantages and disadvantages of each legal format
- P4 find out about legal agreements and seek advice about what they mean for you and your business aims
- P5 consider the views of your backers when you choose a trading option
- P6 use up-to-date and credible advice and information to help you decide what you have to do
- P7 make sure that the way you set up your business meets all that is legally required

# CFALG1

## Choose a legal format that suits your business

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### Knowledge and understanding

*You need to know and understand:*

#### **Legal format**

- K1 what are the different types of legal status that a business can have (for example sole trader, partnership, limited company or not for profit community interest companies and industrial and providence societies)
- K2 what effect different options will have on your business in terms of customers and suppliers
- K3 which type of trading status is best for meeting the commercial and other needs of your business
- K4 what is the effect of different options on your tax position
- K5 what liabilities you and your business will have including insurances, planning permission, local regulations and byelaws, health and safety regulations, fire regulations, trading standards rules, copyright and patent rules
- K6 what financial risks are involved

#### **Law and regulations**

- K7 which aspects of national and local law and regulations apply to your sort of business
- K8 which aspects of national and local law and regulations apply to all businesses, including your own

#### **Information and advice**

- K9 what information on law and regulations is available and from which organisation
- K10 why it is important to use proper technical and professional advice to find out about laws and regulations
- K11 what role the professional adviser has
- K12 how to use free and paid for sources of advice

# CFALG1

## Choose a legal format that suits your business

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### Additional Information

#### Links to other NOS

1. LG2 Keep up to date with current legislation affecting your business

#### Links to other standards

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

2. B8 Ensure compliance with legal, regulatory, ethical and social

# CFALG1

## Choose a legal format that suits your business

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**Suite** Business Enterprise

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**Key words** success, business, idea, social, enterprise, customers, products, service, support, creative, idea, skills, needs, suppliers, cash, flow, legislation, marketing, market, trends, competitors, health and safety, VAT, equipment, costs, profit, staff, product

## CFALG2

# Keep up to date with current legislation affecting your business

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### Overview

It is important to make sure that your business, including your staff, customers and suppliers, is legally protected. You do this by ensuring that you are meeting statutory laws and regulations affecting your business.

You might do this if you need to:

1. review the legal format of your business or a social enterprise
2. merge with another business or social enterprise
3. take over a more established business or social enterprise

Keep up to date with current legislation involves:

1. investigating current regulations and laws to do with setting up and running a business
2. developing appropriate systems and/or procedures to comply with company law and legislation
3. setting terms and conditions in contracts or agreements (such as with suppliers) that meet legal requirements

## CFALG2

### Keep up to date with current legislation affecting your business

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#### Performance criteria

*You must be able to:*

- P1 find out about current laws and regulations that affect your business
- P2 decide what tasks need to be done, when and by whom, to comply with laws and regulations
- P3 identify the people and organisations where you can get advice and support on laws and regulations
- P4 decide what terms and conditions that conform to trading standards you will offer your customers and suppliers
- P5 decide if you need to protect any part of your business by using copyright or patenting
- P6 look at how your business will affect the environment and think about any changes you need to make to lessen the effect
- P7 decide how you will meet health and safety laws and regulations related to your business

## CFALG2

### Keep up to date with current legislation affecting your business

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#### Knowledge and understanding

*You need to know and understand:*

##### **Laws and regulations**

- K1 what the requirements are for your business in order to trade legally (for example licences, planning permission, health and safety, employment law, trading standards, consumer protection, contracts and record-keeping)
- K2 how the law can protect you and your business
- K3 what the thresholds are for some laws and regulations (for example the amount of turnover before you must register for VAT)
- K4 who has the power to inspect your business activities to enforce laws and regulations
- K5 what can happen if you fail to operate your business within the law and other regulations

##### **Legal and statutory requirements**

- K6 what system to use to make sure that forms are completed or tasks done so that you continue to meet the legal requirements of your business

##### **Agreements and contracts**

- K7 why it is important to agree terms and conditions with your customers, suppliers and backers (for example dealing with late payments and poor performance of suppliers)
- K8 why it is important to take professional advice about contracts and agreements

##### **Copyright**

- K9 why and when you might apply to patent or copyright your trading name or products
- K10 how to apply for a patent or copyright

##### **Health and Safety**

- K11 what health and safety regulations apply to your business
- K12 what environmental laws apply to your business

##### **Professional advice and information**

- K13 what information on laws and regulations is available and from which organisation
- K14 why it is important to use proper advice to find out about law and regulations and how to use free and paid for sources of advice
- K15 what role the professional adviser has

## CFALG2

### Keep up to date with current legislation affecting your business

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#### Additional Information

#### Links to other NOS

1. LG1 Choose a legal format that suits your business
2. LG3 Develop procedures to control risks to health and safety
3. LG4 Conduct an assessment of risks in the workplace
4. LG5 Assess the environmental impact of your business

#### Links to other standards

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

5. B2 Map the environment in which your organisation operates
6. B8 Ensure compliance with legal, regulatory, ethical and social
7. E7 Ensure an effective organisational approach to health & safety

## CFALG2

Keep up to date with current legislation affecting your business

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**Relevant occupations** Business, Administration and Law; Managers and Senior Officials

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**Suite** Business Enterprise

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**Key words** success, business, idea, social, enterprise, customers, products, service, support, creative, idea, skills, needs, suppliers, cash, flow, legislation, marketing, market, trends, competitors, health and safety, VAT, equipment, costs, profit, staff, product

## CFALG3

# Develop procedures to control risks to health and safety

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### Overview

Fundamental to this Unit is an understanding of the process involved in creating clear workplace health and safety procedures for people to follow. The terms “hazard” and “risk” have been defined below and it is that they are understood before undertaking this Unit

You might do this if you are:

1. not a specialist in health and safety but are nevertheless required to prepare health and safety procedures for the workplace
2. an employer who, in order to be sure that all reasonably practicable precautions have been taken against risks to health and safety, has to ensure health and safety procedures are available for everyone to use
3. responsible for preparing the procedures

Develop procedures for maintaining a healthy and safe workplace involves:

1. identifying hazards
2. assessing the risks and developing procedures to control the risks
3. reviewing these procedures and checking whether they are effective in the workplace

## CFALG3

### Develop procedures to control risks to health and safety

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#### Performance criteria

- You must be able to:*
- P1 set realistic objectives to ensure a healthy and safe for all people in the workplace
  - P2 develop health and safety procedures which meet legal requirements and are appropriate to
    - P2.1 the type of work carried out;
    - P2.2 the workplace
  - P3 identify individuals to whom people must report accidents, report health and safety , and obtain first aid
  - P4 state clear measures to check the effectiveness of the workplace health and safety procedures
  - P5 specify the arrangements for recording health and safety data to meet legal
  - P6 develop plans for health and safety training which are relevant to the needs of the workplace, the people in the workplace and meet legal requirements
  - P7 communicate health and safety procedures to all people in the workplace in a professional and considerate manner
  - P8 identify any changes to legal regulations or guidance affecting current working practices
  - P9 identify changes in the workplace affecting current workplace health and safety procedures
  - P10 provide with opportunities to give feedback about the implementation of health and safety procedures
  - P11 identify and obtain further information and advice from reliable and recognised sources of expertise
  - P12 record, accurately
    - P12.1 the details of any review carried out;
    - P12.2 the plans to improve current health and safety procedures
  - P13 alert all people in the workplace, promptly, to the revised health and safety procedures
  - P14 set effective measures in place for monitoring the revised health and safety procedures

# CFALG3

## Develop procedures to control risks to health and safety

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### Knowledge and understanding

*You need to know and understand:*

#### **Health and safety legislation**

- K1 employers' and employees' legal duties for health and safety in the workplace as required by the Health and Safety at Work Act 1974
- K2 your responsibilities for health and safety as defined by any specific legislation covering your job role

#### **Health and safety procedures**

- K3 how to prepare and write effective policies and procedures
- K4 the different types of working practices present in the workplace
- K5 what would constitute a breach of legal health and safety requirements
- K6 what exist in your workplace
- K7 what the particular health and safety risks are which may be present in your own job role and precautions to be taken
- K8 the importance of remaining alert to the presence of hazards in the whole workplace
- K9 the importance of dealing with or promptly reporting risks
- K10 what are the appropriate measures for checking different types of health and safety procedures

#### **Workplace health and safety**

- K11 the work areas and people for whom you are responsible and covered by the health and safety procedures
- K12 the commonly used working practices
- K13 the information that may be required about health and safety within the workplace
- K14 the specific organisational health and safety procedures covering your job role

#### **Effectiveness of health and safety procedures in your workplace**

- K15 changes in the workplace in respect of:
  - K15.1 working practices
  - K15.2 plant, machinery or materials,
  - K15.3 personnel
- K16 information and advice in respect of:
  - K16.1 systems for assessing and recording degree of risk
  - K16.2 specific legal requirements
  - K16.3 specific equipment and process risks
- K17 the work areas and people for whom you are responsible
- K18 job roles of the people for whom you are responsible
- K19 what information may be available on health and safety in the workplace
- K20 appropriate channels of communication within the workplace

## **CFALG3**

### **Develop procedures to control risks to health and safety**

#### **Health and safety review**

K21 ways of conducting an effective health and safety review

K22 how to check the impact of any changes that occur in the workplace on the health and safety policy

K23 what changes are needed to improve health and safety in the workplace

K24 what records need to be kept about health and safety data (for example, complaints, incidents, accidents, illnesses, fire evacuation drills, test certificates, training records and the results of monitoring)

## CFALG3

### Develop procedures to control risks to health and safety

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#### Additional Information

#### Links to other NOS

1. LG1 Choose a legal format that suits your business
2. LG2 Keep up to date with current legislation affecting your business
3. LG4 Conduct an assessment of risks in the workplace
4. LG5 Assess the environmental impact of your business

### Glossary

#### **Key words and phrases which you might see used frequently within the Health and Safety for People at Work units**

The Health and Safety Executive (HSE) is the body appointed to support and enforce health and safety law. They have defined two important concepts as follows:

#### **Hazard**

a hazard is something with potential to cause harm

#### **Risk**

a risk is the likelihood of the hazard's potential being realised

Almost anything may be a hazard, but may or may not become a risk, for example:

1. a trailing electric cable from a piece of equipment is a hazard, if it is trailing across a passageway there is a high risk of someone tripping over it, but if it lies along a wall out of the way, the risk is much less
2. toxic or flammable chemicals stored in a building are a hazard, and by their nature may present a high risk, however, if they are kept in a properly designed secure store, and handled by properly trained and equipped people, the risk is much less than if they are left about in a busy workshop for anyone to use – or misuse
3. a failed light bulb is a hazard, if it is just one bulb out of many in a room it presents very little risk, but if it is the only light on a stairwell, it is a very high risk changing the bulb may be a high risk, if it high up, or if the power has been left on, or low risk if it is in a table lamp which has been unplugged
4. a box of heavy material is a hazard, it presents a higher risk to someone who lifts it manually than if a mechanical handling device is properly used

#### **Workplace**

This word is used to describe the single or multiple areas in which you carry out your work.

#### **Working practices**

Any activities, procedures, use of materials or equipment and working techniques used in carrying out your job. In this unit it also covers any omissions in good working practices which may pose a threat to health and safety.

#### **Workplace policies**

This covers the documentation prepared by the employer on the procedures to be followed regarding health and safety matters. It could be the employer's safety policy statement, or general health and safety statements and written safety procedures covering aspects of the workplace that should be drawn to the employees' (and "other person") attention.

## CFALG3

# Develop procedures to control risks to health and safety

### **Other persons**

This phrase refers to everyone covered by the Health and Safety at Work Act including: visitors, members of the public, colleagues, contractors, clients, customers, patients, students, pupils.

### **Personal Presentation**

This includes personal hygiene; use of personal protection equipment; clothing and accessories suitable to the particular workplace.

### **Responsible persons**

The person or persons at work to whom you should report any health and safety issues or hazards. This could be a supervisor, line manager or your employer.

### **Key points regarding Health and Safety legislation and regulations**

#### **“Health and Safety at Work Act 1974”**

The Health and Safety at Work Act 1974 is the main piece of legislation under which nearly all the other regulations are made. It is for this reason that only this piece of legislation is specifically referred to in this Unit. Employers have a legal duty under this Act to ensure, so far as is reasonably practicable, the health, safety and welfare at work of the people for whom they are responsible and the people who may be affected by the work they do. Under this Act it is also important to be aware that all people at work, not just employers, have a duty to take reasonable care to avoid harming themselves or others through the work they do. Risks should be reduced “so far as is reasonably practicable”. This term means the duty-holder (in most instances the employer) can balance the cost against the degree of risk although obviously any Health and Safety Inspectors would expect that relevant good practice is followed.

According to the Act:

#### **Employers:**

Must safeguard so far as is reasonably practicable, the health, safety and welfare at work of all the people who work for them and “other persons”. This applies in particular to the provision and maintenance of safe plant and systems of work, and covers all machinery, equipment and substances used.

#### **People at work:**

Also have a duty under the Act to take reasonable care to avoid harm to themselves or to others by their working practices, and to co-operate with employers and others in meeting statutory requirements. The Act also requires employees not to interfere with or misuse anything provided to protect their health, safety or welfare in compliance with the Act.

#### **Other Legislation**

There is an array of health and safety regulations and codes of practice which affect people at work. There are regulations for those who, for example, work with electricity, or work on construction projects, as well as regulations covering noise at

## CFALG3

### Develop procedures to control risks to health and safety

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work, manual handling, working with VDUs, or dealing with substances hazardous to health, etc. The specific requirements for all or any of these can be obtained from HSE local offices. As many of the regulations are only relevant to certain workplaces or working practices no specific reference has been made in the knowledge requirements (i.e. What you need to know) to any of these regulations. The phrase “your responsibilities for health and safety as required by any specific legislation covering your job role” is intended to relate to those specific pieces of legislation important to your workplace and/or working practices which you should be able to find out about.

## CFALG3

### Develop procedures to control risks to health and safety

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**Suite** Business Enterprise

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**Key words** health, safety, small business

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## CFALG4

# Conduct an assessment of risks in the workplace

### Overview

Fundamental to this Unit is an understanding of the process of carrying out a risk assessment. A person competent in this unit should be able to carry out.

You might do this if you are:

1. a person required to, or who has been asked to, carry out a risk assessment in the workplace
2. an employer
3. line manager or supervisor; or
4. safety representative or employee

Conduct an assessment of risks in the workplace involves

1. identifying hazards in the workplace
2. assessing the level of risk and recommending action
3. reviewing your workplace assessment of risks

## CFALG4

### Conduct an assessment of risks in the workplace

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#### Performance criteria

*You must be able to:*

- P1 define, clearly why and where the risk assessment will be carried out
- P2 confirm that all the information available to you on statutory health and safety regulations is up-to-date and from recognised and reliable information sources
- P3 recognise your own limitations and seek expert advice and guidance on risk assessment when appropriate
- P4 select a method of identifying hazards appropriate to the workplace being assessed
- P5 Make sure your investigation fully identifies those areas in the workplace where with a potential for serious harm to health and safety are most likely to occur
- P6 identify which could result in serious harm to people at work or other persons
- P7 record those in a way which meets legal, good practice and workplace requirements. Research different suppliers of equipment, tools and materials
- P8 report the results of the process to the responsible person in an agreed format and timescale
- P9 review all legal requirements that are appropriate to your workplace and working practices to ensure effective control measures are in place
- P10 confirm that industry standards and all other reasonable precautions are in place
- P11 identify hazards that could be eliminated
- P12 for hazards that cannot be eliminated, you start your risk assessment with those hazards that are most likely to cause serious harm to people at work or other people
- P13 assess the level of risk and consider how the risks can be controlled to minimise harm
- P14 list unacceptable risks in priority order including all breaches of relevant health and safety legislation and workplace procedures
- P15 prepare a risk assessment report containing recommendations for minimising risks
- P16 present the results of the risk assessment to in the agreed format and timescale
- P17 compare the latest risk assessment to current workplace and working practices
- P18 identify, accurately, any significant differences between previous and new working practices
- P19 investigate the action taken as a result of your recommendations specified in the latest risk assessment
- P20 identify, accurately, new hazards arising from changes in the workplace

## **CFALG4**

### Conduct an assessment of risks in the workplace

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P21 make changes to your risk assessment in line with the review

P22 inform, promptly, everyone affected by the changes

# CFALG4

## Conduct an assessment of risks in the workplace

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### Knowledge and understanding

*You need to know and understand:*

#### **Methods of identifying hazards**

- K1 methods of identifying hazards including direct observation, examining records, or interviews, the work areas and people for whom you are carrying out the assessment
- K2 the work areas and people for whom you are carrying out the assessment
- K3 work activities of the people in the workplace where you are carrying out the risk assessment
- K4 resources required for a risk assessment to take place
- K5 information sources for risk assessments (e.g. HSE publications)
- K6 where to find expert advice and guidance

#### **Your remit and responsibilities**

- K7 your own limitations, job responsibilities and capabilities
- K8 the work areas and people for whom you are carrying out the assessment
- K9 work activities of the people in the workplace where you are carrying out the risk assessment
- K10 resources required for a risk assessment to take place
- K11 effective communication methods

#### **Health and safety legislation**

- K12 the responsibilities for risk assessments as required by the Management of Health and Safety at Work Regulations 1992 and other related regulations
- K13 your legal duties for health and safety in the workplace as required by the Health and Safety at Work Act 1974
- K14 your duties for health and safety as defined by any specific legislation covering your job role

#### **Risk Assessment**

- K15 effective procedures for carrying out a risk assessment
- K16 the purpose, legal implications and importance of carrying out risk assessments
- K17 what to do with the results of the risk assessment
- K18 hazards that are most likely to cause harm to health and safety
- K19 the particular health and safety risks which may be present in your own job role and the precautions to be taken
- K20 the importance of remaining alert to the presence of hazards in the whole workplace
- K21 the importance of dealing with or promptly reporting risks

## CFALG4

### Conduct an assessment of risks in the workplace

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#### Additional Information

#### Links to other NOS

1. LG2 Keep up to date with current legislation affecting your business
2. LG3 Develop procedures to control risks to health and safety
3. LG5 Assess the environmental impact of your business

# CFALG4

## Conduct an assessment of risks in the workplace

### Glossary

#### **Key words and phrases which you might see used frequently within the Health and Safety for People at Work units**

The Health and Safety Executive (HSE) is the body appointed to support and enforce health and safety law. They have defined two important concepts as follows:

#### **Hazard**

a hazard is something with potential to cause harm

#### **Risk**

a risk is the likelihood of the hazard's potential being realised

Almost anything may be a hazard, but may or may not become a risk, for example:

1. A trailing electric cable from a piece of equipment is a hazard. If it is trailing across a passageway there is a high risk of someone tripping over it, but if it lies along a wall out of the way, the risk is much less.
2. Toxic or flammable chemicals stored in a building are a hazard, and by their nature may present a high risk. However, if they are kept in a properly designed secure store, and handled by properly trained and equipped people, the risk is much less than if they are left about in a busy workshop for anyone to use – or misuse.
3. A failed light bulb is a hazard. If it is just one bulb out of many in a room it presents very little risk, but if it is the only light on a stairwell, it is a very high risk. Changing the bulb may be a high risk, if it high up, or if the power has been left on, or low risk if it is in a table lamp which has been unplugged
4. A box of heavy material is a hazard. It presents a higher risk to someone who lifts it manually than if a mechanical handling device is properly used.

#### **Workplace**

This word is used to describe the single or multiple areas in which you carry out your work.

#### **Working practices**

Any activities, procedures, use of materials or equipment and working techniques used in carrying out your job. In this unit it also covers any omissions in good working practices which may pose a threat to health and safety.

#### **Workplace policies:**

This covers the documentation prepared by the employer on the procedures to be followed regarding health and safety matters. It could be the employer's safety policy statement, or general health and safety statements and written safety procedures covering aspects of the workplace that should be drawn to the employees' (and "other person") attention.

## CFALG4

# Conduct an assessment of risks in the workplace

### **Other persons**

This phrase refers to everyone covered by the Health and Safety at Work Act including: visitors, members of the public, colleagues, contractors, clients, customers, patients, students, pupils.

### **Personal Presentation**

This includes personal hygiene; use of personal protection equipment; clothing and accessories suitable to the particular workplace.

### **Responsible persons:**

The person or persons at work to whom you should report any health and safety issues or hazards. This could be a supervisor, line manager or your employer.

### **Key points regarding Health and Safety legislation and regulations**

“Health and Safety at Work Act 1974”

The Health and Safety at Work Act 1974 is the main piece of legislation under which nearly all the other regulations are made. It is for this reason that only this piece of legislation is specifically referred to in this Unit. Employers have a legal duty under this Act to ensure, so far as is reasonably practicable, the health, safety and welfare at work of the people for whom they are responsible and the people who may be affected by the work they do. Under this Act it is also important to be aware that all people at work, not just employers, have a duty to take reasonable care to avoid harming themselves or others through the work they do. Risks should be reduced “so far as is reasonably practicable”. This term means the duty-holder (in most instances the employer) can balance the cost against the degree of risk although obviously any Health and Safety Inspectors would expect that relevant good practice is followed.

According to the Act:

#### **Employers**

Must safeguard so far as is reasonably practicable, the health, safety and welfare at work of all the people who work for them and “other persons”. This applies in particular to the provision and maintenance of safe plant and systems of work, and covers all machinery, equipment and substances used.

#### **People at work**

Also have a duty under the Act to take reasonable care to avoid harm to themselves or to others by their working practices, and to co-operate with employers and others in meeting statutory requirements. The Act also requires employees not to interfere with or misuse anything provided to protect their health, safety or welfare in compliance with the Act.

#### **Other Legislation**

There is an array of health and safety regulations and codes of practice which

## CFALG4

### Conduct an assessment of risks in the workplace

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affect people at work. There are regulations for those who, for example, work with electricity, or work on construction projects, as well as regulations covering noise at work, manual handling, working with VDUs, or dealing with substances hazardous to health, etc. The specific requirements for all or any of these can be obtained from HSE local offices. As many of the regulations are only relevant to certain workplaces or working practices no specific reference has been made in the knowledge requirements (i.e. What you need to know) to any of these regulations. The phrase “your responsibilities for health and safety as required by any specific legislation covering your job role” is intended to relate to those specific pieces of legislation important to your workplace and/or working practices which you should be able to find out about.

