

CFABI8

Develop your knowledge and experience of a small business and its core functions



Overview

To be a good provider of business information you need to have an awareness of the broad range of abilities that cover the essential areas of business. This includes finance, marketing, sales, and customer service and how they link to and support each other. You also need to appreciate the competing demands, pressures, and motivations that face the entrepreneur. This standard is a tailored version of Standard 5 in the *CFA Business Skills @ Work Introduction to Business Support suite of standards*.

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Performance criteria

You must be able to:

Finances

- P1 working out financial requirements (for example forecasting resource requirements)
- P2 sourcing of funding and what is needed to secure that funding
- P3 planning, monitoring and recording the cash flow in and out of a business, venture, or project
- P4 opening and managing a bank account
- P5 understanding financial accounts
- P6 basic accounting terms and practices, and the basic rules regarding business taxation

You must be able to:

Marketing, sales and customer service

- P7 conducting market research (for example to assess market conditions, to estimate potential customer base, and to identify competition)
- P8 understanding the customers needs
- P9 delivering a good customer service and how you can measure and monitor it
- P10 understanding terms of business
- P11 basic marketing and sales techniques (for example, advertising, promotion, pricing) and tools (for example, websites, mail shots, direct selling)

You must be able to:

Small business experience

- P12 the emotional investment entrepreneurs make in their businesses
- P13 the major functions needed in a small business and how they link to and support each other
- P14 what it takes to successfully start and run a small business
- P15 the competing demands and pressures of running a small business (for example, cash management, the personal nature of people management and relying on a small customer base)
- P16 the diverse capabilities required of entrepreneurs (for example, financial management, business acumen, and human resource skills)
- P17 the need for entrepreneurs to take risks
- P18 the recognition that running a business takes a lot of time, energy and commitment when and how to apply the principles of running a small business in practice

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Knowledge and understanding

[KNOWLEDGE]

You need to know and understand:

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Suite Business Information

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