

DR6E 04 (CFAMLE3) — Obtain Additional Finance for the Organisation

Overview

This Unit is about identifying the need for and obtaining additional finance to fund the organisation's proposed activities. The organisation may already be generating some surplus income through the ongoing supply of its products and/or services. This may be insufficient, however, to fund activities such as investment in new equipment or proposed changes to products and/ or services and it is in instances such as these where additional finance might be required.

A key aspect of this Unit is identifying types of finance and funding providers which are appropriate to the particular needs of the organisation.

Whilst you would be expected to draw on the expertise of financial specialists, you are not expected to be a financial specialist yourself.

For the purposes of this Unit, an 'organisation' can mean a self-contained entity such as a private sector company, a charity or a local authority, or a significant operating Unit, with a relative degree of autonomy, within a larger organisation.

The Unit is recommended for senior managers.

This Unit is linked to Units:

B3 Develop a strategic business plan for your organisation

B4 Put the strategic business plan into action

in the overall suite of National Occupational Standards for Management and Leadership.

If your organisation is a small firm, you should look at Unit G3 *Get finance for the business*, which has been developed by the Small Firms Enterprise and Development Initiative (SFEDI) specifically for small firms and which may be more suitable to your needs. You can obtain information on the Unit from SFEDI on tel. 0114 241 2155 or at the SFEDI website (www.sfedi.co.uk).

Additional Information

Behaviours

- 1 You reflect regularly on your own and others' experiences, and use these to inform future action.
- 2 You comply with, and ensure others comply with, legal requirements, industry regulations, organisational policies and professional codes.
- 3 You show sensitivity to stakeholders' needs and interests and manage these effectively.
- 4 You identify the implications or consequences of a situation.
- 5 You act within the limits of your authority.
- 6 You identify and work with people and organisations that can provide support for your work.
- 7 You constructively challenge the status quo and seek better alternatives.
- 8 You are vigilant for potential risks.
- 9 You identify and raise ethical concerns.
- 10 You recognise changes in circumstances promptly and adjust plans and activities accordingly.
- 11 You work to a clearly defined vision of the future.

Skills

Listed below are the main generic 'skills' that need to be applied in obtaining additional finance for the organisation. These skills are explicit/implicit in the detailed content of the Unit and are listed here as additional information:

- ◆ Thinking strategically
- ◆ Questioning
- ◆ Information management
- ◆ Evaluating
- ◆ Presenting information
- ◆ Communicating
- ◆ Decision-making
- ◆ Risk management
- ◆ Prioritising
- ◆ Contingency-planning
- ◆ Monitoring
- ◆ Involving others
- ◆ Planning
- ◆ Forecasting
- ◆ Influencing and persuading
- ◆ Problem-solving
- ◆ Leadership
- ◆ Reviewing
- ◆ Negotiating

Performance Criteria — What you do in your job

You must provide evidence to meet all the 10 Performance Criteria for this Unit. The Performance Criteria are grouped under headings to assist you with planning how best to meet these points.

Place the number of the piece of work where this Performance Criteria has been met in the evidence box after each criteria.

	Performance Criteria	Evidence Number where this criteria has been met
1	Identify the additional finance required to fund the organisation's proposed activities.	
2	Seek and make effective use of specialist financial expertise.	
3	Evaluate the costs, benefits and risks of the current types and providers of finance used by the organisation and other potential types and providers of finance.	
4	Select the types of finance which are most appropriate to the needs of the organisation, taking account of levels of acceptable risk and views of stakeholders, and identify possible providers.	
5	Present fully-costed proposals and recommendations for obtaining additional finance to relevant people in the organisation and, where appropriate, any key stakeholders, and discuss and agree on potential providers of finance.	
6	Ensure timely submission of clear proposals or bids or applications to potential providers of finance and seek regular updates on progress.	
7	Put formal agreements in place with providers for agreed amounts of finance at agreed times and, as appropriate, agreed costs and repayment schedules.	
8	Identify any shortfall in the level of additional funding obtained and take appropriate action.	