## CFALG4

### Conduct an assessment of risks in the workplace

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## CFALG5

# Assess the environmental impact of your business

### Overview

There are environmental laws and regulations which all businesses must comply with, and those for specific industry sectors. Good environmental practices can be cost-effective when re-cycling methods are being used. Operating measures to protect the environment can enhance a business's reputation and can also contribute to the profitability of your business.

You might do this if you need to:

1. set up a business
2. move premises
3. change working practices
4. be responsible for environmental practice in the workplace

Environmental practice involves:

1. knowing about current laws and regulations that can affect small businesses
2. putting in place measures to comply with environmental legislation
3. developing good environmental practice
4. reviewing the effectiveness of your business's environmental practices

## CFALG5

### Assess the environmental impact of your business

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#### Performance criteria

*You must be able to:*

- P1 find out about current key environmental laws and regulations
- P2 identify regulations and requirements that are specific to your industry sector
- P3 decide which laws and regulations apply to your business, its products or services
- P4 decide what tasks need to be done, when and by whom, to comply with the laws and regulations
- P5 identify the people and organisations where you can get advice and support on environmental practice
- P6 look at other ways in which in which your business could affect the environment and think about any changes you could make to lessen the effect
- P7 decide what additional measures you can take to make your business environmentally friendly
- P8 investigate the cost-benefits of introducing these measures
- P9 decide who should be involved in implementing environmentally friendly practices and what their role should be
- P10 identify how adopting any of these measures might enhance the reputation of your business
- P11 carry out regular reviews of environmental practices of your business and identify further steps to improve their effectiveness

# CFALG5

## Assess the environmental impact of your business

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### Knowledge and understanding

*You need to know and understand:*

#### **Laws and regulations**

- K1 what laws and regulations you must comply with to reduce the harm your business may cause to the environment (such as those covering emissions to air, noise, waste, raw materials, packaging, energy use, and water use)
- K2 how to meet the requirements of environmental laws and regulations
- K3 who has the power to assess your businesses to enforce environmental laws and regulations
- K4 what can happen if you fail to comply with environmental law and other regulations

#### **Good environmental practice**

- K5 why it is a good idea to improve your business's environmental performance, even if you are not required to do so by law
- K6 how to assess your business's environmental impact and identify what could be improved
- K7 what simple changes you can make to improve environmental performance, such as saving energy, recycling, reducing travel and using less water

#### **Business benefits**

- K8 how good environmental practices can help benefit your business's reputation
- K9 how to communicate your environmental commitment to shareholders, investors, customers, employees and the general public
- K10 how involving employees in environmental discussions can improve their motivation
- K11 what financial incentives there may be to make changes (such as Capital Allowances and Carbon Trust loans)
- K12 how being able to show your business has sound environmental policies and procedures helps in getting competitive insurance premiums

#### **Professional advice and information**

- K13 what information on environmental law is available and from which organisations
- K14 why it is important to use proper advice to find out about law and regulations
- K15 what role the professional adviser has
- K16 how to use free and paid for sources of advice

## CFALG5

### Assess the environmental impact of your business

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#### Additional Information

#### Links to other NOS

1. LG1 Choose a legal format that suits your business
2. LG2 Keep up to date with current legislation affecting your business
3. LG3 Develop procedures to control risks to health and safety
4. LG4 Conduct an assessment of risks in the workplace

## CFALG5

### Assess the environmental impact of your business

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# CFAMN1

## Decide on your financial needs

### Overview

In order for your business to be successful you will need to establish that your business is financially sound. You must think about what you need to start up your business and what you need to keep it running well.

You might do this if you are:

1. setting up a business or social enterprise
2. taking over another business or social enterprise
3. expanding your business or social enterprise
4. changing the way an existing business or social enterprise is run

Decide on your financial needs involves:

1. working out how much money you need for all parts of your business
2. comparing it with the money you put into your business and the money your business might generate
3. deciding if you need to get any additional money

# CFAMN1

## Decide on your financial needs

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### Performance criteria

*You must be able to:*

- P1 decide what income you will need
- P2 research how much any premises and insurance will cost
- P3 research how much any equipment you need will cost
- P4 research how much any supplies you need will cost
- P5 research how much any market research and advertising you are planning will cost
- P6 research what the cost to your business will be of any staff you need to recruit and employ
- P7 estimate what it will cost to carry out all the activities needed to run your business properly
- P8 compare your figures with what money you expect your business to make and any money you have available yourself
- P9 decide whether you need to get any extra money for your business and if so how much
- P10 use advice from experts to help you check that your estimates are realistic

# CFAMN1

## Decide on your financial needs

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### Knowledge and understanding

*You need to know and understand:*

#### **Financial needs**

- K1 how to work out how much money you need to live on taking into account any working tax credit and benefits
- K2 what gross income your business needs to make to give you the money you need to live on
- K3 how to research and estimate the costs of the main items of expenditure, such as premises, equipment, supplies, and any staff you need to employ
- K4 how to estimate the cost of any market research
- K5 how to work out the right price for your products or services
- K6 how to work out your expenditure
- K7 how to produce and use forecasts, estimates and projections of finance in your business (for example cash flow forecasts, breaking even, profit and loss, income and spending and budgets for specific areas like marketing)
- K8 how to judge which information is reliable enough to base financial targets on
- K9 how to set clear business and financial objectives which are realistic, achievable and can be measured

#### **Profit and Loss**

- K10 what the appropriate profit margins for your business and its products or services are
- K11 how to calculate the difference between gross and net profit
- K12 what is contained in and how to make sense of cash flow forecasts, profit and loss statements, and balance sheets

#### **Information and advice**

- K13 who can provide financial advice on a business (for example, accountants, lawyers, advice centres, banks and other finance providers) advisers may be independent or tied to a particular company
- K14 what sources of information are available (for example, business associates, business advice centres, business advisers, mentors or counsellors, consultants, non-executive directors, tax authorities, trade and professional journals)

# CFAMN1

## Decide on your financial needs

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### Additional Information

#### Links to other NOS

1. MN2 Set and monitor financial targets for your business
2. MN3 Keep financial records for your business
3. MN4 Manage cash flow in your business
4. MN5 Get customers to pay on time
5. MN6 Invest capital in your business
6. MN7 Get finance for your business
7. MN8 Monitor borrowing for your business
8. MN9 Carry out the banking for your business
9. MN10 Prepare wages
10. MN11 VAT registration and returns

#### Links to other standards

11. If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.
12. E1 Manage a budget

# CFAMN1

## Decide on your financial needs

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## CFAMN2

# Set and monitor financial targets for your business

### Overview

If you want to run a successful business you need to keep track of the money you use, save and spend. Setting financial targets and monitoring how well your business does against them will help you to this.

You might do this if you are:

1. creating a business plan for a new business or a social enterprise
2. reviewing the financial plan of an established business or a social enterprise
3. seeking additional finance to expand your business or a social enterprise
4. changing the products or services that you are offering

Set and monitor financial targets involves:

1. researching different ways to measure the success of your business
2. setting up systems to monitor the financial performance of your business
3. deciding what to do if what happens is different to what you expect

## CFAMN2

### Set and monitor financial targets for your business

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#### Performance criteria

*You must be able to:*

- P1 make a realistic estimate of the financial state of your business
- P2 research different ways to measure the success of your business
- P3 decide what information you need to prepare a financial forecast to help plan your business and measure profit
- P4 produce accurate forecasts for particular accounting periods and present them in an appropriate way
- P5 make sure that the financial information you use for forecasting is based on valid and reliable information
- P6 use the forecasts in the financial planning and management of your business
- P7 accurately work out business income and spending and regularly check their effect on profit targets
- P8 identify differences between forecast profits and actual profits
- P9 investigate what is causing the difference between forecast and actual profits and what effect these have on your business
- P10 set financial targets in line with your financial plans for your business
- P11 prepare a clear financial plan and use it to assess and help improve the financial performance of your business
- P12 decide what financial management systems to use in your business
- P13 identify ways to keep your tax liabilities to a minimum within the law

# CFAMN2

## Set and monitor financial targets for your business

### Knowledge and understanding

*You need to know and understand:*

#### **Setting targets**

- K1 what financial targets are important to your business (for example, turnover, cash flow, profit, profit margins, borrowing, tax efficiency, investment and cost efficiency)
- K2 how to assess the impact of financial targets on productivity, sales and non-sales revenue, costs and spending
- K3 how to work out the important ratios that measure how successful different parts of your business are (for example, gross and net profit as a percentage of turnover or sales, or the return on capital used)
- K4 how to find out when income will match spending (break even analysis)

#### **Financial forecasting**

- K5 what particular financial forecasts need to be done (for example profit and loss, cash flow, income, spending, movements in, assets and liabilities, budgeting and production, sales)
- K6 what problems are likely to affect business forecasting, such as market changes on products and ranges, resources and operating costs

#### **Increasing profitability**

- K7 how to work out the difference between gross and net profit, basic profit and loss statements, high and low forecasts and simple ratios and how to use this information to analyse the profit margins for different products and markets
- K8 what the appropriate profit margins are for your business, how to monitor profitability and how often this should be done
- K9 how to decide what range of stock to offer by taking account of:
  - K9.1 product life cycle (the way in which sales rise and fall – introduction, growth, maturity and decline);
  - K9.2 stock turn (the value of stock held against annual sales)
- K10 how to compare stock range and volume of sales with:
  - K10.1 production (unit costs)
  - K10.2 finance (stock costs);
  - K10.3 purchase (volume discounts);
  - K10.4 pricing policy (margins)

#### **Financial plan**

- K11 what a financial plan should consist of, including:
  - K11.1 an assessment of the financial state of your business and financial aims, with the important ratios of profit against turnover, sales or capital
  - K11.2 cash flow, profit and loss statements and forecasts

## CFAMN2

### Set and monitor financial targets for your business

K11.3 a balance sheet

K11.4 information about the control systems and performance measures to be used

K11.5 the break-even point

K12 how to use contingency planning (ways of avoiding any potential problems)

K13 what basic ways there are of keeping the amount of tax you pay to a minimum

K14 what your liabilities are under current laws (for example for long-term planning and reporting duties and insolvency)

#### **Accounts management**

K15 how to select manual and computer-based systems (for example ledgers, journals, budgets, invoicing, receipts, payments, accounting periods, finance year and tax year)

K16 which financial statements and statutory returns are relevant to your business (for example, profit and lost, balance sheets, old debts, account journals or tax returns) in terms of your trading status (for example, sole trader, partnership, limited company)

K17 how to use different accounting periods for planning

K18 why your business needs financial information, such as keeping a check on customer payments (credit control), managing the amount of the money coming in and going out (cash flow management), monitoring the activity in your bank account and the charges made by the bank (bank monitoring)

## CFAMN2

### Set and monitor financial targets for your business

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#### Additional Information

#### Links to other NOS

1. MN1 Decide on the financial needs of your business
2. MN3 Keep financial records for your business
3. MN4 Manage cash flow in your business
4. MN6 Invest capital in your business
5. MN7 Get finance for your business
6. MN8 Monitor borrowing for your business

#### Links to other standards

7. If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.
8. B3 Develop a strategic business plan
9. E1 Manage a budget

## CFAMN2

### Set and monitor financial targets for your business

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## CFAMN3

# Keep financial records for your business

### Overview

You need to keep financial records for a variety of purposes. They are important in helping you to manage your finances and continue to plan your business. They are also required to meet legal and regulatory requirements in company law and for tax purposes.

You might do this if you are:

1. self-employed
2. starting a business or a social enterprise
3. taking over another business or social enterprise
4. are responsible for managing finance in a business or a social enterprise

Keeping financial records involves:

1. researching different systems for recording, monitoring and reporting the finances of your business
2. deciding which financial records to keep, and how and when to keep them
3. selecting an accounting management system that is relevant to the legal format of your business

## CFAMN3

### Keep financial records for your business

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#### Performance criteria

*You must be able to:*

- P1 decide what financial records you will keep and how and when you will keep them
- P2 identify the systems and process you will use to control the money coming into and going out of your business
- P3 choose an accounting system that will:
  - P3.1 provide accurate financial statements
  - P3.2 provide statutory returns for reporting to the tax authorities
  - P3.3 forecast cash flow, profits and losses
  - P3.4 accurately identify variances
- P4 make sure all financial transactions are properly recorded in the appropriate place
- P5 make sure the financial system will produce suitable invoicing and purchasing records
- P6 use accounting methods that are relevant to the trading status of your business
- P7 make sure that the appropriate people know about the accounting information
- P8 make sure that the way in which financial records are kept and reported on is in line with the legal requirements for businesses

# CFAMN3

## Keep financial records for your business

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### Knowledge and understanding

*You need to know and understand:*

#### **Financial records**

- K1 what financial records may be needed for sales (for example cash and credit sales transactions, purchase transactions and creditors)
- K2 what financial records may need to be kept about your business assets and funds
- K3 how to produce financial records, including:
  - K3.1 ledgers and journals;
  - K3.2 invoicing, receipts and payments
- K4 what are the broad principles and procedures in accounting systems
- K5 how to choose manual and computer based accounting systems (for example ledgers, journals, budgets, invoicing, receipts, payments, accounting periods, financial year and tax year)
- K6 which financial statements and statutory returns are relevant to your business in terms of your trading status (for example, profit and loss, balance sheets, old debts, account journals or tax returns)
- K7 how to choose and use different accounting periods and financial years
- K8 how to use financial records for monitoring the financial state of your business
- K9 how to make sense of cash flow forecast, profit and loss statements, spread sheets, balance sheets, and what they should contain
- K10 how to relate cash flow, profit and loss and balance sheets to each other
- K11 what financial measures and forecasts are needed by your business
- K12 why businesses need financial information such as keeping a check on customer payments (credit control), managing the amount of money coming in and going out (cash flow management), monitoring the activity in your bank account and the charges made by the bank (bank monitoring)

#### **Information and advice**

- K13 what information on financial record keeping is available and from which organisation (for example, accountants, lawyers, advice centres, banks and other financial providers) advisers may be independent or tied to a particular company
- K14 why it is important to use proper technical and professional advice to find out about accounting, cash flow, profit and loss, credit control and tax returns

## CFAMN3

### Keep financial records for your business

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#### Additional Information

#### Links to other NOS

1. MN1 Decide on the financial needs of your business
2. MN2 Set and monitor financial targets for your business
3. MN4 Manage cash flow in your business
4. MN5 Get customers to pay on time
5. MN6 Invest capital in your business
6. MN7 Get finance for your business
7. MN8 Monitor borrowing for your business
8. MN9 Carry out the banking for your business
9. MN10 Prepare wages
10. MN11 VAT registration and returns

#### Links to other standards

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

11. E1 Manage a budget

## CFAMN3

### Keep financial records for your business

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## CFAMN4

# Manage cash flow in your business

### Overview

Being able to predict and control money going in and out of your business at different times and its impact on your business is critical to assessing the financial health of your business. It can make the difference between a business that survives and one that fails.

You might do this if you are:

1. self-employed
2. setting up a business or social enterprise
3. reviewing the financial planning and viability of your business or a social enterprise
4. trying to increase the profitability of your business or a social enterprise

Managing cash flow involves:

1. setting cash flow targets in line with the financial plans of your business
2. producing cash flow forecasts on a monthly basis
3. identifying any gaps between income and expenditure and taking steps to control any shortfall that is likely to occur

# CFAMN4

## Manage cash flow in your business

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### Performance criteria

*You must be able to:*

- P1 work out what costs are involved in your business
- P2 work out when, during each accounting period, different types of costs need to be paid
- P3 calculate when cash will flow into and out of your business during each accounting period
- P4 work out what money is available at any one time
- P5 check the effect that the timing of payments (both inwards and outwards) may have on cash flow
- P6 set cash flow targets that are in line with your financial plans for your business
- P7 identify where cash comes from and monitor how it is used in your business
- P8 control sources and use of cash where appropriate
- P9 produce cash flow forecasts at set times that are suitable for your business
- P10 accurately forecast any cash shortfalls and plan the actions that need to be taken to address them

# CFAMN4

## Manage cash flow in your business

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### Knowledge and understanding

*You need to know and understand:*

#### **Cash flow**

- K1 what are the methods to use to forecast business income and spending
- K2 how to find out what funds will be spent when starting and/or running a business
- K3 what are the requirements for forecasting cash flow
- K4 how to prepare and make sense of basic cash flow statements and forecast possible high and low cash flow rates (basic sensitivity analysis)
- K5 how to monitor cash flow (for example by keeping day to day records and making sense of bank statements)
- K6 how to choose the most useful timescales for financial forecasts (for example every month, three months or a year)
- K7 how to control sources and uses of cash (for example by moving cash between accounts, buying and selling stock, keeping the numbers of creditors and bad debtors to a minimum, managing payment to creditors, paying tax, buying and selling assets, and short-term sales and pricing policies)
- K8 how the timing of cash receipts and spending affects cash flow
- K9 how not meeting agreed targets can affect cash flow (for example, not meeting agreed delivery times, not following laws or regulations, terms of payment, penalties for non-completion or breach of contract and damages for non-acceptance of goods)

#### **Information and advice**

- K10 who can provide financial advice on a business (for example accountants, lawyers, advice centres, banks and other financial providers). Advisers may be tied to a particular company

## CFAMN4

### Manage cash flow in your business

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#### Additional Information

#### Links to other NOS

1. MN1 Decide on the financial needs of your business
2. MN2 Set and monitor financial targets for your business
3. MN3 Keep financial records for your business
4. MN5 Get customers to pay on time
5. MN6 Invest capital in your business
6. MN7 Get finance for your business
7. MN8 Monitor borrowing for your business
8. MN9 Carry out the banking for your business
9. MN10 Prepare wages
10. MN11 VAT registration and returns

# CFAMN4

## Manage cash flow in your business

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# CFSMN5

## Get customers to pay on time

### Overview

If your business does not have a system to check on payments from customers, it can cost many thousands of pounds. Many businesses have problems with debts from customers. Bad debts can even lead to the failure of your business. If you develop a way to control debts and collect payments from customers, you will keep the effect of debts on your business to a minimum.

You might do this if you are:

1. preparing a cash flow analysis for your business or a social enterprise
2. trying to improve the viability of your business or a social enterprise
3. expanding your business or social enterprise or changing the products or services you offer
4. responsible for managing the accounts of a business or a social enterprise

Getting customers to pay on time involves:

1. setting up a system to get customers to pay on time
2. putting the credit control system into practice
3. reviewing the effects of credit control system on your business

## CFSMN5

### Get customers to pay on time

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#### Performance criteria

*You must be able to:*

- P1 accurately work out the amount of debts owing to your business
- P2 confirm aims and targets for controlling credit
- P3 set terms and conditions for controlling credit that are in line with your credit control targets and the law
- P4 develop a system and process, including paperwork, for keeping debts to a minimum and encourage customers to pay early
- P5 identify different ways to collect debts and assess their costs and benefits
- P6 choose the most cost efficient way to collect debts in line with your credit control terms and conditions
- P7 keep in regular contact with debtors to identify any problems they may have in paying
- P8 use suitable debt collection options for clients
- P9 assess credit risks in advance for all new accounts, and at regular intervals for current accounts
- P10 regularly monitor the costs and benefits of your systems and processes to control credit
- P11 regularly measure the effects of debts on business effectiveness
- P12 monitor the credit control systems and identify problems with controlling credit
- P13 change credit control targets to meet any new business needs
- P14 explain the details of how you control credit, including any changes that are made to it, to relevant people

# CFSMN5

## Get customers to pay on time

### Knowledge and understanding

*You need to know and understand:*

#### **Setting up credit control**

- K1 how to work out the effect of debts on your business in terms of costs and cash flow
- K2 how to work out:
  - K2.1 the costs of debt-collecting options (for example, loss of client business, administrative expenses and professional fees)
  - K2.2 the benefits of good credit control (for example, improved cash flow and interest receipts from faster payments, reduced bad debts, write-offs and lower long term administration costs)
- K3 what targets to set for controlling credit (for example, collecting payments, improving cash flow, reducing the number of bad debts and for debt write-offs)
- K4 how the following laws affect your credit control:
  - K4.1 Consumer Credit Act 1974 (for credit arrangements up to £15,000)
  - K4.2 the Late Payments of Commercial Debts (Interest) Act 1998
  - K4.3 Data Protection Act

#### **Implementing credit control**

- K5 what types of documents and methods are suitable for use in credit control
- K6 what credit control systems will keep bad debts to a minimum, including:
  - K6.1 keeping track of the differing lengths of time debts are left owing (aged debtor analysis)
  - K6.2 offering discounts to clients for paying quickly (settlement accounts)
  - K6.3 working out if clients are likely to pay their debts (individual client risk analysis)
  - K6.4 credit references and ratings
  - K6.5 assigning general and individual credit limits
- K7 what options there are for collecting debts (for example speaking to the debtor by phone, sending written reminders, legal action, using debt-collecting agencies or a factoring agency to advance funds against debts)
- K8 how to decide the costs and benefits of meeting credit control targets and business targets:
  - K8.1 costs (for example, losing customers, administration costs, legal fees and agency commissions)
  - K8.2 benefits (for example, reducing bad debts, getting higher interest payments, healthy cash flow, keeping recovery costs down and keeping customer loyalty)

## **CFSMN5**

### **Get customers to pay on time**

K9 what the legal and ethical limits are on credit control

K10 how to keep in contact with debtors and creditors and how often to communicate

#### **Monitoring credit control**

K11 how to assess risk in relation to volume of business expected from the customer (for example, through their credit references, credit rating, bank and trade references, accounts and financial statements and other known creditors)

K12 what problems there could be from putting credit control systems into practice.(for example, the overall proportion of customers who are in debt to business, customers who go bankrupt or go into liquidation, unusually large orders, breakdown in customer service, failure by business to keep delivery promises, changes in staff or making promises)

K13 how to get accurate feedback from clients about credit control

K14 who needs to be informed about credit control systems (for example staff and clients)

#### **Information and advice**

K15 where to find help about credit control (for example business associates, business advice centres, business advisors, mentors, counsellors, specialist consultants, non-executive directors, accountants, banks, tax authorities, credit agencies and debt factors)

## CFSMN5

### Get customers to pay on time

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#### Additional Information

#### Links to other NOS

1. MN1 Decide on the financial needs of your business
2. MN2 Set and monitor financial targets for your business
3. MN3 Keep financial records for your business
4. MN4 Manage cash flow in your business
5. MN6 Invest capital in your business
6. MN7 Get finance for your business
7. MN8 Monitor borrowing for your business
8. MN9 Carry out the banking for your business
9. MN10 Prepare wages
10. MN11 VAT registration and returns

## CFSMN5

### Get customers to pay on time

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## CFAMN6

# Invest capital in your business

### Overview

Making the right investment in your business can help you to increase profitability, improve productivity and support product and service development. Choosing the right investment option will help to maintain a viable and sustainable business.

