

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	Conduct profitability forecast and cost analysis
Code	109426L5
Range	Conducting profitability forecast and cost analysis for a specific product. This applies to forecast and analysis of enterprise banking products of any kind.
Level	5
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"> • Understand the concepts and knowledge of product analysis and apply them to collect and synthesize different information to estimate the expenditure incurred in developing a specific product; • Possess knowledge in product profit and cost analysis and apply them to review each cost item and ensure they are in line with product development requirements and business needs; • Master the knowledge in product expenditure control and based on it to review the estimated expenditures in each cost item to check whether appropriate costs is negotiated. <p>2. Applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Perform profit and loss analysis for the product by conducting sales forecast analysis and estimating cost incurred during the selling process; • Perform appropriate return on investment calculations as part of product evaluation to justify the initiatives of new product development; • Compile a comprehensive report on profitability forecast and cost analysis with detailed calculations and rationale. <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Develop alternative scenarios in development process based on precedence market research, if any, for profitability maximization and / or cost savings analysis; • Assist individual teams to improve costs and profitability of their responsible products by applying the results on profitability forecast and cost analysis.
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • A report on profitability forecast and cost analysis. The report should demonstrate and explain clearly the assumptions and formula / model used in calculating the figures. Moreover, the report should demonstrate that all key factors have been put into consideration.
Remark	