

## Unit B5 Secure financial resources for your organisation's plans

This Unit has been imported from the Management Standards

### Unit Summary

#### Overview

This unit is about managing your organisation's finance at a strategic level. It covers examining the way your organisation generates and allocates financial resources, evaluating proposals from others on expenditure, and obtaining the financial resources which your organisation needs.

This unit is for you if you are a manager and you

- have responsibility for substantial programmes and resources
- have responsibility for the strategic development of your organisation
- have a broad span of control
- proactively identify and implement change and quality improvements
- negotiate budgets and contracts, *and*
- lead high-level meetings.

This unit contains three elements

B5.1 *Review the generation and allocation of financial resources*

B5.2 *Evaluate proposals for expenditure*

B5.3 *Obtain financial resources for your organisation's activities.*

To *review the generation and allocation of financial resources*, you need to gather accurate and up-to-date information on how your organisation generates and allocates finance. You need to select criteria to assess the effectiveness of current practice, and review how well your organisation compares with similar ones.

To *evaluate proposals for expenditure*, you need to select fair criteria and explain these to your colleagues. You need to provide help and support when they are making proposals for expenditure. You need to evaluate these for costs, benefits and other relevant factors. Finally you need to negotiate the proposals in a way which maintains your colleagues' goodwill.

In order to *obtain financial resources for your organisation's activities*, you need to make out a clear and persuasive case for your ideas on generating finance, make sure your activities do not endanger the good name of your organisation, and develop feasible contingency plans in case your proposals are unsuccessful.

## Unit B5 Secure financial resources for your organisation's plans

### Key words and concepts

*These definitions are provided to explain how key words and concepts are used in this unit*

<b>activities</b>	methods of obtaining the financial resources your programmes and plans need
<b>allocation of financial resources</b>	how finance is distributed within your organisation to support its various programmes and plans
<b>criteria</b>	principles or standards against which proposals can be evaluated
<b>evaluation</b>	a balanced assessment of what has been achieved against plans
<b>generation of financial resources</b>	raising the finances necessary to achieve your organisation's plans, for example, obtaining loans or venture capital, obtaining government funds or winning sponsorship
<b>legal requirements</b>	laws relevant to the management of your organisation's finances and methods of generating finance
<b>measures</b>	methods of assessing how well your organisation is performing
<b>mission</b>	the long-term goal you wish your organisation to achieve
<b>negotiation</b>	the process of reaching agreement with those who are making proposals
<b>organisational objectives</b>	clearly defined and measurable results which your organisation is scheduled to achieve
<b>policies</b>	guidelines which cover the way your organisation deals with key issues, for example preferred lenders or types of sponsors
<b>proposals</b>	requests for financial support for programmes or plans which you are responsible for approving
<b>relevant people</b>	team members, colleagues working at the same level, higher-level managers or sponsors
<b>review</b>	the ongoing or regular process of information collection, assessment and, where necessary, improvement
<b>strategies</b>	long-term plans which guide your organisation in working towards its mission
<b>values</b>	those things your organisation believes in and seeks to realise in its work, for example, customer service, team working, quality or value for money

## Unit B5 Secure financial resources for your organisation's plans

### Knowledge and Understanding

*To perform effectively in this unit, you need to have knowledge and understanding in the areas of*

- Communication
- Involvement and motivation
- Legal requirements
- Monitoring and evaluation
- Organisational context
- Providing support
- Resource management
- Working relationships.

You will find detailed knowledge requirements listed with each element.