You might do this if you are:

1. preparing a financial plan for a new business or a social enterprise
2. reviewing the financial viability of an established business or social enterprise
3. taking over another business or social enterprise in its early years
4. developing your business or social enterprise through changing the products or services

Invest capital involves:

1. setting targets for making investments
2. assessing the return and benefits that will arise from making investments
3. identifying possible problems in your plan to make investments
4. monitoring how investments affect your business

## CFAMN6

### Invest capital in your business

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#### Performance criteria

*You must be able to:*

- P1 set clear targets for making investments
- P2 identify and use sources of advice to help you make investments
- P3 compare different ways of making investments and work out the costs and benefits of each investment accurately
- P4 assess the return your business is likely to get for different investments
- P5 identify and calculate the cost funding for the investments
- P6 work out the effect of taxation, grants and allowances accurately
- P7 assess how the investment will affect revenue, expenses and cash flow over an appropriate period
- P8 include any potential problems that might arise during the period of investment
- P9 monitor how the investment affects your business

# CFAMN6

## Invest capital in your business

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### Knowledge and understanding

*You need to know and understand:*

#### **Investing capital**

- K1 what investment targets might be achieved (for example return on capital, improved profitability, improved productivity, product or service development)
- K2 how much investment costs (for example capital costs, interest rates on loans and their effect on your business during the repayment periods, running costs and depreciation)
- K3 what problems there may be depending on whether or not you invest capital in your business
- K4 what the benefits of investments are (for example providing revenue, increased profits, increased productivity, market position and profile)
- K5 what uncertainties there may be in different investments (for example fall in sales or increased costs, and the effects of changes in costs or revenues on your profit margins)
- K6 what sources of funding are possible (for example improving cash flow, getting an overdraft, own savings, loans from friends and family, bank loans, government grant or other outside investment)
- K7 how to assess return on capital for different investments (for example by forecasting the possible high and low performance of the investment)

#### **Information and advice**

- K8 where to get reliable information to help you to identify investment targets and costs (for example business associates, banks, financial advisers, business advisers, and business advice centres)

## CFAMN6

### Invest capital in your business

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#### Additional Information

#### Links to other NOS

1. MN1 Decide on the financial needs of your business
2. MN2 Set and monitor financial targets for your business
3. MN3 Keep financial records for your business
4. MN4 Manage cash flow in your business
5. MN5 Get customers to pay on time
6. MN7 Get finance for your business
7. MN8 Monitor borrowing for your business
8. MN9 Carry out the banking for your business
9. MN10 Prepare wages
10. MN11 VAT registration and returns

## CFAMN6

### Invest capital in your business

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## CFAMN7

# Get finance for your business

### Overview

The business may need to raise money to start up, change direction or to get through a difficult time. Being able to get finance at the right terms when it is needed is important for the long term goals and survival of the business. It is important that you approach this in the right way whether you are borrowing money from family, friends or more formal sources.

You might do this if you are:

1. starting a business or a social enterprise
2. investing in a business or social enterprise to develop and/or produce new products or services
3. planning to employ more staff
4. experiencing a temporary shortfall in cash that may stop you from trading

Getting finance involves:

1. reviewing different types of finance
2. deciding where and on what terms and conditions the finance will be obtained
3. monitoring the effects on the business of getting and servicing finance

# CFAMN7

## Get finance for your business

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### Performance criteria

*You must be able to:*

- P1 decide how much extra money the business needs to meet its plans and when it needs it
- P2 identify the different types of finance and the costs and benefits of each
- P3 assess any developments in the financial market that may influence your decision
- P4 decide the targets and limits of financial borrowing that you can accept
- P5 identify the organisations or individuals that may provide finance and present the financial needs of the business to them in terms they can understand
- P6 assess the costs, benefits and risks of getting and servicing finance on the business and yourself
- P7 select the type of finance and lender that best meets the financial needs of the business
- P8 make sure you agree timescales that meet the needs of the business
- P9 confirm the terms and conditions of the finance, making sure that you fully understand what they are
- P10 seek legal or financial advice when you need it

# CFAMN7

## Get finance for your business

### Knowledge and understanding

*You need to know and understand:*

#### **Borrowing money**

- K1 how to identify what the business needs from finance (for example to set up a business, to keep trading (liquidity), profitability, receiving the most interest, keeping interest costs and borrowing charges down, making investments, paying for insurance, making sure you have enough assets to meet the terms of finance)
- K2 why it is important to seek finance in advance of when you actually need it
- K3 the different types of finance available and where to find information about them (for example, secured loans, overdrafts, sale or lease back of assets, employee share ownership plans, insurance policies, use of pension funds, loan guarantee schemes, external funding for equity capital or debt financing and venture capital from business 'angels', grants, loans from friends or family)
- K4 the benefits and drawbacks of borrowing from family or friends and ways to maintain relationships. This includes:
  - K4.1 the benefits (for example business input, moral and emotional support)
  - K4.2 the drawbacks (for example influence over the business, pressure on relationships, loss of control, dependence, pressure to employ family or friends);
  - K4.3 ways to maintain relationships (for example being clear of terms, having an independent person to act as arbiter, structuring the business to dictate when and how the lender can be involved)
- K5 how to work out:
  - K5.1 the costs of different kinds of finance (for example, interest charges, administration charges, fees, commission, equity and capital gain, insurance, penalties for early termination, penalties for failure to meet interest and principal repayments, security requirements and risk, stake in the business)
  - K5.2 the benefits of different kinds of finance (for example, availability of funds, cash flow, investment, the effect on business).
- K6 why it is important to take account of tax and capital allowances when assessing the risks of getting finance for the business
- K7 the likely risks to a business or owner manager of borrowing money and how to assess them (for example the business cannot repay the loan and other debts, possible loss of control or ownership of the business, not borrowing enough money to start with, breakdown in relationships if money is borrowed from family or friends)
- K8 ways to assess the financial state of the business (for example in terms of profit, cash flow, current assets and liabilities)

## CFAMN7

### Get finance for your business

K9 what the main indicators of the financial market are (for example movement in interest rates, inflation figures, a move to medium-term or long-term loans)

#### **Information and advice**

K10 what sources of free and paid for information are available (for example tax authorities, trade and professional journals, customers, suppliers, your own staff, other business people and competitors)

K11 who can provide financial advice (for example accountants, lawyers, advice centres, banks and other potential lenders)

K12 when you might need legal or financial advice (for example to verify the small print of formal or informal agreements, before signing contracts)

#### **Finance providers**

K13 how to identify different lenders or funders (for example directories, business advice services, websites, trade journals, trade associations, venture capital associations, press, brokers, banks and accountants and your own personal networks)

K14 how to work out whether your profits will cover any loan repayments and how costs may vary with changes in interest rates

K15 what potential lenders want from the business and how best to present your financial needs to them

K16 techniques that might persuade lenders to lend to you (for example promoting yourself and your ideas in a positive way, showing you have really thought through exactly how much you need to borrow at one time rather than a bit at a time, putting together a proposal, showing you can match the money you are applying for with lending from elsewhere, showing you have a business track record).

K17 the targets and limits for agreeing terms with lenders and how flexible these should be (for example the amount of finance, schedule of capital and interest repayments, discounts available, additional benefits, interest rates, keeping security to a minimum, interest rate capping, facility fees and charges)

K18 what security you might need to provide, the differences between secured and unsecured loans and the drawbacks of making a personal guarantee

K19 the benefits of recording financial agreements even when you are borrowing money from family or friends

K20 how you should record your financial agreements

# CFAMN7

## Get finance for your business

### Additional Information

#### Links to other NOS

1. MN1 Decide on your financial needs.
2. MN2 Set and monitor financial targets.
3. MN3 Keep financial records.
4. MN4 Manage cash flow.
5. MN5 Get customers to pay on time.
6. MN6 Invest capital.
7. MN8 Monitor borrowing from formal or informal sources.
8. MN9 Carry out the banking.
9. MN10 Prepare wages
10. MN11 VAT registration and returns.

#### Links to other standards

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

11. E3 Obtain additional finance for the organisation

# CFAMN7

## Get finance for your business

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## CFAMN8

# Monitor borrowing for your business

### Overview

Most businesses need finance from outside sources at some stage in their development. For the success of your business you will need to establish good working relationships with those who lend you money and keep an eye on the impact of any borrowing on your business. This applies even if you have borrowed money from less formal sources such as family or friends

You might do this if you are:

1. reviewing and updating the financial plan for your business or a social enterprise
2. assessing the impact of any changes in the financial markets on your business or a social enterprise
3. responsible for managing the finance of the business or social enterprise

Monitor borrowing involves:

1. keeping in contact with funders
2. checking the costs and benefits to your business of finance provided on a regular basis
3. meeting the requirements of lenders

## CFAMN8

### Monitor borrowing for your business

#### Performance criteria

*You must be able to:*

- P1 identify and agree the aims of your relationship with each lender
- P2 make the best use of the skills and experience of your lender
- P3 keep in regular contact with lenders and make sure you understand what they want you to do
- P4 regularly monitor the costs and benefits of the finance provided
- P5 assess other financial options to make sure the original ones are still the most appropriate
- P6 set up systems to forecast and monitor the effect of the finance on business plans
- P7 regularly check that the business can meet the costs, borrowing charges and repayment schedule of the lender
- P8 assess how effectively the finance meets the needs of the business and identify any potential problems
- P9 meet the requirements of lenders by taking suitable action and asking for help when you need it

# CFAMN8

## Monitor borrowing for your business

### Knowledge and understanding

*You need to know and understand:*

#### **Relationships with lenders**

- K1 how to keep in contact with your lender and how often
- K2 the different kinds of information that lenders need. This could include:
  - K2.1 an up to date business plan (for example including cash flow forecasts, variances against profit forecasts, information about debtors, creditors, stocks and borrowing position);
  - K2.2 what the finances are needed for (for example fixed capital and working capital, business expansion)
  - K2.3 the value of the business (asset worthiness) and the limit of funding by the owner
  - K2.4 information about business progress (for example daily, weekly or monthly)
  - K2.5 reporting where actual figures do not match those that were forecast (variances)
- K3 what paperwork should be used for recording financial agreements
- K4 the requirements of lenders and how they can be met
- K5 ways to find out what skills and experience your lender has and how to use them
- K6 the impact on personal relationships when money is borrowed from family or friends and ways to maintain them (for example being clear about terms, clearly stating what will happen when the business becomes successful, having an independent person to act as arbiter, structuring the business to dictate when and how the lender can be involved)

#### **Borrowing money**

- K7 other types of finance available (for example secured loans, overdrafts, sale or lease back of assets, employee share ownership plans, insurance policies, use of pension funds, loan guarantee schemes, external funding for equity capital or debt financing and venture capital from business 'angels', grants, loans from friends or family).
- K8 how finance should be monitored. This should include:
  - K8.1 the costs of the finance (for example interest charges, administration charges, fees, commission, equity and capital gain, insurance, penalties for early termination, penalties for failure to meet interest and principal repayments, security requirements and risk); and
  - K8.2 the benefits (for example availability of funds, cash flow, investment and their effect on the business)
- K9 the likely risks to a business, owner or manager of borrowing money and how to monitor them (for example risks that the business cannot repay)

## **CFAMN8**

### **Monitor borrowing for your business**

the loan and other debts, possible loss of control or ownership of the business, breakdown in relationships if money is borrowed from family or friends)

K10 what choices are available to you in managing lending (for example faster or lower repayment schedules, changing to different types of finance or to another funder)

# CFAMN8

## Monitor borrowing for your business

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### Additional Information

#### Links to other NOS

1. MN2 Set and monitor financial targets.
2. MN3 Keep financial records.
3. MN7 Get finance from formal or informal sources.

# CFAMN8

## Monitor borrowing for your business

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## CFAMN9

# Carry out the banking for your business

### Overview

Money is the lifeblood any business. Spending time at the outset organising finances, and gaining professional help, especially where other people are investing in your business, is vital. One of the first steps is to open a bank account. Not all banks offer the same services and support, so it is important that you spend time to research which is the best bank account for you and which financial products meet your business needs. Banking can be expensive so it is important decision to make. These issues can be complex and the use of professional expert advisers can in the long term save time, money and wasted energy.

You might need to do this if you:

1. starting a business
2. reviewing your business processes

Carrying out the banking involves:

1. choosing a suitable bank and account
2. doing the banking
3. asking for professional help when you need it

## CFAMN9

### Carry out the banking for your business

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#### Performance criteria

*You must be able to:*

- P1 decide what banking facilities are important for your business, i.e.
  - P1.1 how you will pay money in
  - P1.2 how you will make payments, including whether you need a debit or credit card
  - P1.3 how and when you want to be able to access account information
  - P1.4 whether you need banking advice.
- P2 research the different banks, types of banking, accounts, and financial products available to your business, the services they offer and all the associated costs
- P3 choose a bank and an account(s) that meets the needs of your business
- P4 decide who is responsible for dealing with account administration
- P5 decide who will have access and be signatories to the account
- P6 provide a bank with the documents and information required to open an account
- P7 record the amount of income received and in what format (i.e. cash, cheques or credit and debit card receipts)
- P8 if you need to retain cash for a float decide how much income you will bank and how much cash you will retain
- P9 fill in the banks forms for paying in receipts, cash and cheques and get appropriate receipts from the bank
- P10 regularly check bank statements for errors or irregularities
- P11 if you take regular cash deposits to the bank identify how to improve your personal security
- P12 review your bank accounts and how you are operating them

## CFAMN9

### Carry out the banking for your business

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#### Knowledge and understanding

*You need to know and understand:*

- K1 what banking facilities are important for your business
- K2 the different banks and different types of banking that are available to you (i.e. online, telephone, or branch banking)
- K3 the different types of accounts your business will need (i.e. a cheque account, savings account or loan account)
- K4 what the benefits and disadvantages are of the different accounts
- K5 the legal requirements required to open and operate a business account
- K6 who is responsible for administration of the account and who will have access to it
- K7 the process by which you deposit money in the bank
- K8 how to reconcile bank statements with your records to check for errors
- K9 how to increase security (for example, keeping pin numbers, cheque books and bank cards secure)

## **CFAMN9**

### Carry out the banking for your business

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#### **Additional Information**

#### **Links to other NOS**

1. MN1 Decide on the financial needs of your business
2. MN3 Keep financial records for your business
3. MN4 Manage cash flow in your business

## CFAMN9

### Carry out the banking for your business

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# CFAMN10

## Prepare wages

### Overview

If and when you employ staff you will need to agree with them a salary, how it will be paid and when. You will need to ensure you have a system in place to meet the obligations you have to your employees in paying their wages and their tax and National Insurance Contributions. Salaries may become increasingly complex with maternity pay, statutory sick pay and repayment of loans for example. Elements of this unit can be complex and the use of professional expert advisers can in the long term save time, money and wasted energy.

You might need to do this if you:

1. starting a business
2. reviewing your business processes
3. hiring staff

Preparing wages involves:

1. preparing wages for your staff
2. asking for professional help when you need it

# CFAMN10

## Prepare wages

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### Performance criteria

*You must be able to:*

- P1 seek professional advice on paying wages, employment legislation and pensions
- P2 decide who will undertake the paying of staff (i.e. will you do it personally, or hire somebody to do it for you)
- P3 work out how much you need to pay each member of staff and how often, ensuring you practice equal pay for equal work and comply with the National Minimum Wage.
- P4 work out any variations to pay and statutory or contractual payments, including deductions for absence or statutory sick and maternity pay
- P5 work out any additional payments you need to pay to members of staff (i.e. overtime or bonus payments)
- P6 work out income tax and national insurance contributions for each member of staff
- P7 make sure you comply with all government legislation and legal obligations
- P8 contact the Inland Revenue when you need more information
- P9 identify any other deductions you need to make from staff's salaries or wages (i.e. pensions, student loan payments)
- P10 find out if your staff are owed any tax credits
- P11 set up a system to record all payroll information
- P12 make sure you pay wages or salary to your staff as agreed
- P13 pay National Insurance, tax and student loan payments to the Inland Revenue

# CFAMN10

## Prepare wages

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### Knowledge and understanding

*You need to know and understand:*

- K1 the basic wage or salary of each member of staff
- K2 how to work out national insurance and income tax
- K3 what deductions or additional payments you need to make for each member of staff (for example, pension contributions, loans for training or a uniform, contributions to charities under the payroll deduction scheme, or a payment for sickness or maternity pay)
- K4 when and how to pay income tax, national insurance and student loan deductions to the inland revenue
- K5 how to find out about and deal with any tax credits your staff are owed
- K6 how and when to contact the inland revenue or other specialists for advice
- K7 how to keep records that will be useful to you in the future
- K8 the agreed time and method of paying wages to staff and the disadvantages and advantages of each (for example, monthly or weekly, in cash, by cheque or straight into their bank account)

# CFAMN10

## Prepare wages

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### Additional Information

#### Links to other NOS

1. MN1 Decide on the financial needs of your business
2. MN3 Keep financial records for your business
3. MN4 Manage cash flow in your business
4. LG2 Keep up to date with current legislation affecting your business
5. OP3 Recruit people for your business
6. OP9 Set up a stakeholder pension scheme

# CFAMN10

## Prepare wages

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# CFAMN11

## VAT registration and returns

### Overview

All businesses need to regularly check whether they need to register for VAT. You can also consider voluntarily registering for VAT. If you are registered you will need to complete a VAT return. This is a legal obligation for registered businesses and they can incur fines if they do not complete their VAT return in a timely manner.

You might need to do this if you are:

1. starting a business
2. preparing a VAT return

Complete VAT returns involves:

1. Deciding if your business should be registered for VAT
2. preparing a VAT return
3. asking for professional help when you need it

# CFAMN11

## VAT registration and returns

### Performance criteria

*You must be able to:*

- P1 check whether you need to be VAT registered, or whether registering voluntarily would benefit your business, and therefore need to complete a VAT return
- P2 choose the scheme for accounting for VAT that best suites your business
- P3 ensure your invoices include the right rate and amount of VAT and your VAT number
- P4 identify what information you will need to fill in a VAT return
- P5 set up appropriate recording systems for information so that it is available when you need it
- P6 make sure that submissions are made in accordance with current legislation
- P7 identify the products or services you have bought and sold and the VAT that applies to them
- P8 complete and submit your VAT returns correctly, using data from appropriate recording systems
- P9 make sure that guidance is sought from the VAT Office when required in a professional manner
- P10 obtain independent, specialist help and advice when you need to
- P11 allow enough time to fill in your VAT return and send it in within the statutory time limit

# CFAMN11

## VAT registration and returns

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### Knowledge and understanding

*You need to know and understand:*

#### **VAT Registration and Accounting**

- K1 whether you need to register for VAT, whether voluntary registration would help your business and how to do it
- K2 the different schemes you can use for accounting for VAT
- K3 when your VAT return is due and how long it is likely to take you to fill in

#### **Records for VAT**

- K4 the information you need to fill in a VAT return (for example, accounts including details of invoices and sales)
- K5 how to record accounting information (for example, computerised ledgers, manual control account and cash book, VAT receipts and invoices)
- K6 how specialist software can help you keep your accounts

#### **Current Legislation**

- K7 where to find out the current rules and regulations about VAT and filling in a VAT return (for example, HM Customs and Excise guides or website)
- K8 the types of VAT that apply to the products or services you have bought and sold (for example, standard supplies, exempt supplies, zero-rated supplies, imports and exports)

#### **Getting specialist advice**

- K9 how to follow guidance about filling in your VAT return and how to get more information
- K10 how to find a recognised and reliable specialist when required

# CFAMN11

## VAT registration and returns

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### Additional Information

#### Links to other NOS

1. MN1 Decide on the financial needs of your business
2. MN3 Keep financial records for your business
3. MN4 Manage cash flow in your business
4. LG2 Keep up to date with current legislation affecting your business
5. OP3 Recruit people for your business
6. OP9 Set up a stakeholder pension scheme

# CFAMN11

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# CFAOP1

## Review the skills your business needs

### Overview

Whatever the size of your business it is important to make sure that you have got the right skills to ensure your business can deliver its products or services to the customer. To do this, you need to look critically at what skills your business needs and decide how best to meet them.

You might do this if you are:

1. setting up a new business or social enterprise and thinking about who will do what
2. expanding your business or a social enterprise and need to work out what skills will be needed
3. changing or adapting the products or services offered by your business or a social enterprise

Reviewing the skills your business needs involves:

1. working out the skills your business needs
2. identifying what skills currently exist in your business
3. deciding how any skills gaps will be filled

# CFAOP1

## Review the skills your business needs

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### Performance criteria

- You must be able to:*
- P1 review the activities of your business and identify what skills are needed to make the products or provide the service, manage your business, run your business on a day-to-day basis
  - P2 review how often each type of skill and ability is needed
  - P3 assess what skills people already involved in your business have and decide if there is any shortfall
  - P4 decide on the best way to get the skills your business needs
  - P5 work out how much it will cost your business to train existing staff or get new staff with those skills
  - P6 look at whether your business's needs for skills and abilities is likely to change in the future

# CFAOP1

## Review the skills your business needs

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### Knowledge and understanding

*You need to know and understand:*

#### **Business needs**

- K1 how to decide what skills are needed to run all parts of your business (for example managing your business, marketing and sales, customer service, administration and technical support)
- K2 whose contribution should be reviewed (for example management, staff, subcontractors, non-executive directors or advisers)
- K3 how to work out which activities should be done by other people
- K4 how to assess the number of staff needed

#### **Recruitment**

- K5 the different ways you can employ people (for example full time, part time, permanent, temporary or using professionals)
- K6 how to assess the costs and benefits of different staffing options for your business:
  - K6.1 costs (such as fees, additional wages, redundancy or incentive packages)
  - K6.2 benefits (such as added value of people, new business opportunities or increase in motivation and satisfaction)

#### **Developing staff**

- K7 what options there are for training staff (for example taking time to train someone yourself, sending staff on courses or bringing a trainer into your business)
- K8 what the costs may be for training staff (for example fees or covering the job while the training is going on)

# CFAOP1

## Review the skills your business needs

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### Additional Information

#### Links to other NOS

1. WB1 Check what customers need from your business
2. BD4 Carry out a review of your business
3. OP2 Plan what people your business needs
4. OP5 Make sure people in your business can do their work
5. OP6 Develop people's skills for your business

#### Links to other standards

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

6. D4 Plan the workforce

# CFAOP1

## Review the skills your business needs

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## CFAOP2

# Plan what people your business needs

### Overview

If or when you need staff, you need to make sure that you have got the right people and that they do what you want them to. To do this, you need to look critically at what skills your business needs and decide how best to meet them.

