

Specification of Competency Standards
for the Banking Industry
Unit of Competency

Functional Area - 7. Product Development and Brand Marketing
(Key Function – 7.3 Product Development)

Title	Develop profitability projection for new products
Code	109417L6
Range	Developing business financial projection for the new products with an aim to forecast both tangible and intangible return. This applies to new products of different kinds and for different segments of customers.
Level	6
Credit	4 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Knowledge in the Subject Area</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Comprehend the knowledge in measuring returns of products and apply it to conduct comparison on different methods of calculating ROI and select a suitable approach; • Master the details of product performance assessment and apply the knowledge to develop suitable performance indicators for the new products after analysing the business objectives, product features, target customers and development process, etc. <p>2. Applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Develop business assumptions and financial projection (e.g. cost, yield, ROI, profitability over time, cash flow projection and etc.); • Identify factors affecting the ROI and construct various scenario based on research findings on the banking environment and customers preference; • Evaluate different business case scenarios and make recommendations to management; • Evaluate operational feasibility, resources and IT investment requirement associated with the products. <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Evaluate critically the figures on the ROI analysis and provide suggestion to management about the projected risk and profitability of the products; • Provide recommendations on the resources allocation for development, launching, marketing & etc. of the new products; • Construct a pricing model to determine the pricing of the products in accordance with the project objectives and product strategies; • Assess opportunities and risks associated comprehensively with a specific product with reference to market conditions; • Consider customer behavioural and external environmental changes in the business cases for the coming years.
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Provision of profitability forecast of the new products to anticipate the ROI and possible risks to the banks. Justifications of the model and figures employed in the forecasting should be based on critical analyses in ROI calculation, development of the banking industry and customers' preference, etc.

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Remark	
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