### Personal Competencies

*In performing effectively in this unit, you will show that you*

#### **Acting strategically**

- display an understanding of how the different parts of the organisation and its environment fit together
- work towards a clearly defined vision of the future
- clearly relate your goals and actions to the strategic aims of your organisation
- take opportunities when they arise to achieve the longer-term aims or needs of your organisation

#### **Communicating**

- listen actively, ask questions, clarify points and rephrase others' statements and check mutual understanding
- adopt communication styles appropriate to listeners and situations, including selecting an appropriate time and place

#### **Influencing others**

- develop and use contacts to trade information, and obtain support and resources
- present yourself positively to others
- create and prepare strategies for influencing others
- understand the culture of your organisation and act to work within it or influence it

#### **Searching for information**

- actively encourage the free exchange of information
- make best use of existing sources of information
- seek information from multiple sources
- challenge the validity and reliability of sources of information
- push for concrete information in an ambiguous situation

#### **Thinking and taking decisions**

- break processes down into tasks and activities
- identify patterns or meaning from events and data which are not obviously related
- produce a variety of solutions before taking a decision
- take decisions which are realistic for the situation.

## Unit B5 Secure financial resources for your organisation's plans

### Element B5.1 Review the generation and allocation of financial resources

#### The National Standard

This section provides criteria to assess whether you *maintain work activities to meet requirements* to the National Standard of competence. It also lists the knowledge and understanding which are essential for effective performance.

#### Performance criteria

*You must ensure that*

- a) your systems for reviewing the **generation and allocation of financial resources** provide accurate, comprehensive and up-to-date information
- b) the criteria you use for assessing the organisation's performance in the **generation and allocation of financial resources** take account of the type of organisation, its context and culture
- c) the criteria you use include commonly accepted performance measures for the **generation and allocation of financial resources**
- d) your review shows how well the organisation is performing compared with other organisations
- e) your review shows how effective the organisation's methods are compared to alternative methods of **generation and allocation of financial resources**
- f) you gather, store and use information on the **generation and allocation of financial resources** in accordance with organisational policies and legal requirements.

#### Range

at least two of the following methods for the **generation of financial resources**

- raising equity finance
- obtaining loans
- obtaining venture capital
- negotiating with government for funds
- obtaining sponsorship
- creative and innovative approaches.

at least one of the following methods for the **allocation of financial resources**:

- budgeted plans
- internal bidding and departmental competition or collaboration
- external bidding and interorganisational competition or collaboration.

#### Evidence requirements

You must prove that you *review the generation and allocation of financial resources* to the National Standard of competence.

To do this, you must provide evidence to convince your assessor that you consistently meet **all** the performance criteria.

Your evidence must be the result of real work activities undertaken by yourself. Evidence from simulated activities is **not** acceptable for this element.

## Knowledge requirements

*You need to know and understand*

### *Legal requirements*

- legal requirements for the handling of information on the generation and allocation of financial resources.

### *Monitoring and evaluation*

- systems which may be used to review the generation and allocation of financial resources and their relative advantages and disadvantages to your area of work and available resources
- the information which is needed to review the generation and allocation of financial resources and how to collect this information
- how to select criteria which are appropriate to your organisation, its context and culture
- the commonly accepted performance measures for the generation and allocation of financial resources
- how to compare your organisation's performance with that of others
- alternative methods of generating and allocating financial resources which may be appropriate and how to evaluate these.

### *Organisational context*

- the context and culture of the organisation and the implications of these for resource generation and allocation
- organisational requirements for the handling of information
- other organisations against which it is appropriate to compare your organisation's performance.

### *Resource management*

- the importance of continuously reviewing the generation and allocation of financial resources and your role and responsibilities in this regard.

## Element B5.2 Evaluate proposals for expenditure

### The National Standard

This section provides criteria to assess whether you *maintain work activities to meet requirements* to the National Standard of competence. It also lists the knowledge and understanding which are essential for effective performance.