You might do this if you are:

1. setting up a new business or social enterprise and planning to employ people
2. expanding your business or a social enterprise and need to employ people
3. changing or adapting the products or services offered by your business or a social enterprise

Planning what people your business needs involves:

1. deciding if you should employ staff
2. planning how to get staff
3. planning how to train your new staff

## CFAOP2

### Plan what people your business needs

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#### Performance criteria

*You must be able to:*

- P1 compare the advantages and disadvantages of employing people
- P2 decide which ways of employing people best suit your business
- P3 decide what effect employing people will have on your business aims
- P4 work out clearly what people you need
- P5 plan how you will advertise for staff and how you will decide who to employ
- P6 work out what you will pay staff and match this with your business aims
- P7 work out, in detail, what you will expect your staff to do and how this will help you provide your products or services to your customers
- P8 decide how you will train anyone you employ
- P9 decide how to put together training plans for the people you are going to employ
- P10 work out how you will meet all the legal requirements for employing staff

# CFAOP2

## Plan what people your business needs

---

### Knowledge and understanding

*You need to know and understand:*

#### **Recruitment**

- K1 what skills your business needs
- K2 how you can employ people (for example full and part time, permanent and temporary or using professionals)
- K3 how often and for how long you will need to employ people
- K4 what working conditions you will have to provide
- K5 how much it will cost to employ people and what effect it will have on your business outgoings
- K6 how to draw up and use job and people specifications and training plans.
- K7 how staff can be recruited (for example skills, experience and location.)
- K8 how much it costs to recruit new staff
- K9 what terms and conditions you should use to employ people (for example nature of contracts, pay scales, discipline and grievance system)

#### **Laws and regulations**

- K10 how to meet the laws and regulations for recruiting and employing staff
- K11 what laws and regulations you need to think about

#### **Developing staff**

- K12 what options there are for training staff (for example taking time to train someone yourself, sending staff on courses or getting someone in)
- K13 how to identify staff training needs and draw up training plans

## CFAOP2

### Plan what people your business needs

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#### Additional Information

#### Links to other NOS

1. OP1 Review the skills your business needs
2. OP2 Plan what people your business needs
3. OP4 Sub-contract work for your business
4. OP5 Make sure people in your business can do their work

#### Links to other standards

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

5. B2 Map the environment in which your organisation operates
6. D3 Recruit, select and keep colleagues
7. D4 Plan the workforce

# CFAOP2

## Plan what people your business needs

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# CFAOP3

## Recruit people for your business

### Overview

You may be about to recruit your first member of staff or you may have had problems recruiting staff in the past. You may simply want to explore how to recruit staff suitable for your business. Whatever the size of your business, recruiting staff can be expensive and time-consuming. It is important that at the end of the process you have recruited a member of staff who can do what you need them to do.

You might need to do this if you:

1. are considering recruiting staff
2. want to review your current recruitment process

Recruiting people involves:

1. working out exactly what you need the new member of staff to do
2. identifying how you will judge all applicants' abilities
3. deciding how you will get the right type of applicant interested in the job
4. choosing the right person for the job
5. making sure you can improve the way you recruit staff in the future

## CFAOP3

### Recruit people for your business

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#### Performance criteria

*You must be able to:*

- P1 identify the main tasks that the new recruit will need to carry out
- P2 identify the skills, knowledge, abilities and experience the new recruit must have and how to judge these
- P3 decide the stages you will have in the recruitment process and the timings of these
- P4 decide who will help you in the recruitment process and what they will do
- P5 make sure the recruitment process you will follow is legal and fair to all
- P6 decide what terms and conditions of employment you will offer the new recruit
- P7 make sure everyone who needs to know you are recruiting staff
- P8 advertise for staff in ways that will give you the widest choice of suitable applicants
- P9 make sure the advertisement, and any information you give to applicants, is clear and accurate
- P10 make sure the applicants fully understand what the job involves
- P11 carry out all interviews in the same way and don't ask questions you are not legally allowed to ask
- P12 make sure you feel confident that the applicant you choose will be able to do the job
- P13 consistently and accurately record how the skills, abilities, knowledge and experience of each applicant match those you are looking for
- P14 make sure you keep any personal information about applicants confidential
- P15 make sure you choose a particular applicant because of their skills, abilities, knowledge and experience and not for other reasons
- P16 make sure you ask for and check references
- P17 decide how you will judge whether or not the recruitment process has been successful

# CFAOP3

## Recruit people for your business

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### Knowledge and understanding

*You need to know and understand:*

#### **Recruitment**

- K1 how to identify which skills, knowledge, abilities and experience are needed to carry out the main tasks of the job and those that are not essential but that you would like them to have
- K2 how to judge applicants' knowledge, skills, abilities and experience against those needed for the job
- K3 which people should be involved in the recruitment process
- K4 how to find out about laws which apply to recruiting staff (for example employment law, contract law, health and safety law and equal opportunities law)
- K5 what terms and conditions of employment you should offer recruits (for example the rights and responsibilities you and they will have under their contract of employment, pay scales or discipline and grievance procedures)
- K6 what information you may need to prepare to explain the job to applicants
- K7 what records to keep
- K8 what information you need to keep confidential
- K9 how to check references
- K10 how to judge whether the process you followed to choose a recruit has been successful and whether you would change it next time you recruit

#### **Advertising**

- K11 the costs and advantages of the different ways of advertising vacancies (for example placing an advert in the 'situations vacant' section of local and national newspapers and magazines, hiring a consultancy firm or employment agency, advertising the position to current staff and through links with schools, colleges and universities)
- K12 how to choose an appropriate way of advertising the job
- K13 how to negotiate terms with a chosen provider of advertising
- K14 how to present information about the job and make sure your advertisements are accurate
- K15 what the terms and conditions of the job are and how to present these

#### **Interviewing**

- K16 how to decide who should be interviewed
- K17 how to judge the skills, abilities, knowledge and experience of the applicants you interview
- K18 how to interview applicants
- K19 what you are legally allowed to ask applicants and what you are not allowed to ask
- K20 how to test applicants, and the benefits and disadvantages of this

# CFAOP3

## Recruit people for your business

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### Additional Information

#### Links to other NOS

1. OP1 Review the skills your business needs
2. OP2 Plan what people your business needs
3. OP5 Make sure people in your business can do their work

#### Links to other standards

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

4. D3 Recruit, select and keep colleagues

# CFAOP3

## Recruit people for your business

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# CFAOP4

## Sub-contract work for your business

### Overview

Most small businesses use other businesses to carry out services such as preparing accounts, designing an image for your business, installing and maintaining technology and other equipment, taking away waste or supplying components, materials, tools or equipment. It is important to make sure that you get the kind of services or supplies you need from a sub-contractor.

You might do this if you need to:

1. get specialist skills from outside your business or social enterprise for a job that needs to be done
2. employ someone to complete a job for a limited time because of increased work
3. find someone who can do the job more quickly or cheaply than you can do it

Sub-contracting work involves:

1. agreeing contracts for the services and supplies you need for your business
2. dealing with failures to meet contracts
3. negotiating with suppliers to improve future contracts

# CFAOP4

## Sub-contract work for your business

### Performance criteria

*You must be able to:*

- P1 make sure that current and future services or supplies will meet your requirements
- P2 make sure that both you and the sub-contractor understand what will be delivered by them and on what terms
- P3 make sure there are appropriate ways to communicate between your business and the sub-contractor
- P4 confirm with the sub-contractor how you will check that their performance meets requirements
- P5 identify, record and identify the reasons for any failures to meet requirements
- P6 arrange for payment to be made in line with contract performance and record the reasons for any payment that differs from the terms of the original contract
- P7 resolve any failures, record how they have been resolved and inform contractors
- P8 seek legal advice where necessary
- P9 make sure that requests to vary the terms of the contract are reasonable, justified by the facts and recorded
- P10 agree any alterations with the contractor and inform them of the implications
- P11 keep relevant people informed about requirements, the details of the contract between your business and the contractor, any failures to meet requirements and any changes to arrangements with contractors

# CFAOP4

## Sub-contract work for your business

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### Knowledge and understanding

*You need to know and understand:*

#### **Sub-contracting work**

- K1 what the agreed terms and conditions for each contract are
- K2 what the standards of performance in service or supply for each contract are
- K3 how to assess whether contract performance meets the requirements of your business
- K4 how to identify causes of failure to meet required performance and make sure they are not repeated
- K5 how to resolve failure to meet requirements (for example obtaining redress, varying the contract, initiating discussions between customers and sub-contractors and getting alternative sub-contractors)
- K6 how to get advice about seeking redress for unsatisfactory performance, including taking legal action
- K7 what systems there are for recording variations in performance and agreed corrective actions

#### **Laws and regulations**

- K8 what the legal requirements are for contracted services, including:
  - K8.1 Contract law;
  - K8.2 The Health and Safety at Work Act
  - K8.3 The Environmental Protection Act

#### **Communication**

- K9 how to communicate with sub-contractors and other relevant people

# CFAOP4

## Sub-contract work for your business

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### Additional Information

#### Links to other NOS

1. OP1 Review the skills your business needs
2. BS1 Identify needs and suppliers for your business
3. BS2 Monitor the quality and use of supplies and equipment in your business

#### Links to other standards

4. If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.
5. D4 Plan the workforce

# CFAOP4

## Sub-contract work for your business

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## **CFAOP5**

# Make sure people in your business can do their work

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### **Overview**

People are the most important asset in any business whether they are directly employed or not. Getting the right people, training them and helping them improve their performance is therefore a vital part of setting up a business and of its continuing successful development.

You might do this if you need to:

1. set up a business or social enterprise
2. review the performance of people in your business or social enterprise
3. make changes in your business or social enterprise through expansion or new products or services

Making sure people can do their work involves:

1. setting performance targets for people in your business
2. monitoring people's performance
3. dealing with poor performance

## CFAOP5

### Make sure people in your business can do their work

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#### Performance criteria

*You must be able to:*

- P1 plan how people will undertake their work, identifying any priorities or critical activities and making best use of the available resources
- P2 set targets for people that explain what they do and how they need to perform
- P3 explain the targets to the people involved and how their work will be assessed
- P4 allocate work to individual people on a fair basis taking account of their skills, knowledge, understanding, experience, workloads and the opportunity for development
- P5 brief people on the work they have been allocated and the standard or level of expected performance
- P6 encourage people to ask questions, make suggestions and seek clarification in relation to the work they have been allocated
- P7 check the quality of work on a regular and fair basis against the standard or level of expected performance
- P8 give clear and prompt feedback on performance and say how they can improve
- P9 recognise and reward success
- P10 promptly identify any poor performance and bring it directly to the attention of the person concerned
- P11 give people the opportunity to discuss any actual or potential problems affecting their performance
- P12 discuss these issues at a time and place appropriate to the type, seriousness and complexity of the problem
- P13 use information collected on the performance of individuals in any formal appraisal process
- P14 decide whether people would benefit from training
- P15 where necessary refer people to relevant support services maintain
- P16 respect for the individual and the need for confidentiality keep
- P17 records of personal details and performance strictly confidential

# CFAOP5

## Make sure people in your business can do their work

---

### Knowledge and understanding

*You need to know and understand:*

#### **Staff performance**

- K1 how to plan the work required of people effectively, taking due account of health and safety issues in the planning, allocation and checking of work
- K2 why it is important to set targets for the standard or level of expected performance
- K3 what type of performance targets can be set (for example skills, competence, productivity, quality and customer response)
- K4 how to explain performance targets (for example face-to-face or in writing)
- K5 how to regularly and fairly assess the progress and quality of work. (for example observing, discussing and getting feedback from others, including customers and other relevant people)
- K6 why it is important to brief people on the work they have been allocated and the standard or level of expected performance and how to do so
- K7 how to provide constructive feedback to individuals that will help them improve what they do
- K8 how to enable and encourage people to ask questions, seek clarification, make suggestions and talk frankly about their problems
- K9 how to make sure that people understand that any criticisms you make are about their work and not about them personally
- K10 why it is important to identify unacceptable or poor performance and how to discuss the cause and agree ways of improving performance with them
- K11 what type of problems and unforeseen events may occur and how to support people in dealing with them
- K12 how to agree and follow up a course of action with the individual concerned
- K13 how to log information on the ongoing performance of people and use this information for performance appraisal purposes
- K14 what records to keep and who should see them in order to maintain confidentiality

#### **Information and advice**

- K15 what support services there are that you can refer people to

#### **Business relationships**

- K16 how to maintain respect for the individual
- K17 what the boundaries are beyond which you should not get involved in the individual's problem

## **CFAOP5**

### **Make sure people in your business can do their work**

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#### **Motivating individuals**

K18 how to motivate individuals by recognising and rewarding success (for example praise, recognition in front of colleagues, rewards, benefits, pay rises)

#### **Laws and regulations**

K19 what the specific legislation, regulations, guidelines, codes of practice are that are related to carrying out the work

K20 what the requirements are for developing or maintaining knowledge, understanding, skills and abilities relevant to the industry

## CFAOP5

### Make sure people in your business can do their work

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#### Additional Information

#### Links to other NOS

1. OP1 Review the skills your business needs
2. OP2 Plan what people your business needs
3. OP3 Recruit people for your business
4. OP6 Develop people's skills for your business
5. OP7 Deal with workplace problems or disputes

#### Links to other standards

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

6. B7 Provide leadership for your organisation
7. D5 Allocate and check work in your team
8. D6 Allocate and monitor the progress & quality of work in your area of responsibility
9. D7 Provide learning opportunities for colleagues

## CFAOP5

Make sure people in your business can do their work

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# CFAOP6

## Develop people's skills for your business

### Overview

Helping people to improve their skills will help your business to increase productivity, improve the quality of the service or products you offer and support the continuing development of your business.

You might do this if you need to:

1. make your business or social enterprise more productive
2. improve the quality of the product or service of your business or social enterprise
3. make changes to staff roles in order to develop and/or expand your business or social enterprise

Develop people's skills involves:

1. deciding on the people development needs for your business
2. planning and setting targets for people development
3. making arrangements for people development to be done inside or outside your business
4. monitoring progress

## CFAOP6

### Develop people's skills for your business

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#### Performance criteria

*You must be able to:*

- P1 carry out a regular review of people development needs in line with business aims and priorities
- P2 gather information about people development needs and use it to make fair and appropriate decisions
- P3 agree the development needs of all people in your business, through appraisal or discussion
- P4 analyse the skills needed and the order in which they need to be learned
- P5 agree learning goals and an action plan with each person
- P6 choose a method of training, mentoring or coaching which meets each person's individual learning needs
- P7 identify the resources needed to develop people's skills
- P8 train, coach or mentor people when appropriate, altering approach in the light of feedback or progress
- P9 where people cannot be trained in your business, identify appropriate alternative training opportunities to suit individual needs
- P10 give people opportunities to practice their skills, apply their knowledge and get experience in a structured way
- P11 recognise and reward success
- P12 identify anything that prevents learning, and review this with the people concerned
- P13 regularly check that people are making progress towards learning goals and give positive feedback where possible
- P14 seek guidance from specialists when necessary
- P15 keep accurate, confidential and up to date records of development needs and plans
- P16 check that the outcomes of training and development are benefiting your business

# CFAOP6

## Develop people's skills for your business

### Knowledge and understanding

*You need to know and understand:*

#### **Developing staff**

- K1 what technical skills and experience people need to make the product or provide the service
- K2 how to get the information you need about development needs of individuals (for example appraisal and performance review reports, business plans and feedback from people)
- K3 how to decide which skills people need to develop
- K4 how to set and agree targets for development with people
- K5 how to write an action plan and agree learning goals
- K6 what training you can provide in your business (for example on the job training, short courses, mentoring or coaching)
- K7 what training may need to be provided by other means (for example training provided in your business by an expert or a short course run elsewhere)
- K8 what resources are needed for people development (for example time, training programmes, fees and substitute staff)
- K9 what kinds of development opportunities are available (for example learning on the job, books, websites, fixed courses, tailored programmes to meet business needs, mentoring or coaching)
- K10 where to find information about training courses and events (for example from business advice centres, trade associations and colleges)
- K11 what government support might be available for small businesses (for example training grants, free course provision or fee remission)
- K12 how to check individual staff understanding and progress
- K13 how to check that the staff development you provide is helping your business to improve

#### **Training, mentoring and coaching**

- K14 how to identify learning opportunities and match them to individual needs and objectives
- K15 what types of learning are best supported either through training, mentoring or coaching
- K16 how to identify the opportunities available to people to apply their learning
- K17 how to put learners at their ease
- K18 what the different learning styles are and how they affect learning
- K19 how to select appropriate resources and materials and structure learning activities
- K20 how to encourage people to recognise their own achievements
- K21 how to recognise things that are likely to prevent learning from taking place and how to overcome them

## **CFAOP6**

### **Develop people's skills for your business**

K22 How to analyse and use developments in learning, including new ways of delivery such as technology-based learning

#### **Motivating individuals**

K23 how to motivate individuals by recognising and rewarding success (for example praise, recognition in front of colleagues, rewards, benefits, pay rises)

#### **Laws and regulations**

K24 how to make sure that everyone acts in line with health, safety and environmental protection legislation and best practice

## CFAOP6

### Develop people's skills for your business

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#### Additional Information

#### Links to other NOS

1. OP3 Recruit people for your business
2. OP5 Make sure people in your business can do their work
3. BD4 Carry out a review of your business
4. BD6 Make changes to improve your business

#### Links to other standards

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

5. D7 Provide learning opportunities for colleagues

## CFAOP6

### Develop people's skills for your business

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## CFAOP7

# Deal with workplace problems or disputes

### Overview

Most businesses encounter problems with the conduct, capability or behaviour of individuals. Employers are required by law to have procedures for dealing with discipline and grievance. A formal procedure for conducting interviews can take the heat out of the situation and help resolve problems. It is important therefore to have a clear understanding of your role and responsibilities in this and ensure that your actions are fair and impartial and comply with current employment law.

You might do this if you need to:

1. improve the productivity of your business
2. deal with a difficult member of staff
3. respond to a serious complaint by a customer or member of staff

Deal with workplace problems or disputes involves:

1. setting up discipline and grievance procedures for your business
2. implementing discipline and grievance procedures
3. checking that your procedures and actions are in line with current employment legislation

# CFAOP7

## Deal with workplace problems or disputes

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### Performance criteria

*You must be able to:*

- P1 put in place clear written procedures for dealing with issues like discipline and grievance and make sure they are brought to the attention of all staff
- P2 make sure your discipline and grievance procedures are consistent with the standards set out in the statutory discipline procedures
- P3 make sure that staff are clear about the differences in approach to:
  - P3.1 taking disciplinary action
  - P3.2 responding to a grievance of a member of staff
- P4 make sure that disciplinary action is designed to encourage better performance and improve conduct, using dismissal only as a last resort
- P5 follow the 3 step procedure for resolving disputes required by law
- P6 provide information and advice to others on organisational policies and systems in relation to discipline and grievance procedures in your business
- P7 make sure that your staff are fully informed about nature and sequence of these procedures
- P8 advise others on who should be involved and clarify the role of any employee representative or accompanying colleague where appropriate
- P9 implement discipline and grievance procedures fairly and consistently
- P10 implement discipline and grievance procedures in an impartial and timely way
- P11 make sure that the procedures are in line with your business's values and policies
- P12 maintain respect for the individual and the need for confidentiality when implementing discipline and grievance procedures
- P13 make sure your records of proceedings and outcomes are accurate, complete and available only to authorised people
- P14 get appropriate and reliable advice on dismissal from relevant people or organisations, where appropriate
- P15 make sure that the way you dismiss any individual is fair, impartial and takes place at an appropriate time
- P16 give clear reasons for dismissal to the individual concerned at a level and pace appropriate to them
- P17 provide accurate and non-confidential information regarding the dismissal to other staff in a way which maintains confidence and morale
- P18 have clear procedures for dealing with disputes involving trade unions if they are recognised by your company
- P19 ensure there is an appropriate appeals procedure in place

# CFAOP7

## Deal with workplace problems or disputes

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### Knowledge and understanding

*You need to know and understand:*

#### **Discipline and grievance procedures**

- K1 how to write clear and effective discipline and grievance procedures
- K2 what the situations are in which discipline and grievance procedures should be implemented
- K3 how to undertake a clear and impartial investigation
- K4 how to apply discipline and grievance procedures effectively
- K5 why it is important to give positive feedback as soon as conduct or behaviour improves
- K6 how the process of your business's discipline and grievance procedures can work towards a positive resolution of any problem
- K7 how to be fair and impartial and respond in a timely way when implementing discipline and grievance procedures
- K8 what your role and responsibilities are within the discipline and grievance procedures

#### **Dismissal**

- K9 how to ensure that all reasonable steps have been taken to improve the conduct or behaviour of the individual concerned before deciding on dismissal
- K10 what your role and responsibilities are regarding the dismissal of staff
- K11 what the situations are in which advice and support of others might be required
- K12 who should be contacted for advice and support and in what context, for example, ACAS
- K13 how important it is to give clear written reasons to the individual being dismissed and how they can appeal against that dismissal
- K14 what the best way is of telling an individual concerned the reasons for dismissal taking into account the context and situation

#### **Communications**

- K15 how important it is to inform other staff about discipline and grievance procedures, at appropriate times and using appropriate methods (for example, within written terms and conditions, during induction and other relevant communication process)
- K16 what kind of communication and negotiation skills are needed to ensure that problems or disputes can be quickly resolved in the interests of those affected
- K17 how important it is to maintain respect for the individual when dealing with discipline and grievance procedures
- K18 how important it is to explain the dismissal and the reasons for it to other staff, without causing any disrespect to the individual(s) concerned or breaking confidentiality

# CFAOP7

## Deal with workplace problems or disputes

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### **Information handling**

K19 how important it is to maintain confidentiality when dealing with discipline and grievance procedures

K20 what it means to keep good records of discipline and grievance matters

K21 what the best methods are of keeping records in this context

### **Legal requirements**

K22 what the current legal requirements are that are relevant to discipline and grievance procedures, for example, the 3 step procedure

K23 what the current legal requirements are in Employment Law covering dismissal of staff

K24 where to get specialist advice on the legal aspects of discipline, grievance and dismissal procedures

## CFAOP7

### Deal with workplace problems or disputes

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#### Additional Information

#### Links to other NOS

1. OP5 Make sure people in your business can do their work
2. OP6 Develop people's skills for your business
3. OP8 Change job roles and handle redundancy

# CFAOP7

## Deal with workplace problems or disputes

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## CFAOP8

# Change job roles and handle redundancy

### Overview

Sometimes, because of changed economic circumstances or re-organisation of your business, there is a need to review and revise staff roles. This can arise because there is over-capacity in part of your business, your business requires staff with a different skill set or where your business merges with or transfers to another. The outcome of this kind of review can lead to staff being given new job roles and having to make some staff redundant.

