
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).

CFAMLE3

Obtain additional finance for the organisation

Performance criteria

You must be able to:

- P1 identify the additional finance required to fund the organisation's proposed activities
- P2 seek and make effective use of specialist financial expertise
- P3 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
- P4 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
- P5 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
- P6 ensure timely submission of clear proposals or bids or applications to potential providers of finance and seek regular updates on progress
- P7 put formal agreements in place with providers for agreed amounts of finance at agreed times and, as appropriate, agreed costs and repayment schedules
- P8 identify any shortfall in the level of additional funding obtained and take appropriate action
- P9 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
- P10 monitor the effectiveness of the agreements for providing additional finance, identifying and making changes where necessary and identifying improvements for the future

CFAMLE3

Obtain additional finance for the organisation

Knowledge and understanding

You need to know and understand:

General knowledge and understanding

- K1 why organisations might need additional finance for their proposed activities
- K2 where to obtain and how to evaluate information in order to identify an organisation's requirement for additional finance
- K3 sources of specialist financial expertise and how to make effective use of them
- K4 different types of finance
- K5 different providers of finance
- K6 how to evaluate the costs, benefits and risks of different types and providers of finance
- K7 criteria for selecting types and providers of finance which are appropriate to organisational needs and the views of stakeholders
- K8 the importance of risk in obtaining additional finance and ways in which the level of risk can be identified and managed
- K9 how to work out the full cost of obtaining finance from providers
- K10 the importance of consulting with relevant people in the organisation and key stakeholders on proposals and recommendations for obtaining additional finance
- K11 the importance of submitting clear proposals or bids or applications to potential providers of finance and allowing sufficient time for their submission and consideration
- K12 the type of formal agreements that should be put in place with providers of finance and what they should cover
- K13 the type of actions that might need to be taken in the event of a shortfall in additional funding
- K14 why it is necessary to put contingency plans in place in relation to obtaining additional finance and the type of contingencies that might occur
- K15 how to monitor the effectiveness of agreements put in place for providing additional finance
- K16 the changes that might need to be made to agreements for additional finance

Industry/sector specific knowledge

- K17 the types and providers of finance that tend to be used in your industry or sector, and why they are preferred
- K18 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

CFAMLE3

Obtain additional finance for the organisation

Context specific knowledge

- K19 the vision, objectives and plans of the organisation
- K20 the proposed activities of the organisation, including those which require additional finance
- K21 the organisation's stakeholders and their views in relation to the financing of the organisation's activities
- K22 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
- K23 the particular needs of the organisation in terms of securing additional finance, including the organisation's attitude to risk
- K24 relevant people in the organisation and any key stakeholders who should be consulted on proposals and recommendations for obtaining additional finance
- K25 proposals or bids or applications submitted to providers of finance and how they have been progressed
- K26 formal agreements with providers of additional finance to the organisation
- K27 the contingency plans that have been put in place in relation to additional finance
- K28 the specialist financial expertise currently used by your organisation and other potential sources of expertise
- K29 the systems in place for monitoring the effectiveness of the agreements for additional finance and identifying changes to agreements and improvements for the future

CFAMLE3

Obtain additional finance for the organisation

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

CFAMLE3

Obtain additional finance for the organisation

Developed by	CFA Business Skills @ Work
---------------------	----------------------------

Version number	1
-----------------------	---

Date approved	March 2009
----------------------	------------

Indicative review date	March 2011
-------------------------------	------------

Validity	Current
-----------------	---------

Status	Original
---------------	----------

Originating organisation	Management Standards Centre
---------------------------------	-----------------------------

Original URN	E3
---------------------	----

Relevant occupations	Managers and Senior Officials; Business management
-----------------------------	--

Suite	Management and Leadership National Occupational Standards 2008
--------------	--

Key words	management, leadership, finance
------------------	---------------------------------