#### Performance criteria

*You must ensure that*

- a) you select **evaluation** criteria which are relevant, fair and clear
- b) you provide those submitting **proposals** with sufficient help to make their **proposals** effective
- c) you evaluate **proposals** against your stated criteria within the agreed timescale
- d) you evaluate **proposals** for their expected benefits and costs, and according to how realistic and achievable these benefits and costs appear to be
- e) the **proposals** you accept clearly show how they support the organisation's objectives, strategies, values and policies
- f) you highlight weaknesses or inconsistencies in **proposals** and form a justifiable case for rejection or amendment
- g) you clearly explain the reasons for the rejection or amendment of **proposals** to those submitting the proposals
- h) you conduct negotiations over **proposals** in a manner likely to ensure the co-operation, confidence and goodwill of the people involved.

#### Range

at least one of the following types of **evaluation**

- comparative
- absolute.

all the following types of **proposals**

- for long-term programmes of work
- for medium-term programmes of work
- for short-term programmes of work.

#### Evidence Requirements

You must prove that you *evaluate proposals for expenditure* to the National Standard of competence.

To do this, you must provide evidence to convince your assessor that you consistently meet **all** the performance criteria.

Your evidence must be the result of real work activities undertaken by yourself. Evidence from simulated activities is **not** acceptable for this element.

## Knowledge requirements

*You need to know and understand*

### *Communication*

- how to develop and present a case for the acceptance or rejection of proposals.

### *Monitoring and evaluation*

- the range of criteria for evaluating proposals for expenditure and their relative advantages and disadvantages to your role and responsibilities
- how to evaluate proposals against selected criteria and carry out cost-benefit analyses of these
- what weaknesses and inconsistencies may be present in proposals and how to identify and evaluate these.

### *Organisational context*

- your organisation's objectives, strategies, values and policies relevant to evaluating proposals for expenditure.

### *Providing support*

- the types of help those making proposals may need and how to provide support effectively.

### *Resource management*

- why the thorough evaluation of proposals for expenditure is essential and your role and responsibilities in relation to this.

### *Working relationships*

- strategies to use when carrying out negotiations on expenditure proposals so that the co-operation, confidence and goodwill of those involved is maintained.

## Element B5.3 Obtain financial resources for your organisation's activities

### The National Standard

This section provides criteria to assess whether you *maintain work activities to meet requirements* to the National Standard of competence. It also lists the knowledge and understanding which are essential for effective performance.

#### Performance criteria

*You must ensure that*

- a) you give opportunities to **relevant people** to help to obtain financial resources for your organisation's activities
- b) the case you make for obtaining resources is clear, consistent and supported by sound argument
- c) the way you present your case reflects the commitment of those who will be using the resources
- d) your **activities to obtain resources** are consistent with the good name and image of your organisation and with legal requirements
- e) when the resources you need are not obtained in full, you agree realistic alternative courses of action with **relevant people**
- f) all your agreements, communications and other **activities to obtain resources** are consistent with the mission, values and policies of the organisation.

#### Range

at least two the following types of **relevant people**

- team members
- colleagues working at the same level
- higher-level managers or sponsors.

at least two of the following types of **activities to obtain resources**

- formal proposals
- consultation
- lobbying
- private discussion
- media usage
- publishing documents.

#### Evidence requirements

You must prove that you *obtain financial resources for the organisation's activities* to the National Standard of competence.

To do this, you must provide evidence to convince your assessor that you consistently meet **all** the performance criteria.

Your evidence must be the result of real work activities undertaken by yourself. Evidence from simulated activities is **not** acceptable for this element.

## Knowledge requirements

*You need to know and understand*

*Involvement and motivation*

- how to encourage and enable team members, colleagues and line managers to help to obtain financial resources for your organisation's work
- how to develop and present a case for obtaining financial resources in a way which is likely to gain the support of key decision makers.

*Legal requirements*

- legislation relevant to obtaining financial resources.

*Organisational context*

- the relevant aspects of the organisation's mission, values and policies which may affect agreements and communications concerning the obtaining of financial resources
- how to interpret these and ensure compliance with them.

*Resource management*

- the range of activities to obtain financial resources and their relative advantages and disadvantages in relation to your organisation
- the importance of having alternative methods of obtaining resources and how to identify and evaluate them.