You might do this if you need to:

1. review staff roles in response to a change in the market for your products or services
2. merge with or transfer to another business
3. change job roles following a review of your business plan

Changing job roles and handling redundancy involves:

1. making changes to job roles
2. moving staff to new jobs
3. making staff redundant

# CFAOP8

## Change job roles and handle redundancy

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### Performance criteria

*You must be able to:*

- P1 carry out a review of staff roles and responsibilities and decide what changes you need to make
- P2 provide clear and accurate information on any proposed redeployment or redundancy to relevant people at the appropriate time
- P3 give opportunities for relevant people to comment on proposed redeployment or redundancy and to contribute to any plans for its implementation
- P4 make sure your case for the proposed redeployment or redundancy is clear and supported by sound evidence
- P5 make sure your plans for redeployment or redundancy are:
  - P5.1 comprehensive, accurate and consistent with your business's values and objectives
  - P5.2 take account of the personal qualities, situation and preferences of those involved
  - P5.3 consistent with current employment law
  - P5.4 provide equal opportunities for all those suitably qualified to benefit
- P6 get and provide sufficient resources to meet the costs of redeployment or redundancy
- P7 make sure that you consult with the individuals affected or their representatives and explain and discuss the reasons for the change
- P8 make sure that all redeployment options are considered before taking the decision to let staff go
- P9 make sure that you get appropriate advice and support when redeploying staff or making them redundant
- P10 make sure that employees or their representatives are informed about the:
  - P10.1 reasons for the proposed job changes and/or redundancies
  - P10.2 numbers and descriptions of employees affected
  - P10.3 proposed method of selecting those who may be made redundant
  - P10.4 how redundancy payments, other than the legal minimum, will be calculated
- P11 make sure that any procedures followed or actions taken are in line with employment legislation covering redeployment and redundancy
- P12 make sure that you get specific legal advice on the current laws concerning merger/take-over/acquisition where that is relevant
- P13 provide information and advice on voluntary and compulsory redundancy procedures and make sure that any provision for help in finding alternative employment is communicated to staff affected
- P14 carry out exit administration according to agreed processes, schedules and budgets

## **CFAOP8**

### **Change job roles and handle redundancy**

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P15 make sure that staff are dealt with courteously and tactfully, and that confidentiality is maintained at all times

P16 maintain complete and accurate records of the redeployment or redundancy process

# CFAOP8

## Change job roles and handle redundancy

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### Knowledge and understanding

*You need to know and understand:*

#### **Planning**

- K1 what is involved in carrying out a review of staff roles and responsibilities
- K2 how to plan for redeployment or redundancy and make sure that these plans are consistent with the values and objectives of your business
- K3 how important it is to take account of the personal qualities, competences, situation and preferences of those involved and understand the constraints which affect the extent to which these factors can influence your final plans
- K4 how to estimate and get the resources needed to support redeployment and redundancy

#### **Redeployment and redundancy**

- K5 what the types of situations are in which redeployment or redundancy may be appropriate
- K6 what the factors are that influence decisions on whether redeployment is a feasible option in terms of the medium or long term interests of your business
- K7 how to ensure that your decisions and actions are fair and impartial and take equal opportunities into account
- K8 what your redeployment or redundancy policy and procedures are and how to apply them
- K9 how to work within the available resources and budgets for redeployment or redundancy
- K10 how to locate, access and make use of sources of internal and external advice and information (for example, outplacement and counselling, job seeking, entitlements and benefits)
- K11 how to work within a definite timetable for regular reports and acceptable format for providing relevant information

#### **Communication**

- K12 how to construct and present a case for redeployment or redundancy in a way which will positively influence decision making
- K13 how to communicate the reasons for redeployment or redundancy clearly and simply to the people concerned
- K14 how to listen and respond appropriately to questions and concerns raised by people affected by the redeployment or redundancy or those acting on their behalf
- K15 how important it is and by what means to consult on redeployment or redundancy plans

## **CFAOP8**

### **Change job roles and handle redundancy**

#### **Information handling**

K16 how to keep full and accurate records of redeployment or redundancy decisions and outcomes

K17 how to maintain confidentiality when planning and implementing redeploy/mentor redundancy

#### **Legal requirements**

K18 how to ensure that policies, plans, decisions and actions in relation to redeployment or redundancy are in line with current employment law, especially where merger/take-over/acquisitions are concerned

K19 how to apply the Data Protection Act and its implications for redundancy procedures

K20 where to get specialist advice (for example, from ACAS, trade associations, HR consultants or lawyers)

## CFAOP8

### Change job roles and handle redundancy

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#### Additional Information

#### Links to other NOS

1. OP1 Review the skills your business needs
2. OP2 Plan what people your business needs
3. OP5 Make sure people in your business can do their work
4. OP6 Develop people's skills for your business
5. OP7 Deal with workplace problems or disputes
6. BD4 Carry out a review of your business
7. BD6 Make changes to improve your business

## CFAOP8

### Change job roles and handle redundancy

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## CFAOP9

# Set up a stakeholder pension scheme

### Overview

If you employ five or more people and do not have an occupational pension scheme to which all workers are entitled you must provide a stakeholder pension scheme. Stakeholder pensions were introduced to encourage more people to save for their retirement. While your staff do not have to join a scheme you may face a fine if you do not give staff the option. You do not have to pay into a stakeholder pension on behalf of your staff but it is considered best practice to do so. Whether you decide to contribute on behalf of your staff or not getting guidance on your obligations as an employer and making sure you seek out the best scheme for your business is essential.

You might need to do this if you:

1. need to set up a stakeholder pension
2. are reviewing your current pension scheme
3. are planning to set up a stakeholder pension scheme in the future

Setting up a stakeholder pension scheme involves:

1. choosing a stakeholder pension scheme
2. consulting with employees
3. managing payroll issues

## CFAOP9

### Set up a stakeholder pension scheme

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#### Performance criteria

*You must be able to:*

- P1 find out whether you have to establish a stakeholder pension scheme or whether you are exempt
- P2 get up-to-date advice about different stakeholder pension schemes from a financial adviser
- P3 if you have an existing pension scheme see what improvements you could make so you do not have to start a new stakeholder pension scheme
- P4 consult with your staff about the choice of stakeholder pension scheme
- P5 choose a stakeholder pension scheme registered with the pension regulator that will look after your staff's interests
- P6 provide staff with information about stakeholder pensions contributions
- P7 where staff need financial advice, refer them to a suitably qualified financial adviser. do not to provide financial advice yourself
- P8 allow the scheme provider access to your staff to discuss details of the scheme
- P9 decide if your business will contribute to the scheme and work out what your business can afford in terms of contribution
- P10 set up a payroll deduction facility for staff who wish to contribute to the stakeholder scheme
- P11 explain in writing to staff how the payroll deduction system will work
- P12 send your staff contributions and any contributions your business may wish to make to your scheme provider on an agreed monthly date
- P13 offer access to the stakeholder pension scheme to new staff within three months of them starting work
- P14 offer staff the opportunity to vary the amount they pay into the scheme through their wages every six months
- P15 maintain records of staff deductions from payroll and payments to the scheme
- P16 keep records of any correspondence or meetings when consulting with staff about the choice of scheme

# CFAOP9

## Set up a stakeholder pension scheme

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### Knowledge and understanding

*You need to know and understand:*

#### **Information and advice**

- K1 where to get information about suitable stakeholder pension schemes
- K2 how to check the information is accurate and up-to-date
- K3 how to deal with financial advisers

#### **Laws and regulations**

- K4 what stakeholder pension scheme laws and regulations apply to your business
- K5 how to keep up with new pension legislation that may affect your business

#### **Stakeholder pensions**

- K6 how to choose a scheme provider
- K7 how to negotiate and agree with the scheme provider what needs to be done
- K8 what are the current limits on charges and penalties your scheme provider can charge you
- K9 why consultation with staff is important
- K10 what consultation needs to have taken place with staff in choosing a suitable scheme
- K11 how to respond to staff requests for further information
- K12 how to facilitate meetings between the scheme provider and staff
- K13 what records need to be kept of the consultation process
- K14 the benefits of contributing to the stakeholder scheme (for example increased staff moral and be able to attract better staff)
- K15 how to calculate what staff contribution your business can afford, if applicable

#### **Pension contributions and payroll**

- K16 how to set up a payroll deduction facility
- K17 how to clearly communicate to staff the way their contributions will be deducted and handled, and when they will have the opportunity to revise their payments
- K18 how to respond to requests for payroll deductions
- K19 when contributions will be sent to the scheme provider
- K20 how records of payments and contributions will be kept
- K21 how to add new staff to the scheme
- K22 how to manage requests from staff to change their contributions

## CFAOP9

### Set up a stakeholder pension scheme

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#### Additional Information

#### Links to other NOS

1. OP3 Recruit people for your business
2. MN9 Carry out the banking for your business
3. MN10 Prepare wages
4. MN11 VAT registration and returns

## CFAOP9

### Set up a stakeholder pension scheme

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# CFAOP11

## Work with a board in a social enterprise

### Overview

Why this is important Social enterprises can be directed by many different kinds of governing body, including boards of directors, management committees and trustees, depending in part on whether or not the social enterprise is an incorporated body. Whatever they are called they have an important role to play in social enterprise. Working closely with them to make sure they have the right membership, skills, information and clarity of role will help them to make decisions that fully support the work of the organisation. To keep it simple, the terms 'board' and 'board members' have been used. These can be replaced by whichever words fit the model used by each organisation.

Who might do this You might do this if you are:

1. setting up a new social enterprise
2. running a social enterprise

Working with a board of directors in a social enterprise involves making sure that:

1. the right people are on it;
2. the board members understand what the social enterprise is trying to achieve and how it is run;
3. the board members have the right skills and knowledge to carry out their role;
4. the board has all the up-to-date information it needs;
5. the board and managers clearly understand what each is responsible for
6. information is presented to the board in a way that is useful; and
7. other stakeholders are involved with the board

# CFAOP11

## Work with a board in a social enterprise

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### Performance criteria

*You must be able to:*

- P1 help to choose and elect board members
- P2 make sure board members have information about their legal responsibilities, the legal structure of the social enterprise and the codes of conduct they are expected to follow
- P3 make sure that board members' training and development needs are identified and met
- P4 carry out your work in a way that aims to create a good working relationship with the board
- P5 identify the limits of your power as a manager, as set out in the social enterprise's constitution
- P6 identify which actions and decisions need the board's formal approval and negotiate and agree rules with the board about:
  - P6.1 who is responsible
  - P6.2 what can be delegated
  - P6.3 who has authority to take particular actions
- P7 tell the board about any changes to corporate law that may affect the social enterprise
- P8 bring important information about the social enterprise to the board's attention, analysing it and producing proposals, with options when necessary, in ways that the board can easily understand and use
- P9 help the board decide which issues it needs to look at and help it to take essential decisions, using the principles, guidelines and rules it has adopted
- P10 respond to the board's instructions, requests and enquiries and carry out actions decided by the board
- P11 encourage stakeholders to be involved in deciding which direction the social enterprise should take and make sure that stakeholders have information about how to influence and challenge the board's decisions
- P12 help the board and key stakeholders to communicate effectively with each other
- P13 help the board review its performance and be answerable to stakeholders

# CFAOP11

## Work with a board in a social enterprise

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### Knowledge and understanding

*You need to know and understand:*

#### **Boards**

- K1 how to use the values and principles of the social enterprise to develop the membership and powers of the board and the board's relationship with stakeholders
- K2 what the legal duties and responsibilities of a board are and what code of conduct they are expected to follow, especially relating to their actions and possible conflicts of interest, and on what grounds a board member can be dismissed
- K3 what skills and knowledge board members need and what learning and development opportunities are available for them
- K4 whether employees can be board members
- K5 what must be dealt with at an annual general meeting and how to call an extraordinary general meeting
- K6 what voting rights each board member holds and the number of votes needed to pass different types of resolution
- K7 what powers and responsibilities the legal constitution of the social enterprise gives to managers and board members
- K8 how to help the board develop policies and strategies that will improve the social enterprise's performance
- K9 how to make sure the board's guidelines are followed in managing and running the social enterprise and when management matters should be brought to the board's attention
- K10 how to check that the board's decisions are legal, and in line with the enterprise's vision, strategy and policies
- K11 how to make the board understand why it is important to communicate with stakeholders
- K12 how to use quality assurance to make sure that managers and board members complete their legal duties with care and attention and what actions to take if the board fails to act with care and attention

#### **Law and regulations**

- K13 what the latest developments in corporate law affecting the social enterprise are
- K14 what the benefits and disadvantages of becoming incorporated are and when to consider it

#### **Strategic planning**

- K15 how to develop the social enterprise's strategy, prepare a strategic plan that reflects the social enterprise's stated purpose and vision and use the strategic plan to help design ways to run the social enterprise

# CFAOP11

## Work with a board in a social enterprise

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### **Social performance or social return**

K16 how to report on social performance or social return, and whether commercial objectives have been met and how social and commercial objectives affect each other

### **Stakeholders**

K17 how to keep stakeholders informed about the board's decisions, which stakeholders can challenge the board's decisions and how they can do it and when to involve stakeholders in decisions that the board is making

K18 what different ways stakeholders can take part in and direct social enterprises and how to help stakeholders deal with things that prevent them from being involved

### **Decision-making**

K19 how to analyse information to identify patterns and trends and prioritise issues because of how important or urgent they are

K20 how to test whether information is valid and reliable before it is used to make decisions

K21 how to use the social enterprise's values and purpose when making decisions about running the social enterprise

K22 how to delegate decision-making but still be responsible

# CFAOP11

## Work with a board in a social enterprise

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### Additional Information

#### Links to other NOS

1. BD3 Plan where your business is going
2. BD5 Carry out your plans for the business
3. EE5 Build relationships to build the business
4. OP6 Develop people's skills
5. OP10 Improve relationships with stakeholders in a social enterprise

# CFAOP11

## Work with a board in a social enterprise

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# CFAWB1

## Check what customers need from your business

### Overview

It is important to know who your customers are and what they need. This will help you to:

1. make sure you meet their needs so that they use your products or services
2. plan how to best market or sell your products or services
3. develop a customer service policy
4. review how successful your business is

You might do this if you are:

1. setting up a new business or social enterprise
2. expanding a business or social enterprise
3. changing or adapting the products or services offered by your business or social enterprise
4. reviewing how successful your business or a social enterprise is

Checking what customers need involves:

1. deciding who your existing or potential customers are
2. collecting information on their needs
3. making sure that your business targets match your customers needs

# CFAWB1

## Check what customers need from your business

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### Performance criteria

- You must be able to:*
- P1 identify which part of the market, and which kind of customer, needs your business's products or services
  - P2 find out what customers like about your business and its products or services
  - P3 find out about how customers feel about other similar businesses, products or services
  - P4 use reliable information about what your customers need
  - P5 get the views of different types of customer
  - P6 decide if you need to find out any further information and how you will get it
  - P7 decide if your research has shown that there are opportunities to develop new products or services or approach new groups of customers
  - P8 review what you have found out and match it with your businesses targets

# CFAWB1

## Check what customers need from your business

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### Knowledge and understanding

*You need to know and understand:*

#### **Market Research**

- K1 how your customers may be divided up (segmented) for example by:
  - K1.1 age
  - K1.2 occupation or social class, which is often linked to income (for example, professional, working-class or single-parent family)
  - K1.3 lifestyle or image (for example, caring, sophisticated or adventurous)
  - K1.4 buying habits (for example, always plans carefully, size of order or amount of customer loyalty)
  - K1.5 local neighbourhood or wider regions (for example, international, northern, southern or by postcode)
  - K1.6 benefits (for example, benefits provided by a café might be a quick snack rest during shopping, somewhere to meet, or a takeaway)
- K2 how you can find out what customers want
- K3 where you can get published information and how much it will cost you to get it
- K4 how to get and use feedback from new and existing customers
- K5 why some information is confidential and how you should deal with it
- K6 how to analyse markets and customer needs
- K7 ways of identifying and communicating with customers

#### **Competitors**

- K8 how you can find out what competitors are doing

#### **Business Focus**

- K9 why it is important to keep your business focused on the needs of your customers and how customer needs can influence the future of a business
- K10 how to match customer needs to business targets

#### **Business Planning**

- K11 how you can use customer needs in your business planning

# CFAWB1

## Check what customers need from your business

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### Additional Information

#### Links to other NOS

1. If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.
2. F4 Develop & review a framework for marketing
3. F9 Build your organisation's understanding of its market & customers
4. F10 Develop a customer focussed organisation
5. WB2 Plan how to let your customers know about your products or services
6. WB3 Plan how you will sell your products or services
7. WB11 Decide how you will treat your business customers
8. BD4 Carry out a review of your business

# CFAWB1

## Check what customers need from your business

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## CFAWB2

# Plan how to let your customer's know about your products or services

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### Overview

You need to understand your market to sell your products or services at a profit. You will need to investigate how you market your products or services to improve your sales and marketing. This information will help you to prepare plans that will persuade people to buy a product or service and help to improve your profits. The detail of what you need to look at will depend on your type of business and the sort of customers you are trying to reach. You also need to look at what your competitors are doing and think about ways to win more business.

You might do this if you are:

1. setting up a new business or social enterprise
2. expanding your business or a social enterprise
3. trying to reach and retain new customers
4. changing or adapting the products or services offered by your business or a social enterprise

Planning how to let your customers know about your products or services involves:

1. finding out about the market for your business's products or services
2. producing a plan for marketing
3. deciding how you will judge the success of your marketing and sales

## CFAWB2

### Plan how to let your customer's know about your products or services

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#### Performance criteria

- You must be able to:*
- P1 decide what you hope to achieve through marketing and match this to the targets you have set for your business
  - P2 prepare forecasts for marketing and work out the cost of marketing activities
  - P3 decide a reasonable time to reach the marketing targets
  - P4 find out about possible marketing and promotion methods and opportunities
  - P5 prepare a detailed budget for marketing and decide what the benefits to your business will be
  - P6 use your findings to produce your marketing plan and include all the information to show how you have reached your decisions
  - P7 decide how you will deal with things that do not go according to your plan
  - P8 decide what things you would look for to see if your marketing plan was successful
  - P9 decide what information you will use to judge your marketing performance
  - P10 decide how often you will review marketing performance to see if you need to change any of your targets
  - P11 think about where things might differ from the plan, and think about how you would deal with this

## CFAWB2

# Plan how to let your customer's know about your products or services

## Knowledge and understanding

*You need to know and understand:*

### Marketing targets

- K1 why it is important to set targets for marketing and sales
- K2 what information you need about the market for your products or services
- K3 what targets to set for marketing and for your share of the market
- K4 how to set targets for marketing which will include considering
  - K4.1 your position in the market
  - K4.2 sales and gross margins
  - K4.3 profits and profit margins
  - K4.4 cash-flow
  - K4.5 products or services
  - K4.6 competitor activity
  - K4.7 fashion and customer trends
  - K4.8 the image of your business
  - K4.9 using resources
  - K4.10 changes in technology

### Marketing methods

- K5 why marketing and promotion is important
- K6 different ways to promote a product or service (for example publicity in local press, radio and TV, personal recommendation and endorsement)
- K7 different types of marketing (for example advertising, sending publicity materials direct to customers, selling to customers face-to-face or public relations)

### Marketing plans

- K8 how to produce a plan for marketing
- K9 what you should include in a marketing plan:
  - K9.1 what the market is
  - K9.2 what customers need and want
  - K9.3 your forecasts for your business
  - K9.4 what type of marketing you will use
  - K9.5 how much the marketing will cost
  - K9.6 what the products or services are (for example name, size, quality, design and packaging)
  - K9.7 what the price of products or services should be (for example discounts, credit terms, special offers and alongside competition from other similar products or services)
  - K9.8 who will be involved in marketing (for example you, your staff or outside agencies)
  - K9.9 how and where products or services are to be sold (for

## **CFAWB2**

### **Plan how to let your customer's know about your products or services**

K9.10 example wholesale, in shops, mail order or through the internet)

K9.11 how you will present the product or service to customers

#### **Marketing performance**

K10 how to judge whether or not you are meeting marketing targets

K11 how to include some flexibility in judging success, to take account of what actually happens

K12 how to set up your business to make sure that you can get information about marketing easily

K13 how to identify the points at which business differs from the plan (for example higher or lower sales figures, more or less demand from customers)

## **CFAWB2**

Plan how to let your customer's know about your products or services

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### **Additional Information**

#### **Links to other NOS**

1. WB1 Check what customers need from your business
2. WB4 Advertise your products or services
3. WB7 Sell your products or services on the Internet
4. WB10 Make presentations about your business

#### **Links to other standards**

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

5. B3 Develop a strategic business plan
6. F4 Develop & review a framework for marketing

## CFAWB2

Plan how to let your customer's know about your products or services

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## CFAWB3

# Plan how you will sell your products or services

### Overview

You must sell enough of your products or services to keep your business running. You need to understand your market to sell your products or services at a profit. You need to investigate how you sell your products or services to improve your sales. This information will help you to prepare plans that will aim to improve your profits. The detail of what you need to look at will depend on your type of business and the sort of customers you will be selling to. You also need to look at what your competitors are doing and think about ways to win more business.

