

CFAM&LEA1 (SQA Unit Code - H425 04)

Identify and justify requirements for financial resources

Overview

This standard is about identifying and justifying the financial resources required for achieving organisational objectives.

It is relevant to managers and leaders who are required to identify and justify the financial resources for their organisations or for major projects or programmes of work.

This standard is the precursor to *CFAM&LEA2 Obtain financial resources* and *CFAM&LEA3 Manage the use of financial resources*.

It also links to standards on strategic and operational planning, such as, *CFAM&LBA6 Develop strategic business plans*, *CFAM&LBA9 Develop operational plans*, *CFAM&LFA4 Manage programmes* and *CFAM&LFA5 Manage projects*.

CFAM&LEA4 Manage budgets is for those who manage financial resources for more limited areas of work or projects.

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Performance criteria

- You must be able to:*
- P1 Engage key stakeholders in identifying and justifying requirements for financial resources.
 - P2 Identify methods of achieving objectives, evaluate the effectiveness and efficiency of feasible methods and select the optimal method.
 - P3 Calculate the estimated costs of the activities and overheads required to achieve objectives by the optimal method.
 - P4 Prepare the business case for your requirements for financial resources, clearly specifying:
 - P4.1 objectives to be achieved
 - P4.2 benefits of achieving these objectives
 - P4.3 proposed method
 - P4.4 timescales for activities
 - P4.5 costs involved
 - P4.6 assumptions made
 - P4.7 risks and how these will be managed
 - P4.8 evaluation arrangements
 - P4.9 any alternative options considered but rejected as sub-optimal.
 - P5 Prepare alternative options for achieving objectives, in case your budget requirements are not approved.
 - P6 Present your business case to those with decision-making responsibility for budgets, providing any further information or rationale required.
 - P7 Argue your business case robustly, engaging the support of key stakeholders, where appropriate.
 - P8 Seek approval for alternative options in situations where your original business case for budget requirements is not accepted.
 - P9 Seek feedback on your presentation of the business case from those with decision-making responsibility for budgets and use this feedback to improve future proposals.
 - P10 Communicate the decision on your budget requirements to key stakeholders, explaining the reasons for any changes or alternative options adopted.

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Knowledge and understanding

You need to know and understand:

General knowledge and understanding

- K1 How to engage stakeholders in identifying and justifying requirements for financial resources.
- K2 The principles and methods of effective communication and how to apply them.
- K3 Planning principles and methods and how to apply them.
- K4 How to identify and select optimal methods for achieving objectives.
- K5 How to calculate fixed and variable costs of activities.
- K6 Cost-benefit analysis techniques.
- K7 Decision-making techniques.
- K8 What a business case should cover and how to develop a convincing business case.
- K9 How to present and argue a business case.
- K10 The importance of identifying assumptions made.
- K11 How to identify and manage risks.
- K12 Negotiation techniques and how to apply them.
- K13 The importance of developing alternative solutions as fallback positions.
- K14 The importance of obtaining feedback on your presentation of the business case and how to use this feedback to improve future proposals.

Industry/sector specific knowledge and understanding

You need to know and understand:

- K15 Legal, regulatory and ethical requirements in your sector.

Context specific knowledge and understanding

You need to know and understand:

- K16 Individuals in your area of work, their roles, responsibilities, competences and potential.
- K17 Your organisation's key stakeholders and their interests.
- K18 Your organisation's strategic objectives.
- K19 The objectives you are responsible for achieving.
- K20 Those with budgetary responsibility in your organisation.

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Behaviours

When performing to this standard, you are likely to demonstrate the following behaviours:

- 1 Recognise changes in circumstances promptly and adjust plans and activities accordingly
- 2 Find practical ways to overcome obstacles
- 3 Present information clearly, concisely, accurately and in ways that promote understanding
- 4 Balance risks against the benefits that may arise from taking risks
- 5 Identify and seize opportunities to obtain resources
- 6 Take repeated or different actions to overcome obstacles
- 7 Comply with, and ensure others comply with, legal requirements, industry regulations, organisational policies and professional codes
- 8 Act within the limits of your authority communicate clearly the value and benefits of a proposed course of action
- 9 Use a range of legitimate strategies and tactics to influence people
- 10 Work towards win-win solutions
- 11 Respond positively and creatively to setbacks
- 12 Identify the range of elements in a situation and how they relate to each other
- 13 Specify the assumptions made and risks involved in understanding a situation
- 14 Test a variety of options before taking a decision

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Skills

When performing to this standard, you are likely to demonstrate the following skills:

- Acting assertively
- Analysing
- Communicating
- Decision-making
- Evaluating
- Involving others
- Negotiating
- Obtaining feedback
- Persuading
- Presenting information
- Problem solving
- Providing feedback
- Reflecting
- Reporting
- Risk management

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