	Performance Criteria	Evidence Number where this criteria has been met
9	Put contingency plans in place to deal with any problems in the additional finance being made available and any changes to the level of additional finance required.	
10	Monitor the effectiveness of the agreements for providing additional finance, identifying and making changes where necessary and identifying improvements for the future.	

Knowledge and Understanding — Why and how you do what you do in your job

You must provide evidence of your knowledge and understanding to meet all the 29 knowledge points for this Unit. The knowledge points are grouped under headings to assist you with planning how best to meet them.

Place the number of the piece of work where each knowledge point has been met in the 'evidence number' box after each point.

General Knowledge and Understanding

	Knowledge and Understanding <i>You need to know and understand:</i>	Evidence Number where this knowledge point has been met
1	Why organisations might need additional finance for their proposed activities.	
2	Where to obtain and how to evaluate information in order to identify an organisation's requirement for additional finance.	
3	Sources of specialist financial expertise and how to make effective use of them.	
4	Different types of finance.	
5	Different providers of finance.	
6	How to evaluate the costs, benefits and risks of different types and providers of finance.	
7	Criteria for selecting types and providers of finance which are appropriate to organisational needs and the views of stakeholders.	
8	The importance of risk in obtaining additional finance and ways in which the level of risk can be identified and managed.	
9	How to work out the full cost of obtaining finance from providers.	
10	The importance of consulting with relevant people in the organisation and key stakeholders on proposals and recommendations for obtaining additional finance.	

General Knowledge and Understanding (cont)

	Knowledge and Understanding <i>You need to know and understand:</i>	Evidence Number where this knowledge point has been met
11	The importance of submitting clear proposals or bids or applications to potential providers of finance and allowing sufficient time for their submission and consideration.	
12	The type of formal agreements that should be put in place with providers of finance and what they should cover.	
13	The type of actions that might need to be taken in the event of a shortfall in additional funding.	
14	Why it is necessary to put contingency plans in place in relation to obtaining additional finance and the type of contingencies that might occur	
15	How to monitor the effectiveness of agreements put in place for providing additional finance.	
16	The changes that might need to be made to agreements for additional finance.	

Industry/sector specific knowledge

17	The types and providers of finance that tend to be used in your industry or sector, and why they are preferred.	
18	Guidelines and codes of practice and any legislative, regulatory and ethical requirements in relation to types and providers of funding in your industry or sector.	

Context specific knowledge

	Knowledge and Understanding <i>You need to know and understand:</i>	Evidence Number where this knowledge point has been met
19	The vision, objectives and plans of the organisation.	
20	The proposed activities of the organisation, including those which require additional finance.	
21	The organisation's stakeholders and their views in relation to the financing of the organisation's activities.	
22	The current types and providers of finance used by the organisation and other potential types and providers of finance and their associated costs, benefits and risks.	
23	The particular needs of the organisation in terms of securing additional finance, including the organisation's attitude to risk.	
24	Relevant people in the organisation and any key stakeholders who should be consulted on proposals and recommendations for obtaining additional finance.	
25	Proposals or bids or applications submitted to providers of finance and how they have been progressed.	
26	Formal agreements with providers of additional finance to the organisation.	
27	The contingency plans that have been put in place in relation to additional finance.	
28	The specialist financial expertise currently used by your organisation and other potential sources of expertise.	
29	The systems in place for monitoring the effectiveness of the agreements for additional finance and identifying changes to agreements and improvements for the future.	

The candidate and assessor must only sign below when all Performance Criteria and knowledge points have been met.

Unit assessed as being complete

Candidate's name	
Candidate's signature	
Date submitted to Assessor as complete	

Assessor's name	
Assessor's signature	
Date assessed complete	

Internal Verification

To be completed in accordance with centre's internal verifier (IV) strategy.

Evidence for this Unit was sampled on the following date/s	Internal verifier's signature	Internal verifier's name

This Unit has been subject to an admin check in keeping with the centre's IV strategy.

Date of admin check	Internal verifier's signature	Internal verifier's name

Unit completion confirmed

Internal verifier's name	
Internal verifier's signature	
Date completed	