You might do this if you are:

1. setting up a new business or social enterprise
2. expanding your business or a social enterprise
3. changing or adapting the products or services offered by your business or a social enterprise
4. reviewing how you sell your products or services

Planning how you will sell your products or services involves:

1. finding out about and comparing different selling methods
2. setting targets for sales
3. writing a sales plan

## CFAWB3

### Plan how you will sell your products or services

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#### Performance criteria

*You must be able to:*

- P1 research the different ways to sell products or services
- P2 work out how different selling methods may affect numbers of sales
- P3 work out how many sales can be made
- P4 work out when, how and where sales can be made
- P5 make sure that your targets for sales match the targets you have set for your business
- P6 write a sales plan based on your investigation of the market and include the sales methods you will use
- P7 decide a reasonable time to reach the sales targets
- P8 prepare a detailed budget for sales and look at what effect achieving the sales targets will have on your business
- P9 produce a complete sales plan and include all the information to show how you have reached your decisions
- P10 decide what things you would look for to see if your sales plan was successful
- P11 decide what information you will use to judge your sales performance
- P12 decide how often you will review sales performance to see if you need to change any of your targets
- P13 think about where things might differ from the plan, and think about how you would deal with this

## CFAWB3

### Plan how you will sell your products or services

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#### Knowledge and understanding

*You need to know and understand:*

##### Information about the market

- K1 ways of finding out the information you need and where to get it
- K2 what has happened in the past in a sector
- K3 the available methods of selling or providing a product or service
- K4 where to go for advice and help

##### Sales targets

- K5 why setting targets for sales is important
- K6 how to set targets for sales which will include:
  - K6.1 sales volume
  - K6.2 profit margins
  - K6.3 cash flow
  - K6.4 providing customer service
  - K6.5 getting repeat business
  - K6.6 product or service quality
  - K6.7 whether clients are creditworthy

##### Sales plans

- K7 why planning sales is important
- K8 ways of developing and presenting a plan
- K9 what you should include in a sales plan
  - K9.1 what the market is
  - K9.2 what customers need and want
  - K9.3 the number of sales you aim to achieve and what the profit margin target is
  - K9.4 who will be involved in selling (for example current staff or new staff)
  - K9.5 forecasting sales by product or service and by each salesperson
  - K9.6 how and where the product or service will be sold (for example wholesale, in shops, mail order or through the internet)
  - K9.7 what the cost of selling is.
  - K9.8 how sales will contribute to business success

##### Sales performance

- K10 how to judge whether or not you are meeting sales targets
- K11 how to include some flexibility in judging success, to take account of what actually happens
- K12 how to set up your business to make sure that you can get information about sales easily
- K13 how to identify the points at which business differs from the plan (for example higher or lower sales figures, more or less demand from customers)

## **CFAWB3**

### Plan how you will sell your products or services

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#### **Additional Information**

#### **Links to other NOS**

1. WB1 Check what customers need from your business
2. WB2 Plan how to let your customers know about your products or services
3. WB5 Sell your products or services

#### **Links to other standards**

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

4. B3 Develop a strategic business plan
5. F4 Develop & review a framework for marketing

## CFAWB3

### Plan how you will sell your products or services

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## **CFAWB4**

# Advertise your products or services

### **Overview**

There are many benefits to your business from advertising. It helps you to make people aware of and interested in your products or services, increase your sales and/or launch new products or services. It can also be used to reassure existing customers that they are making the right choice in buying from you and therefore encouraging them to remain loyal.

You might do this if you are:

1. setting up a business
2. extending or changing your products or services to attract more customers
3. attempting to increase the sales of your business
4. trying to attract customers from overseas

Advertise your products or services involves:

1. reviewing different forms of advertising and assessing their costs and benefits
2. planning and carrying out some advertising
3. checking the success of your advertising and making changes where appropriate

## CFAWB4

### Advertise your products or services

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#### Performance criteria

*You must be able to:*

- P1 identify the markets for the products or services provided by your business
- P2 decide whether your target audience is local or regional, national or international, or a mixture
- P3 decide whether or not it is worth investing in advertising
- P4 decide what the key messages are that will attract your customers and what you hope you achieve through advertising your products or services
- P5 assess the costs and benefits of different forms of advertising and negotiate the best deal for your advertising
- P6 decide what medium to use to advertise your products or services
- P7 design an advertisement that is attractive to customers, uses a catchy headline, has clear and concise text, pictures, colour and is well designed
- P8 ensure that your advertisement is placed to maximum advantage
- P9 provide all relevant information about your company in your advertising
- P10 decide what methods you will use to monitor the success of your advertisement and what you will use to judge its success
- P11 make sure that your business and staff are ready to deal with the results of your advertising, such as, availability of stock and resources to meet increase sales
- P12 plan to monitor the success of your advertising, allowing time to produce worthwhile results
- P13 assess the feedback from your monitoring and decide whether or not to continue the advertisement or use different methods of promoting your business in the future

# CFAWB4

## Advertise your products or services

### Knowledge and understanding

*You need to know and understand:*

#### **Ways of advertising**

- K1 what and where the markets are for the products or services of your business
- K2 what the key ingredients are for a successful advertisement (for example, customer incentive to buy your products or services, having a stylish and relevant design that gets the attention of potential customers)
- K3 what the cost benefits are of using different ways of advertising
- K4 what the best medium is for your business (for example, newspapers, magazines, trade or professional magazines, merchandising, radio, television, posters, cinema and on the internet)
- K5 the benefits of setting up a website for your business and how to make it easy for people to find their way around it, and make contact with or order from you
- K6 where to place your advertisement (for example, in the press or a magazine search engines that directly link to your website)

#### **Creative advertising**

- K7 how to match the medium of your advertisement to your audience to make sure that people are interested in what you have to sell
- K8 what motivates people to buy (for example, status, convenience, cost, novelty or curiosity)
- K9 how to stand out from the crowd by using text, colour and pictures to convey the unique selling point (USP) of your business that gives your audience reasons for trying your products or services
- K10 what messages are conveyed about the image of your business through the words that you use (for example, if it offers value for money, high quality, is exclusive, friendly or cheap)
- K11 what information you need to include in an advertisement (for example, name, address, telephone number, email, website, map and business opening times, where it is relevant)

#### **Monitoring the success of your advertising**

- K12 how to evaluate the reactions of your audience (for example, by placing your advertisement in different places or mediums and checking this when customers buy your products or services and by asking them where they saw your advertisement)
- K13 how to monitor customer responses to different placements (for example, by using coupons, telephone hotlines, or code numbers relating to the date and place the advertisement appears)
- K14 what the elements are that are involved in the testing process (for example, allowing time to produce worthwhile results, schedules and

## **CFAWB4**

### **Advertise your products or services**

methods for testing and sticking to them, and the need to find out more about your customers)

#### **Laws and regulations**

K15 how to ensure that your advertisement is in line with the requirements of the Advertising Standards Authority (i.e. that it is legal, decent, honest and truthful)

# CFAWB4

## Advertise your products or services

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### Additional Information

#### Links to other NOS

1. WB2 Plan how to let your customers know about your products or services
2. WB3 Plan how you will sell your products or services
3. WB5 Sell your products or services
4. WB6 Explore overseas markets for your business

## CFAWB4

### Advertise your products or services

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## **CFAWB5**

# Sell your products or services

### **Overview**

No business can survive without selling its products or services to its customers. The selling may take place on your business's premises, the customer's or any other environment.

You might do this if you are:

1. setting up a new business or social enterprise
2. expanding your business or social enterprise
3. changing or adapting the products or services offered by your business or social enterprise
4. reviewing how you sell your products or services

Selling your products or services involves:

1. identifying the buying needs and interests of customers
2. promoting the features and benefits of products or services to customers
3. helping customers to overcome their queries and objections
4. agreeing terms and conditions and closing sales

## CFAWB5

### Sell your products or services

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#### Performance criteria

- You must be able to:*
- P1 identify the customer's requirements, needs and interests by tactful questioning
  - P2 identify products or services that match the customer's identified needs
  - P interpret and act on buying signals given by the customer to progress sales
  - 3 explain clearly and accurately the features and benefits of products or services that match the customer's requirements
  - P present information about products or services, and any relevant promotional materials, in a way that generates further interest
  - 4 give customers the opportunity to fully discuss and assess the features and values of products or services
  - P explore potential solutions to the customer's queries or objections and suggest ways to overcome them to the customer
  - 5 note customer's feedback and reaction to the products or services
  - P9 note the reasons if customer requirements and expectations cannot be met or objections cannot be resolved
  - P10 confirm the customer's willingness to make a purchase by effective questioning and discussion
  - P11 reach agreement on the terms of sale that meets both the customer's and business's requirements
  - P12 complete all necessary documentation, including formal quotations where required
  - P13 monitor the progress of sales and pass information on to the right people
  - P14 make sales in line with business and legal requirements

# CFAWB5

## Sell your products or services

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### Knowledge and understanding

*You need to know and understand:*

#### **Communication**

- K1 why personal presentation and face-to-face communication is important
- K2 how to present information and communicate effectively face-to-face with different customers
- K3 how to question and listen effectively
- K4 how to respond effectively to customers' queries
- K5 how to overcome customers' objections sensitively and constructively
- K6 how to constructively manage the range of behaviours customers display

#### **Selling**

- K7 the importance of highlighting the features, advantages and benefits of products or services to customers
- K8 how to structure and progress sales
- K9 the difference between reactive and proactive selling
- K10 how selling business-to-business differs from selling to end-users
- K11 how to recognise buying signals given by customers during sales contact
- K12 the organisations products or services and those of competitors
- K13 previous needs and interests expressed by customers in particular types of products or services
- K14 how to close a sale
- K15 how to complete sales paperwork and record details of sales
- K16 where appropriate, how to get the best from sales staff (for example by target setting, pay, bonuses, training, sales and management techniques)
- K17 what guidelines on sales agreements are needed

#### **Business infrastructure**

- K18 the legal and business procedures or constraints on sales
- K19 what systems will be used for recording and processing sales information and documentation
- K20 what to do with customers' feedback and reaction to products or services

## **CFAWB5**

### Sell your products or services

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#### **Additional Information**

#### **Links to other NOS**

1. WB1 Check what customers need from your business
2. WB2 Plan how to let your customers know about your products or services
3. WB3 Plan how you will sell your products or services

## CFAWB5

### Sell your products or services

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## CFAWB6

# Explore overseas markets for your business

### Overview

There are many things that are different about trading abroad than trading locally or in the UK. It is important to identify these differences and make sure that the effects on your business will be positive before you commit time and resource to developing markets abroad.

You might do this if you need to:

1. widen your range of products or services
2. find new customers for your existing products or services
3. open a new business or social enterprise elsewhere

If you want to explore markets abroad, you will need to:

1. investigate export markets;
2. consider the costs and benefits of exporting;
3. find out about the paperwork involved, and the terms and conditions of trading abroad
4. plan the resources that will be needed
5. know where to get information and help

## **CFAWB6**

### Explore overseas markets for your business

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#### **Performance criteria**

- You must be able to:*
- P1 research information on foreign markets to choose suitable opportunities for your business
  - P2 consider whether your products or services need changing to be effective in another country
  - P3 explore how you will protect your products or services abroad
  - P4 identify the most effective way of selling or distributing your product or service in another country
  - P5 identify the skills and capacity you will need to develop for your business
  - P6 identify the costs, resources, benefits and risks of trading abroad
  - P7 seek advice when you need it
  - P8 set targets for trading abroad and match these to the targets you have already set for your business
  - P9 assess whether overseas trading will produce a suitable return on the investment you are prepared to make

# CFAWB6

## Explore overseas markets for your business

### Knowledge and understanding

*You need to know and understand:*

#### International trade

- K1 where you can find out about the market abroad (for example business associates, embassies, market research, trade journals, the internet, marketing specialists, government departments and export agents)
- K2 what might affect your business in foreign markets including:
  - K2.1 location (for example geographical proximity to your business, time zones)
  - K2.2 politics (for example political stability, political stance)
  - K2.3 financial environment (for example, currency exchange rates, charges and restrictions, insurance availability, export and import duties, inflation levels, level of indebtedness, banking and taxation systems)
  - K2.4 laws and regulations (for example differences in legal systems based on codified law and common law and precedence, import restrictions, consumer protection, contract law, environmental protection, workplace safety, employment conditions)
  - K2.5 infrastructure (for example air, road and rail networks, efficiency of distribution, communication and media channels)
  - K2.6 people (for example values, attitudes and tastes, educational levels, technological advancement, affluence, business culture, language)
- K3 how to assess competitors' activities including:
  - K3.1 who your competitors are (for example other exporters from the UK, exporters from other countries or competitors from the country you are researching)
  - K3.2 why some competitors are not exporting to particular countries
  - K3.3 the level of competition (for example intensity of rivalry, extent of price competition)
  - K3.4 your competitive advantage in the market (for example why people would buy your product or service instead of someone else's)
- K4 how your products or services might be affected in foreign markets including:
  - K4.1 market perception (for example unique qualities, strengths, weaknesses, suitability, brand name and image, your own country's image, local certification);
  - K4.2 features (for example shelf life, technical specification);
  - K4.3 laws and regulations (for example product safety, product liability, quality control); and
  - K4.4 protection (for example copyright, intellectual property, trademark, design, patent)

## CFAWB6

### Explore overseas markets for your business

- K5 different routes to market and which will be most appropriate for you including:
  - K5.1 direct selling (for example face to face or using the internet);
  - K5.2 through another company (for example agent, distributor, wholesaler, retailer, export or buying house)
  - K5.3 setting up a subsidiary
  - K5.4 becoming a subcontractor
  - K5.5 licensing or franchising
  - K5.6 forming alliances (for example working through other companies already operating in the country)
- K6 how to work out the costs of trading abroad (for example, foreign exchange rates, foreign travel, transport and distribution, agents' fees, insurance, credit, export credit guarantees, import duties, packaging, promotion or bad debts)
- K7 how to work out the resources needed to trade abroad (for example management time, premises and warehousing, finance, staff, distribution, administration, product adaptation, packaging and labelling, translation, promotion)
- K8 how to work out the benefits of trading abroad (for example, increased markets, quantity of sales, trading agreements or increased profits)
- K9 how to work out the risks of trading abroad (for example, less sales than expected, changes in exchange rates, distribution problems, late payment, patent and copyright infringements, trade embargoes and international conflicts, losing your current UK-based customers, lack of buy-in from other co-owners or board members)
- K10 what skills you will need to develop for your business to trade successfully abroad (for example management, language, market research)
- K11 how to take account of unfamiliar cultural practices, expectations and business processes when dealing with overseas companies or customers
- K12 how your use of language, tone of voice and body language can be adapted to minimise misunderstanding through cultural differences
- K13 what capacity you will need to develop for your business to trade successfully abroad (for example sales, marketing, storage, production, administration)
- K14 why it is important to get advice from people with a foreign trading background and where to find them
- K15 how long it will take to get your export plan up and running, and how these timescales can differ in different types of overseas market
- K16 how to make sure exporting will be financially viable for your business including:
  - K16.1 researching thoroughly (for example making sure there is really a market for your products or services, allowing a realistic amount of time to develop the foreign market, thoroughly researching all the costs involved)

## **CFAWB6**

### Explore overseas markets for your business

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K16.2 planning cash flow (for example making sure you have enough money to last while the new market is being developed)

K16.3 being realistic about expected profits (for example making sure you match your prices to the market, working out exactly what margins you are likely to get and what margins are acceptable to you, working out your profits in pounds)

## CFAWB6

### Explore overseas markets for your business

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#### Additional Information

#### Links to other NOS

1. EE1 Achieve the goals for your business
2. BD3 Plan where your business is going
3. BD4 Carry out a review of your business
4. BD6 Make changes to improve your business
5. BD13 Import or export products or services
6. WB1 Check what your customers need from the business
7. WB2 Plan how to let your customers know about your products and services
8. WB3 Plan how you will sell your products or services

#### Links to other standards

It may be appropriate to consider the following units from the Standards for Working Effectively with People from other Countries or Cultures which are being developed by CILT.

9. Developing and maintaining relationships with organisations from a
10. range of national or international cultures
11. Exploring newmarkets with different cultures

## CFAWB6

### Explore overseas markets for your business

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## **CFAWB7**

# Sell your products or services on the Internet

### **Overview**

Businesses use the Internet to carry out business, market, and buy and sell products or services to a wider audience. E-commerce, e-business and e-trading are terms used to describe business on the Internet. The Internet provides a valuable form of communication and is a valuable source of information that can help people make decisions. While there is little face-to-face contact or verbal communication many of the same skills used in any successful business are still needed to carry out business electronically as well as other skills such as using information and communications technology [ICT] and developing and maintaining websites.

You might do this if you are:

1. exploring how the Internet can help your business or social enterprise
2. developing plans for your business or social enterprise to use the Internet
3. reviewing how your business or social enterprise uses the Internet

Selling your products or services on the Internet involves:

1. deciding what opportunities there are for your business by using the Internet
2. planning how to use the Internet
3. setting up and evaluating the success of e-trading
4. keeping up to date with technological advances, market conditions and regulations with regards to e-trading

## **CFAWB7**

### **Sell your products or services on the Internet**

#### **Performance criteria**

*You must be able to:*

- P1 research e-business opportunities and market trends for your products or services
- P2 take advice about planning e-business and e-trading from suitable sources and decide how you will use the internet to reach or service your target market
- P3 research and assess the terms and conditions of different kinds of e-trading
- P4 assess the issues, costs and benefits of e-trading and decide if it is worthwhile for your business
- P5 assess the skills of your staff and decide what training is needed.
- P6 assess what information and administration systems would be suitable for e- trading
- P7 decide what resources and technical help you will need and arrange for them to be available at appropriate times
- P8 develop your plans including targets and forecasts in line with the overall aims of your business
- P9 monitor progress in achieving aims and targets
- P10 set up information and administration and documentation systems for e-trading
- P11 decide how you will monitor customer service including any complaints, comments or suggestions
- P12 identify any problems with the website and e-trading activities and take prompt action to solve them
- P13 review resources when events differ from those set out in your plans
- P14 assess the effectiveness of e-trading against your plans and the overall aims of your business
- P15 identify and investigate any new opportunities that emerge, and make any changes that are needed to the website or e-trading activities
- P16 provide information on the progress of e-trading to relevant people

# CFAWB7

## Sell your products or services on the Internet

### Knowledge and understanding

*You need to know and understand:*

#### **Marketing and sales**

- K1 what the costs and benefits are of different marketing and sales methods for e-trading
- K2 how to link different methods of sales and marketing so that customers know how to reach you using the internet
- K3 how to communicate information about products or services and provide customer service online to all potential customers

#### **E-trading**

- K4 what the risks of not e-trading are
- K5 what trading options exist on the Internet
- K6 what terms and conditions apply to e-trading within the UK, EU and worldwide
- K7 how you will get payment from customers buying through the internet
- K8 how to analyse the extra costs and benefits of e-trading compared to current business needs
- K9 how e-trading affects your long-term plans and goals
- K10 how ethical, cultural, physical abilities and style differences in markets affect e-trading
- K11 what problems there could be with e-trading (for example not enough resources, changes in market conditions, technology, competitor activity, laws or regulations)
- K12 how to judge the success of e-business and e-trading (for example getting your business name known, meeting marketing and sales targets, providing good customer service, cash flow and profitability)
- K13 how security (such as client data) and protection from viruses will be maintained, and any problems dealt with

#### **Planning**

- K14 what timescales are required for putting e-business plans into practice
- K15 what aims and targets should be set in terms of quality, timescales, customer service, sales volume, profit margins and repeat business
- K16 what plans for e-business might include for example:
  - K16.1 an assessment of the market, including customer requirements, charging mechanisms and structures
  - K16.2 sales and gross margin forecasts
  - K16.3 cost of start-up and ongoing resources
  - K16.4 ongoing budgets and financing options
  - K16.5 the electronic marketing mix (in other words, product, price, promotion, staff and distribution channels)
  - K16.6 an assessment of legal and ethical factors

## **CFAWB7**

### **Sell your products or services on the Internet**

K16.7 high and low forecasts (basic risk assessment)

K16.8 savings to your business

K16.9 an action plan with appropriate timescales

K17 what arrangements are suitable for monitoring the progress of your plans (for example spoken or written reports, briefing sessions or meetings)

K18 what areas of your plans are open to change (for example deadlines, higher or lower sales figures, more or less demand from customers)

K19 how to plan ways of dealing with any areas that are open to change (contingency planning)

#### **Resources**

K20 what extra resources will be needed for e-trading, how you will get them and how much they will cost (for example computer equipment, technical specialists, broadband subscription)

K21 what effect e-trading will have on your business's existing ICT system

K22 what technical skills will be needed for e-trading

K23 what information and administration systems would be suitable for e-trading and will these processes be linked directly to existing ICT systems

K24 how to develop distribution methods that will cover the planned geographical area and handle out-of-area orders (for example elsewhere in the UK, EU and other overseas customers)

K25 how and when to review resources

#### **Infrastructure**

K26 how to set up payment methods and accounts for customers or make changes to existing methods

#### **Business focus**

K27 how to identify new opportunities and what they are likely to involve

#### **Information and advice**

K28 where to find information about e-business opportunities and market trends

K29 who can provide advice about planning and running e-businesses

#### **Consultation**

K30 who to involve in decision-making (for example partners, backers, staff, customers, members, stakeholders or suppliers)

## **CFAWB7**

Sell your products or services on the Internet

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### **Additional Information**

#### **Links to other NOS**

1. EE4 Find innovative ways to improve your business
2. WB8 Develop a website for your business

## **CFAWB7**

### Sell your products or services on the Internet

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## CFAWB8

# Develop a website for your business

### Overview

A website is increasingly becoming an important part of any business. The functions that businesses can now build into the website and the use of the system can often be a large part of business processes. Through the website, many businesses have developed a virtual 'shop front' and use the web as a marketing and selling tool. A website can also have an important function internally for you and your staff in running your business and in responding to customers. To develop the website you will need to take advantage of specialist skills and your role will include finding those specialists, and communicating to them what you hope to achieve with your website; to make sure it is a valuable addition to your business and easy to use by your customers and staff.

You might do this if you are:

1. planning to develop a website
2. reviewing your current website
3. revising your business processes (e.g. to sell as well as advertise through a website)

Developing a website for your business involves:

1. developing a specification of what you want the website to do
2. deciding how the website will look and feel
3. overseeing the technical development of the website

## CFAWB8

### Develop a website for your business

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#### Performance criteria

*You must be able to:*

- P1 make sure that the relevant people support the idea of a website
- P2 choose a web-hosting service and website developer and agree terms and conditions for the services they will provide, including a maintenance agreement
- P3 agree a website specification with the website developer, including:
  - P3.1 phases of development (i.e. what will happen when)
  - P3.2 overall design, look and feel
  - P3.3 customer access to products and information on the website
  - P3.4 functions available to customers on the website, including online help
  - P3.5 payment methods for online trading, where if necessary
  - P3.6 security measures (i.e. protection against viruses, prevention of unauthorised access, risk of data loss due to software not working properly or other unforeseen events, and payment and data protection)
  - P3.7 how ideas and messages will be communicated about your business
  - P3.8 how information about products or services will be prepared for the website
  - P3.9 how content will be managed
- P4 test out the website design with customers and assess feedback,
- P5 agree changes to website content, design and functions with the website developer
- P6 decide how the website will be described and agree which words will be used by search engines
- P7 approve the final design of the website before it goes live and arrange a way of updating information
- P8 decide how to manage and monitor any technological development you will need to set-up and maintain the website
- P9 research and take advice about current and new technology
- P10 assess impact on other parts of your business

# CFAWB8

## Develop a website for your business

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### Knowledge and understanding

*You need to know and understand:*

#### **Website development**

- K1 who the audience of the website are and how they will use it (for example customers, staff and suppliers)
- K2 how to choose a website developer and internet service provider (ISP) or other web-hosting service (for example cost, experience, skills and experience, recommendations, level of service and terms and conditions)
- K3 how to negotiate and agree what to do and how it should be done
- K4 who will own the intellectual property of the website
- K5 how to set measurable targets for the design (for example timescale, content, speed, features and functions)
- K6 the appropriate timescales for developing a website, and what problems can alter these (for example difficulties in developing the content, missed deadlines or lack of resources)
- K7 what terms and conditions you need to agree with the web-hosting service (for example payment, service and online support)
- K8 what monitoring arrangements are suitable for website development (for example spoken or written reports, demonstrations, briefing sessions and meetings)
- K9 how to register the domain name and the site with other free and paid-for sites
- K10 who will maintain and update the website (for example existing staff, new staff or an outside service)
- K11 how to test the site before it goes live in terms of ease of use, appeal, giving customers what they want and download time (for example within your business and by giving customers access in a protected way)

#### **Website specification**

- K12 what a technical specification involves for the computers that customers are likely to use to access the website (for example, screen size, use of sound and modem connection speeds); and the website (for example, which browsers will be able to access the site, processing speeds and amount of memory)
- K13 what technological options and developments you will need to use (for example, ICT systems, new methods of access, design tools and hosting services)
- K14 what functions will be available (for example, to gather information about customers, allow for secure payment transactions, check credit card details or personalise parts of the site to meet your business needs).
- K15 what accessibility items you will need to consider in design (for example font size and language)
- K16 what targets should be set for designing the website in terms of

## **CFAWB8**

### **Develop a website for your business**

- K16.1 design style
- K16.2 download speed
- K16.3 audience figures
- K16.4 finding information (navigation)
- K16.5 ease of use (browsing)
- K16.6 added value (such as promotional copy, functions and features)
- K16.7 technological developments

#### **Website structure, design, and content**

- K17 which parts of a website are seen and used by customers, how they find their way around (navigate), what stays the same (the frame), what changes (text or content, images and animation or assets) and whether to use sound
- K18 what e-trading design packages are available
- K19 how to judge the design and creative direction of the website (for example, using your own views, seeking the opinions of staff and customers, comparing the design with other sites that you think are good and taking advice from experts)

#### **Marketing**

- K20 what messages and information need to be communicated through the website (for example about your business, its ethics and its products or services, and about customers' behaviour and preferences)
- K21 how to write a website description and identify key words (meta tags) that will be found by a search engine so that your site is displayed when a customer is trying to find it
- K22 how the design and content of the website will link with other methods of marketing and trading

#### **Business focus**

- K23 how the website impacts on other parts of your business (for example increased sales, impact on resources)

#### **Information and advice**

- K24 where to get technical advice and support (for example from e-commerce specialists or ICT suppliers, from design consultancies, and web-hosting services)

## **CFAWB8**

### Develop a website for your business

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#### **Additional Information**

#### **Links to other NOS**

1. EE4 Find innovative ways to improve your business
2. WB7 Sell your products or services on the Internet

## CFAWB8

### Develop a website for your business

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# CFAWB9

## Bid for work for your business

### Overview

Businesses are often asked to prepare bids about the products or services they can supply to customers. Presenting a proposal of work with a quotation may be necessary when customers want to get the best deal by comparing proposals from different businesses.

You might do this if:

1. you are tendering for work

Bidding for work involves:

1. identifying what the customer wants and what your business can provide
2. preparing proposals and quotations that meet customer needs
3. making sure proposals and quotations are competitive and have any necessary conditions and constraints built into them
4. getting any commitment needed from backers or other relevant parties

# CFAWB9

## Bid for work for your business

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### Performance criteria

*You must be able to:*

- P1 understand the customer's requirements, and resolve any matters that need to be clarified
- P2 identify the conditions or constraints which need to be built into the quotation to protect the interests of your business
- P3 make sure the profit margin and proposed terms of sale stated in the quotation are in line with the objectives of your business
- P4 make sure quotations supplied to customers are competitive, provide the required level of detail and are supplied within the stipulated timescales
- P5 work out discounts or special offers and include them in quotation
- P6 prepare proposals and quotations in your house style and in line with the presentation requirements of the customer
- P7 make sure confidential information is protected and appropriate people are consulted prior to dispatch to the customer
- P8 make sure proposals and quotations are stored securely in a location that allows access to authorised people

# CFAWB9

## Bid for work for your business

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### Knowledge and understanding

*You need to know and understand:*

#### **Proposals and quotations**

- K1 the purpose of; and differences between, proposals and quotations
- K2 how to identify and clarify customers' requirements
- K3 why proposals and quotations should be stored securely
- K4 conditions or constraints which can be written into quotations (for example terms of payment)
- K5 how conditions or constraints can protect your business
- K6 the sales objectives of your business
- K7 the business procedure for writing proposals and quotations
- K8 any business discounts and special offers
- K9 the people who should be consulted prior to dispatching proposals or quotations

# CFAWB9

## Bid for work for your business

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### Additional Information

#### Links to other NOS

1. EE3 Make deals to take your business forward
2. WB1 Check what customers need from your business
3. WB10 Make presentations about your business

## CFAWB9

### Bid for work for your business

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# CFAWB10

## Make presentations about your business

### Overview

You may need to make presentations to win work, sell your products or services, get funding or support, promote your business or promote changes and new strategies to staff or board members. Making successful presentations is important as it may help to boost your sales, bring more investment to your business or to take your business in a new direction.

You might do this if you need to:

1. ask for a loan or grant from a funding provider
2. take part in a sales event such as a network meeting or exhibition
3. present business plans or proposals to the board of directors or partners of your business or social enterprise

Make presentations about your business involves:

1. identifying the requirements of your target audience for the presentation
2. preparing a presentation in an appropriate format to suit the specific audience
3. communicating proposals, quotations or other relevant information to the intended audience in an effective way

# CFAWB10

## Make presentations about your business

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### Performance criteria

*You must be able to:*

- P1 identify the requirements of your target audience for information
- P2 identify the main purpose of your presentation for your business
- P3 agree with the intended audience how and when to make the presentation
- P4 make the presentation in a manner that helps the intended audience to understand its content and promotes your business, its products or services
- P5 provide the audience with opportunities to ask questions and seek clarification on all aspects of the presentation
- P6 make sure any objections raised are properly recognised and responded to in a friendly, logical and professional way
- P7 make sure you stay within the limits of your personal authority and what your business can deliver
- P8 find ways to encourage your audience to agree with, approve or accept what you are proposing
- P9 make sure that any oral agreements are clearly understood by all the parties and followed up in writing

# CFAWB10

## Make presentations about your business

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### Knowledge and understanding

*You need to know and understand:*

#### **Making presentations**

- K1 the purpose of your presentation (for example selling products or services, seeking a loan or grant or making recommendations to your board of directors or partners)
- K2 the key differences when making presentations in different contexts (for example formal or informal, face-to-face or in writing, group or individual, large or small groups)
- K3 how to identify and clarify the information about your business required by different audiences (for example extracts from business plans or details about the products or services)
- K4 how to identify the right format for making a presentation (for example written proposals, power point presentation, informal talk or a mixture of formats)
- K5 what is expected by your audience when making presentations in specific cases (for example preparing proposals or quotations in the house style or using other conventions recognised in business)
- K6 how to establish rapport with your audience
- K7 the techniques that can be used to influence people
- K8 how to deal with points of clarification about your presentation
- K9 how to respond constructively to any objections or criticisms about your presentation and maintain rapport with your audience

#### **Products and Services**

- K10 the features and benefits of the products or services of your business

#### **Negotiation**

- K11 what your business can deliver
- K12 the terms and conditions that you would be prepared to accept (for example knowing which products or services can be offered, and any discounts for bulk orders or special offers you can agree or knowing how much finance you need and what you can afford to pay for it)

#### **Yourself**

- K13 how to identify the limits of your authority to make decisions on behalf of your business without reference to others such as partners and other stakeholders

# CFAWB10

## Make presentations about your business

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### Additional Information

#### Links to other NOS

1. WB2 Plan how to let your customers know about your products or services
2. WB3 Plan how you will sell your products or services
3. WB5 Sell your products or services
4. WB9 Bid for work for your business
5. MN7 Get finance for your business
6. BD10 Get support for a creative business idea

# CFAWB10

## Make presentations about your business

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# CFAWB11

## Decide how you will treat your business customers

### Overview

Good customer service makes a business successful. Whether you are a sole trader or you employ staff your business can benefit from good customer service. Satisfied customers are more likely to use your business again.

You might do this if you:

1. are concerned about the quality of the service you deliver to customers
2. have problems with customer service
3. want to review and improve your levels of customer service

Deciding how to treat your customers involves:

1. working out how you will give your customers what they want
2. planning how each part of your business will deal with customers
3. monitoring and improving your relationship with customers

# CFAWB11

## Decide how you will treat your business customers

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### Performance criteria

*You must be able to:*

- P1 identify the aims and targets for reaching, dealing with and retaining customers
- P2 check what level of service your competitors offer
- P3 identify how you can improve the way you treat your customers and if you can offer them any additional services
- P4 decide how you will treat your customers in all parts of your business
- P5 make sure your plans meet all of the laws and regulations required
- P6 work out who is responsible for different parts of customer service and explain to them what they need to do
- P7 identify any training that people need to help them deal effectively with customers
- P8 decide how you will capture feedback from customers to help improve your service to customers
- P9 decide how you will explain to customers what level of service they can expect
- P10 decide how you will deal with complaints from customers
- P11 explain to people involved in customer service what you expect them to do
- P12 decide how and when you will check that your customer service is meeting its aims and targets and benefiting your business

# CFAWB11

## Decide how you will treat your business customers

### Knowledge and understanding

*You need to know and understand:*

#### **Customer needs and expectations**

- K1 why it is important to keep your business focused on the needs of your customers
- K2 how to check what your customers need and if your business is meeting their needs
- K3 how customer experience is influenced by the way service is delivered
- K4 what information you can get from customers, how you can get it and how you can check that it is reliable and up to date

#### **Customer service**

- K5 what your customers' rights are and how these rights limit what you can do for customers
- K6 how to explain customer care requirements to staff
- K7 why it is important to train, monitor and appraise staff on customer care
- K8 how to take action to correct anything that is going wrong with your customer service
- K9 how you can improve your service to customers (for example by changing opening hours, changing your returns policy or changing the way you treat customers)
- K10 what extra services you might be able to offer your customers and their costs and benefits
- K11 how to find out how your new or improved service will affect your customers
- K12 how service improvements affect the balance between overall customer satisfaction, the costs of providing service and regulatory requirements

#### **Law and regulations**

- K13 the specific aspects of legislation and regulations that affect the way the products or services you deal with can be delivered to your customers about health and safety, data protection, equal opportunities and disability discrimination
- K14 how to check that your policy meets all the laws and regulations that apply (for example, Trade Descriptions Act 1968, Unfair Contract Terms Act 1977, Sale of Goods Act 1979, Consumer Protection Act 1987, Sale and Supply of Goods Act 94, Unfair Terms in Consumer Contracts Regulations 1994)
- K15 industry, business and professional codes of practice and ethical standards that affect the way the products or services you deal with can be delivered to your customers

#### **Communication**

## **CFAWB11**

### Decide how you will treat your business customers

K16 why it is important to communicate clearly with customers

K17 how to communicate in a clear, polite, confident way with customers and why this is important

# CFAWB11

## Decide how you will treat your business customers

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### Additional Information

#### Links to other NOS

1. WB1 Check what customers need from your business
2. WB2 Plan how to let your customers know about your products or services
3. WB12 Deliver a good service to customers

#### Links to other standards

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

4. F5 Resolve customer service problems
5. F6 Monitor and solve customer service problems
6. F7 Support customer service improvements
7. F8 Work with others to improve customer service
8. F10 Develop a customer focussed organisation
9. F11 Manage the achievement of customer satisfaction

# CFAWB11

## Decide how you will treat your business customers

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# CFAWB12

## Deliver a good service to customers

### Overview

To make sure that your customers are satisfied with the service you provide, your business needs to be meeting and exceeding their expectations. However, even if your service to customers is excellent, some customers will experience problems. How you respond to problems is particularly important because many customers judge the service of your business by the way in which their problems are dealt with. Improving relationships with your customers involves delivering consistent and reliable service to them, making sure everyone involved is committed to providing good customer service and also to finding ways to improve it.

You might do this if you:

1. are concerned about the quality of the service you deliver to customers
2. have problems with customer service
3. want to review and improve your levels of customer service

Delivering a good service to customers involves:

1. trying to meet and exceed customer expectations
2. responding to problems
3. reviewing what you are doing and how well it is working
4. thinking about how it could be done better
5. improving services by making changes

## CFAWB12

### Deliver a good service to customers

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#### Performance criteria

*You must be able to:*

- P1 monitor the service customers get from your business
- P2 regularly check that customers are satisfied and identify if you can offer any additional service
- P3 make changes to improve customer service where necessary
- P4 evaluate feedback on the effects of changes and use it to identify opportunities for further improvement
- P5 identify and deal with repeated problems before they begin to affect your customers
- P6 negotiate and agree solutions with customers to problems they have raised or complaints they have made
- P7 make sure solutions to problems and complaints satisfy customers and are acceptable to your business
- P8 make sure any problems or complaints are dealt with quickly and effectively, and that they have been resolved to the customer's satisfaction
- P9 keep your customers fully informed about what is happening to resolve problems, taking the initiative to update them when things are not going to plan or when you require further information
- P10 give clear reasons to your customers when problems have not been resolved to their satisfaction and suggest other ways that they may be resolved

# CFAWB12

## Deliver a good service to customers

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### Knowledge and understanding

*You need to know and understand:*

#### **Customer service**

- K1 how and when to check on work activities to make sure staff are dealing with customers correctly
- K2 how to collect, analyse and present customer feedback
- K3 what customer service targets have been set, and the implications for your business if those targets are not met
- K4 how service improvements affect the balance between overall customer satisfaction, the costs of providing service and regulatory requirements
- K5 how to take action to correct anything that is going wrong
- K6 any contractual agreements that your customers have with your business
- K7 what your customers' rights are and how these rights limit what you are able to do for your customer

#### **Communication**

- K8 how to communicate in a clear, polite, confident way and why this is important

#### **Managing change**

- K9 how to prepare for changes to your service
- K10 how staff can help support changes
- K11 how and when to let your customers know about the changes you are making
- K12 how to judge the effect that changes will have (for example a certain position in the market, customer satisfaction, increased sales or repeat business)
- K13 how to measure the impact of change (for example numbers of sales, number of customers or feedback from customers)
- K14 how to assess the business case for making changes in the products or services you offer

# CFAWB12

## Deliver a good service to customers

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### Additional Information

#### Links to other NOS

1. WB1 Check what customers need from your business
2. WB2 Plan how to let your customers know about your products or services
3. WB11 Decide how you will treat your business customers

#### Links to other standards

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

4. F5 Resolve customer service problems
5. F6 Monitor and solve customer service problems
6. F10 Develop a customer focussed organisation
7. F11 Manage the achievement of customer satisfaction

## CFAWB12

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# CFAWB13

## Import or export products or services

### Overview

There are many things that are different about trading abroad than trading locally or in the UK. It is important to monitor and adjust overseas activity and make sure it has a positive effect on your business.

You might do this if you need to:

1. widen your spread of suppliers
2. find new customers for your products or services
3. open a new business or social enterprise elsewhere

If you want to import or export your products or services, you will need to:

1. use the most efficient and effective communication and transport methods
2. meet the legal requirements of all the countries concerned
3. get the right payment terms and conditions
4. monitor risks and situations in the countries you trade with
5. check the ongoing effects on the business

## CFAWB13

### Import or export products or services

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#### Performance criteria

*You must be able to:*

- P1 make sure you are reaching your customers or suppliers in the most efficient and effective way
- P2 make sure transport and storage activity meets your requirements
- P3 make sure you are clear what import or export paperwork you and your customers or suppliers are responsible for and that you are correctly completing your part
- P4 obey any import or export laws and regulations that apply to you in this country or abroad and keep up-to-date with legislation changes
- P5 make sure you understand exactly what the payment terms and conditions are and make sure they meet the needs of your business
- P6 check that the information and administration methods you are using are right for your business
- P7 make sure that all people involved are informed about responsibilities, progress and changes and know and understand what they are expected to do
- P8 regularly monitor the risks and the situation in the countries you are trading with and take action to minimise risks and deal with changing circumstances
- P9 identify any new opportunities that emerge and review your export plans as necessary
- P10 regularly monitor the progress of your overseas activity to make sure targets are met and overseas trading benefits your business

# CFAWB13

## Import or export products or services

### Knowledge and understanding

*You need to know and understand:*

#### **International trade**

- K1 ways to reach your customers or suppliers (for example trade fairs, advertising, direct mail, press releases, the internet, trade missions)
- K2 the characteristics of different transport arrangements and which best suit your needs including
  - K2.1 characteristics of established channels (for example cost, speed, reliability, frequency, size of loads)
  - K2.2 administrative requirements (for example documentation, packaging, labelling, staff time)
  - K2.3 the benefits of using a third party (for example a freight forwarder)
  - K2.4 the impact on after sales (for example technical support, customer service)
  - K2.5 the impact on warehousing and storage requirements (for example for products or spare parts)
- K3 what export or import paperwork is needed and what laws you must comply with (for example import licence, export licence, transport documentation, valuation statement, certificate of origin)
- K4 how to decide the terms and conditions that are acceptable to you and your customers or suppliers and how they will affect your business including:
  - K4.1 payment terms (for example payment upfront, staged payments, credit)
  - K4.2 delivery arrangements (for example who pays shipping costs and duties)
  - K4.3 currency (for example what currency payment will be in, whether the exchange rate is fixed)
  - K4.4 insurance
  - K4.5 after-sales agreements
- K5 what standard trade terms (Incoterms) laying out buyer and seller responsibilities for transport, insurance, duties and clearance apply to the country you are trading with and the transport method you are using.
- K6 the effect on relationships between payment up front or afterwards and how this may differ in different countries
- K7 how your use of language, tone of voice and body language can be adapted to minimise misunderstanding through cultural differences
- K8 why it is important to find out the protocols and processes for the countries you are dealing with and not to assume they will be the same as in the UK
- K9 how to take account of unfamiliar cultural practices, expectations and business processes when dealing with overseas companies or customers

## **CFAWB13**

### **Import or export products or services**

K10 the costs and benefits of effective information and administration methods.(for example for communication, monitoring and recording export activities, overseas customer contacts, handling paperwork, making sure existing customers are still looked after)

K11 how to make the most of unplanned opportunities as well as planned ones

K12 what to monitor in order to be able to pre-empt situations including:

K12.1 political unrest (for example war, changes in government);

K12.2 changes in industry (for example opening up previously closed industries, privatising public utilities)

K13 how to guarantee a suitable return on your investment (for example through matching your prices to the market and by working out your profits in pounds)

K14 how you will work out whether exporting has been successful for your business and how to spot new opportunities (for example new markets in other countries, new products or services, increasing sales and distribution)

# CFAWB13

## Import or export products or services

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### Additional Information

#### Links to other NOS

1. EE1 Achieve the goals for your business
2. BS1 Identify needs and suppliers
3. BS2 Monitor the quality and use of supplies and equipment
4. OP4 Sub-contract work
5. WB5 Sell your products or services
6. WB6 Explore markets abroad
7. WB7 Sell your products or services on the Internet

#### Links to other standards

It may be appropriate to consider the following units from the Standards for Working

8. Effectively with People from other Countries or Cultures which are being developed by CILT.
9. Delivering a product or service to people from countries or cultures other
10. than your own
11. Developing and maintaining relationships with organisations from a range of
12. national or international cultures
13. You may also want to look at the Standards for International Trade and Logistics
14. Operations developed by Skills for Logistics which cover the transportation of goods.

# CFAWB13

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# CFAYS1

## Explore your own business motives

### Overview

You are the most important thing in your business so it is important to make sure that your business is supporting your chosen lifestyle, you are getting what you want from it and are enjoying what you are doing.

You might do this if you:

1. are just starting a business or social enterprise
2. are reviewing your business or a social enterprise
3. reviewing your reasons for continuing to run your business or social enterprise

Exploring your own motives involves:

1. comparing what you give with what you get out of your business
2. looking at your own role in your business
3. balancing your own needs with those of your business

# CFAYS1

## Explore your own business motives

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### Performance criteria

*You must be able to:*

- P1 analyse what you want personally from your business
- P2 think about the benefits you get and what you are prepared to risk personally for your business
- P3 think about your role in your business, what parts you enjoy and what parts you are good at
- P4 think about your position and decide what is most important, and least important, to you
- P5 think about what you are putting into your business and what you hope to get out of it
- P6 make sure that you use all relevant information, including the views of other people, to make judgements about yourself
- P7 think about where you would like your business to be in the future
- P8 decide how you can balance your own needs with your business needs

# CFAYS1

## Explore your own business motives

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### Knowledge and understanding

*You need to know and understand:*

#### **Yourself**

- K1 what you can put into your business (for example time, money, commitment, enthusiasm, and creativity)
- K2 what you hope to get from running your business (for example financial rewards, personal achievement, independence, business success)
- K3 how much money you need to live per week, month or year including the effect of gaining or losing any benefits or working tax credit that you may be entitled to
- K4 what gross income your business needs to make to give you the money you need to live on
- K5 the benefits and disadvantages of running your own business
- K6 what you need to put into your business to make it work and how this affects your lifestyle
- K7 how to analyse your aims in the short term (one year), medium term (two to three years) and long term (four years or more)
- K8 the difference between your own personal needs and the needs and aims of your business
- K9 how to identify risks and how much risk you feel comfortable taking

#### **Your skills**

- K10 what technical skills and experience you have in making the product or providing the service
- K11 what operational skills you have which will make your business work (for example getting supplies of raw materials, maintaining equipment, monitoring quality, providing administrative support)
- K12 what managerial skills you have in areas (for example marketing research, developing a business strategy, new ideas and creativity)

# CFAYS1

## Explore your own business motives

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### Additional Information

#### Links to other NOS

1. YS2 Check your ability to run your business
2. BD4 Carry out a review of your business
3. BD5 Carry out the plans for your business
4. BD8 Plan the exit strategy from your business

# CFAYS1

## Explore your own business motives

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## CFAYS2

### Check your ability to run your business

#### Overview

You are the most important thing in your business, so you must know what you are good at doing. It's also important to look at how you can get better at the things you don't do so well. This will help you avoid problems later.

You might do this if you need to:

1. plan a new business or social enterprise
2. work out what things you are better at and what you find more difficult
3. make sure that your skills keep pace with your business or social enterprise as it grows
4. develop your role in some way

Checking your own skills and abilities involves:

1. deciding what skills are needed for your business
2. looking at your own skills, strengths and weaknesses, and working out the ways these may affect your business
3. checking how your performance effects your business

## CFAYS2

### Check your ability to run your business

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#### Performance criteria

*You must be able to:*

- P1 analyse what you should be doing in your business
- P2 check how your performance affects the success of your business
- P3 take into account the views that other people may have about your business
- P4 regularly set and review targets for your performance
- P5 check whether you are reaching your targets
- P6 make sure that you use all relevant information to make judgements about yourself
- P7 change what you do to improve your own and your business's performance
- P8 set yourself new targets when previous targets are met
- P9 monitor your performance to see if it is affecting the success of your business
- P10 decide what your strengths and weaknesses are and decide if you need to develop your skills, knowledge or abilities

# CFAYS2

## Check your ability to run your business

---

### Knowledge and understanding

*You need to know and understand:*

#### **Your performance**

- K1 what you need to be able to do in the short, medium and long term to run your business successfully (for example paperwork, sales, marketing, finance, production, purchasing, business law, getting supplies, maintaining equipment, monitoring quality, getting publicity, writing promotional materials, strategic thinking, communication, dealing with stakeholders, leadership, negotiation, decision-making, problem-solving and delegation)
- K2 your ability to deal with opportunities and threats (for example, any changes in the market, new technologies, threats from competitors or meeting new laws and regulations)
- K3 what ways you could improve your contribution to business success (for example, delegating work to others, recruiting more staff, training yourself and others)
- K4 how to judge your own performance

#### **Your skills**

- K5 what information there is about your own skills and abilities

#### **Consultation**

- K6 why it is important to ask others for feedback (for example family, funders, stakeholders, customers)
- K7 how you can confirm the changes you have made in your personal performance (for example qualifications, evidence of attendance at training and development sessions, and awards for excellence)

#### **Business focus**

- K8 what information is available on the overall needs of your business
- K9 what changes you are planning to your business that may need new skills or general management support (for example, growth, size reduction or tackling operation problems)

#### **Information and advice**

- K10 where to find help in assessing your performance (for example from business associates, business advice centres, business advisers, mentors, counsellors, specialist consultants, non-executive directors, accountants and other professionals)

## CFAYS2

### Check your ability to run your business

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#### Additional Information

#### Links to other NOS

1. YS1 Explore your own business motives
2. OP1 Review the skills your business needs
3. OP2 Plan what people your business needs

#### Links to other standards

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

4. A1 Manage your own resources
5. A2 Manage your own resources and professional development

## CFAYS2

### Check your ability to run your business

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# CFAYS3

## Improve your business skills

### Overview

You need to make sure that your skills meet your business needs and keep pace with your business as it grows or changes. Improving your skills will help to keep your business successful.

You might do this if you:

1. are just starting a business or social enterprise
2. are reviewing your business or social enterprise
3. have reviewed your skills and found areas you could improve
4. want to develop or change your business or social enterprise

Improving your skills involves:

1. working out what skills you need to improve
2. finding out about how to develop your skills
3. making plans
4. putting your plans into practice

## CFAYS3

### Improve your business skills

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#### Performance criteria

- You must be able to:*
- P1 decide what skills you need to develop and what might stop you doing this
  - P2 set clear targets to develop your skills
  - P3 link your own skills targets to your business targets
  - P4 think how developing your own skills will affect the success of your business
  - P5 find out about opportunities for developing your skills and identify the costs and benefits involved
  - P6 decide how you will develop your skills before you approach contacts for advice and support
  - P7 make sure that the cost of any development is agreed in advance, along with the methods you will use to judge the effectiveness of the development
  - P8 make any changes that will help improve what you do and what your business does
  - P9 set yourself new targets when previous targets are met

# CFAYS3

## Improve your business skills

---

### Knowledge and understanding

*You need to know and understand:*

#### **Your skills**

- K1 what you need to be able to do in the short, medium and long term to run your business successfully (for example paperwork, sales, marketing, finance, production, purchasing, business law, getting supplies, maintaining equipment, monitoring quality, getting publicity, writing promotional materials, strategic thinking, communication, dealing with stakeholders, leadership, negotiation, decision-making, problem-solving and delegation)
- K2 how to decide which skills and knowledge you need to develop and who might be able to help you decide
- K3 who might be able to help you develop your skills and knowledge
- K4 what might make it difficult for to develop your skills and knowledge
- K5 what different ways there are to develop your skills and knowledge and whereto find out about them (for example books, the internet, business advice, business mentoring, other businesses and contacts, workshops, conferences, training programmes and courses)
- K6 how to work out the benefits and costs of developing your skills and knowledge (for example, the fees, loss of time, extra wages for substitute staff)
- K7 how to make sure that developing your skills and knowledge will help your business
- K8 what things affect your own ability to identify your needs and to plan your self-development programme
- K9 what the self-development plan involves, and how regularly it should be updated

#### **Information and advice**

- K10 what kinds of free and paid-for help are available to businesses (for example from business associates, non-executive directors, business advice centres, business advisers, counsellors or mentors, accountants, lawyers, banks, financial advisers, trade associations and specialist consultants)
- K11 what subjects professional advice can help with (for example long-term business planning, day-to-day business activities, finance, marketing and sales, staffing, information technology and the law)
- K12 where you can get professional advice and what sources of funding there are to help you pay for it, if you need to
- K13 how to work out costs and benefits, and compare fees
- K14 what questions you may need to ask to get the advice you require
- K15 what the advice service can and cannot do when providing help
- K16 why it is important to keep a record of the information and advice you get

## CFAYS3

### Improve your business skills

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#### Additional Information

#### Links to other NOS

1. YS2 Check your ability to run your business
2. EE5 Build relationships to build your business
3. BD3 Plan where your business is going
4. BD4 Carry out a review of your business
5. BD6 Make changes to improve your business

#### Links to other standards

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

6. A2 Manage your own resources and professional development

## CFAYS3

### Improve your business skills

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# CFAYS4

## Seek advice and help for your business

### Overview

There are many instances when you may need to get some advice or support to help you in your business. There are lots of different people, agencies and organisations that can help you in your business. They may provide general advice and information about setting up or running a business or advice and help that is specific to the products or services you produce. You will want to make sure that the advice you receive is up-to-date, relevant to your business and meets your requirements.

You might do this if you:

1. are just starting a business or a social enterprise
2. are reviewing a business or a social enterprise;
3. have reviewed your skills and found information and advice that you need
4. want to develop or change your business

Seeking advice and help for your business involves:

1. knowing what help you need
2. identifying how and where to get the help you need
3. getting the help you need
4. checking that it meets your requirements

# CFAYS4

## Seek advice and help for your business

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### Performance criteria

*You must be able to:*

- P1 identify your business requirements and the issues or problems you need to resolve
- P2 identify the kind of help you need in order to take your business forward in the way that you would like
- P3 work out where you can get information, advice and help to support your business
- P4 identify the range of people and organisations that is available and select those that are likely to meet your business needs
- P5 work out how to get the help you need and choose the most effective means
- P6 work out the cost and benefits of getting different forms of help and advice
- P7 decide when and how to make contact with those that you think may be able to help
- P8 identify your needs and targets clearly before seek advice or support.
- P9 check that the help offered is suitable to your business needs, is well-founded and can be relied upon
- P10 listen carefully to any advice that is offered and discuss any points that you don't understand
- P11 decide if there is any further support that you need and could get
- P12 keep records of the advice and support you have received and make a note of how well it matched your business needs

# CFAYS4

## Seek advice and help for your business

---

### Knowledge and understanding

*You need to know and understand:*

#### Information and advice

- K1 what your business needs are and what kind of help you might need (for example business planning or development, funding, location and premises, staff, ICT or marketing)
- K2 what sources of advice and help are relevant to your business (for example friends, relations, specialist advisers, business support organisations and government agencies at local, regional or national level)
- K3 the best means of making contact to get the kind of help that you need (for example telephone, email, internet, meetings or visits)
- K4 what questions you may need to ask to get the advice you require
- K5 what help and support contacts can offer to your business
- K6 how to make best use of contacts and avoid overloading them
- K7 how important it is to get the right kind of advice and help
- K8 how to check that the advice and help you are considering is valid, sufficient, reliable, user-friendly and practical
- K9 how to work out costs and benefits of support and advice
- K10 whether or not there is funding available for any advice and support you need to pay for
- K11 what support services can and cannot do when providing help
- K12 why it is beneficial to keep a record of the information and advice you get and the extent to which it met your business needs

# CFAYS4

## Seek advice and help for your business

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### Additional Information

#### Links to other NOS

1. EE5 Build relationships to build your business
2. YS3 Improve your business skills
3. BD6 Make changes to improve your business
4. BD9 Evaluate an existing business opportunity

#### Links to other standards

5. If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.
6. A3 Develop your personal networks

## CFAYS4

Seek advice and help for your business

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## CFAYS5

# Manage time in your business

### Overview

You may well feel that there are just too many things to do and too little time to do them. It may be that you need to look at how you manage your own time and work out how to get things done more efficiently. This will help you to develop a method of reviewing your time management so that you can set new goals and recognise your achievements.

You might do this if you:

1. find you do not have enough time to do all the things you need to do
2. find it difficult to make plans for your work and stick to them
3. want a sense of achievement from what you do

Managing your time involves:

1. looking at what you do and how you do it
2. working out how long different activities take
3. making plans for your day-to-day working
4. monitoring your time management
5. trying to find better more efficient ways of working

# CFAYS5

## Manage time in your business

---

### Performance criteria

*You must be able to:*

- P1 think about what you do on a typical work day
- P2 where appropriate, find out what any colleagues or staff do on typical days
- P3 decide which parts of your job you are good at and which you are not
- P4 decide if you generally do the work you plan to do
- P5 identify things that get in the way of achieving what you expected
- P6 identify things that make you feel good about your work
- P7 identify if the things you do are cost-effective
- P8 decide how you can use your strengths and weaknesses to your own advantage
- P9 identify how you could improve your effectiveness and efficiency
- P10 prioritise the improvements you have identified
- P11 decide if there are any things that you do that could be done by other people
- P12 plan how you will change the way that you carry out your work
- P13 monitor your work to check improvements in your effectiveness and efficiency

# CFAYS5

## Manage time in your business

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### Knowledge and understanding

*You need to know and understand:*

#### **Your performance**

- K1 why it is important to be effective and efficient
- K2 how to find out exactly what you do (for example use a work log or diary and keep a note of how you spend each hour)
- K3 how to compare what you want to do with what you actually do (for example use a work log to write down what you plan to do, then compare this with what you did, review your time a few days each month and note your goals and progress)

#### **Yourself**

- K4 what gives you a sense of achievement (for example meeting a deadline, finishing a piece of work, closing a sale, getting praise from a customer)
- K5 your personal strengths and weaknesses in managing time
- K6 what gets in the way of your work (for example interruptions, stress, worry and tiredness)

#### **Time management**

- K7 how to plan work (for example by setting short- and long-term targets, breaking down the targets into smaller activities, ordering the activities in terms of importance and urgency and estimating the time involved.)
- K8 how you can save time (for example making efficient use of meetings and communications, minimising interruptions, delegating tasks to others)
- K9 what information can be used for making decisions about managing time (for example what you know and understand and what other people suggest)
- K10 what things can be used to show improvements (for example things that can be measured like time taken, things that are difficult to measure like customer satisfaction or better working relationships)

# CFAYS5

## Manage time in your business

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### Additional Information

#### Links to other NOS

1. YS6 Delegate work to others in your business
2. OP3 Recruit people for your business
3. OP4 Sub-contract work for your business

#### Links to other standards

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

4. A1 Manage your own resources
5. A2 Manage your own resources and professional development

## CFAYS5

### Manage time in your business

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## CFAYS6

# Delegate work to others in your business

### Overview

If you find that there is too little time or you have not got all the necessary skills, it may help you to delegate or pass things on to other people. To do this you need to know how to ask others to do work for you in the way that you want.

You might do this if you:

1. need to pass on work that you cannot manage to do yourself
2. get other people to work for you
3. brief other people on what to do
4. check work that other people do for you

Delegating work to others involves:

1. working out what you want help with
2. making plans the tasks, responsibilities and targets of work that you delegate
3. preparing information that will help people do the jobs they have been told to do

## CFAYS6

### Delegate work to others in your business

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#### Performance criteria

*You must be able to:*

- P1 decide which tasks and responsibilities need to be delegated
- P2 choose people that have the right skills and time to do the work
- P3 where appropriate, agree work with outside people
- P4 decide and explain the targets and limits of the work make
- P5 sure people understand what you want them to do encourage
- P6 progress by giving any advice, support and training suggest
- P7 ways to solve any problems that arise
- P8 monitor delegated work to check that agreed targets are met

# CFAYS6

## Delegate work to others in your business

---

### Knowledge and understanding

*You need to know and understand:*

#### **Planning**

- K1 how to set targets for what needs to be done
- K2 how to plan work (for example by setting short- and long-term targets, breaking down the targets into smaller activities, ordering the activities in terms of importance and urgency and estimating the time involved)
- K3 how to set limits for the way something needs to be done (for example about timescales and deadlines, costs, use of materials, tools and equipment, quality, health and safety and customer service)
- K4 how to agree contracts with outside people (for example temporary staff, subcontractors or specialists)
- K5 how to decide if someone is capable of carrying out a task
- K6 how to decide if someone can be relied on to perform the task satisfactorily and responsibly

#### **Motivating staff**

- K7 how to delegate authority
- K8 how to communicate what you expect and check that you are understood
- K9 how to motivate people and gain their commitment
- K10 how to encourage others to be creative
- K11 how to offer advice and support (for example by providing information, giving hands-on help or encouragement)
- K12 how to train someone to carry out a task in the way that you expect

#### **Checking work**

- K13 how to solve problems with the work that you delegate
- K14 how to monitor other people's work (for example use a work log to write down what you plan to do, then compare this with what you did, review your time a few days each month and note your goals and progress)
- K15 how to assess whether someone is performing well
- K16 what things can be used to show improvements (for example things that can be measured like time taken, things that are difficult to measure like customer satisfaction or better working relationships)

## CFAYS6

### Delegate work to others in your business

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#### Additional Information

#### Links to other NOS

1. YS5 Manage time in your business
2. OP3 Recruit people for your business
3. OP4 Sub-contract work for your business

#### Links to other standards

If your business grows and develops a management team it may be appropriate to consider the following units from the Management and Leadership Standards.

4. B4 Put the strategic plan into action
5. D5 Allocate and check work in your team
6. D6 Allocate and monitor the progress & quality of work in your area of responsibility

## CFAYS6

### Delegate work to others in your business

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## CFAYS7

# Balance your business and personal life

### Overview

Effectively balancing your business and personal life can be very difficult. If the balance is not right, you can end up constantly “juggling” feeling guilty and stressed and letting people down. If you get the balance right you can successfully do those things that are really important in both your business and personal life and have time to yourself. This is particularly important for those people who are caring for children or relatives, studying or learning new skills or who simply wish to reduce the amount of time they spend working, or thinking about work.

You might need to do this if you are:

1. setting up a new business or social enterprise
2. running a business or social enterprise

Balancing your business and personal life involves:

1. identifying the priorities in both your business and private life
2. planning how you can best achieve those priorities
3. managing your time, your effectiveness and other people's expectations so that you achieve the things that are most important to you

# CFAYS7

## Balance your business and personal life

---

### Performance criteria

*You must be able to:*

- P1 identify your business values and your life values and the reasons you are working
- P2 identify the things that are stopping you achieving the work life balance you would like and plan how to overcome them
- P3 review your business and private activities as a whole and plan how you can best achieve the things that are most important
- P4 set and stick to boundaries that will help you achieve the balance you require between your work and your private life
- P5 decide if there are any tasks that can be done by others and consider innovative ways to pay for them
- P6 manage your time and effectiveness so that you achieve what you want to achieve
- P7 manage your energy levels so that you can concentrate fully on your current task
- P8 manage the expectations of the people in your business and personal life
- P9 put plans in place to deal with unexpected and unavoidable demands on your time
- P10 get the support and advice you need when you need it

# CFAYS7

## Balance your business and personal life

### Knowledge and understanding

*You need to know and understand:*

#### **Yourself**

- K1 the values that are important to you in both your work and your private life (for example picking the children up from school, being available for customers to call during traditional working hours, attending all of your French classes, visiting an elderly relative whilst they are awake and alert, not working when your partner is home, having a peaceful and relaxing bath)
- K2 the reasons you are working (for example to keep your brain ticking over, because you really enjoy it, because you need the money)
- K3 ways to manage your time and effectiveness (for example writing down ideas when you think of them, allocating time for mundane tasks as well as more enjoyable ones, being assertive when others try and pressurise you to do things, grouping similar, smaller activities such as paying bills or making appointments, allowing enough time to complete tasks, arranging to “pay back” any extra time you give to one part of your life as soon as possible)
- K4 ways to make sure you have the energy to fully focus on what you are doing (for example allocating time to eat and drink healthily, identifying who drains your energy and managing when you see or speak to them, making sure you have time to do something you find relaxing)

#### **Work Life Balance**

- K5 ways to handle the long-term barriers that are stopping you achieving your ideal work life balance (for example recognising if they are temporary and will solve themselves in the future, putting plans in place to minimise their impact)
- K6 the advantages of jointly planning your work and private life (for example they are not competing for your time and focus, you can work productively rather than constantly “juggle”, you can avoid feelings of guilt because you know you have allocated time for the important things, it is easier to make informed decisions when something unexpected occurs)
- K7 the times of day that are suitable for the different activities you need to carry out (for example the time of day you have the most concentration for challenging tasks, the activities that must be carried out at a specific time)
- K8 how you can adapt one part of your life to fit around the other depending on your priorities (for example arranging childcare at times when your meetings are most likely to occur, targeting work you can do from the office rather than work that involves travel, saving on marketing time by focusing on associate work)

## CFAYS7

### Balance your business and personal life

K9 boundaries that can help you achieve the balance between your work and personal life (for example setting and sticking to working hours, setting time aside for holidays, not checking for messages or responding to clients when you are not working, not having a work mobile always switched on, going for a walk or changing clothes before you start or finish work)

K10 ways to manage people's expectations (for example discussing and planning priorities and compromises with family members, telling family, friends, neighbours or clients the times you are available to them, explaining what activities you can and cannot carry out and when they will be done)

K11 what unexpected things might happen and how you might deal with them (for example when your child is ill and cannot go to school, when you have an unexpected piece of work that simply must be done)

#### **Delegation**

K12 the reasons that tasks might be given to others (for example because they can do it quicker than you, you will pay them less than you earn while working, it is an opportunity for them to learn new skills, it frees you up to do things that are more important to you)

K13 which tasks could be done by others in your work and private life (for example cleaning, ironing, gardening, dropping children at school, bookkeeping, processing orders)

K14 different ways that you can “pay” for tasks to be done by others (for example paying them, taking turns to do a task for each other, giving treats to family members, trading tasks with each other such as swapping typesetting for childcare)

K15 ways to encourage people to do tasks for you (for example empowering them to take control of the task, not criticising if they don't do things exactly as you would, not taking advantage of them by asking them to do too much)

#### **Networking**

K16 what support and advice you need for which parts of your life (for example networking with other people in the same position as yourself, chatting to your partner, phoning a relative or friend, attending business networking events, using the internet)

#### **Information and advice**

K17 the benefits of seeking support and advice (for example confirming you are on the right track, avoiding feelings of isolation, helping you get more work, helping you build up a support network, giving you something to compare your progress with)

## CFAYS7

### Balance your business and personal life

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#### Additional Information

#### Links to other NOS

1. EE1 Achieve your goals for the business
2. BD3 Plan where your business is going.
3. BL4 Run a business from home.
4. YS1 Explore your own motives.
5. YS5 Manage your time.
6. YS6 Delegate work to others.

# CFAYS7

## Balance your business and personal life

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**Suite** Business Enterprise

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