

**Unit of Competency****Functional Area: Strategic Management**

Title	Carry out business feasibility study for business development
Code	105340L5
Range	This unit of competency is applicable to practitioners in the import and export industry in conducting feasibility analysis to examine new business ideas to determine the viability for creating a successful business.
Level	5
Credit	8 (for reference only)
Competency	<p>Performance Requirement</p> <p>1. Possess the knowledge of feasibility analysis</p> <ul style="list-style-type: none"> <li>• Describe the key components of feasibility analysis for business development, e.g., industry and market feasibility analysis and financial feasibility analysis</li> <li>• Use a range of skills to efficiently explore the viability of alternative business concepts in import and export activities, e.g., horizontal development, vertical development, new product or service development</li> <li>• Use a range of skills to assess the likelihood of transforming an idea into successful import and export business</li> </ul> <p>2.1. Conduct industry and market analysis</p> <ul style="list-style-type: none"> <li>• Use a macro approach to assess attractiveness of the business, e.g., size, growth rate, profitability, level of competition, in the industry</li> <li>• Use useful tools (e.g., five forces matrix to assign quantitative scores to factors affecting the attractiveness of the business) to examine the influence of industry forces from the perspectives of (1) rivalry among the companies competing in the industry, (2) bargaining power of suppliers to the industry, (3) bargaining power of customers, (4) threat of new entrants to the industry, and (5) threat of substitute of products or service</li> <li>• Evaluate the potential for the company to generate reasonable sales and profits in the proposed new business</li> <li>• Identify potentially attractive import and export business</li> <li>• Report the findings and identify the potentially attractive areas as they relate to the proposed business, market share, market segment, growth rate, the basis for differentiation against other competitors, and possibility of developing successful business</li> <li>• Use such tools as business prototyping to test the proposed business model before launching the new business</li> <li>• Provide recommendations on the marketability of the proposed business</li> </ul> <p>2.2. Conduct financial feasibility study</p> <ul style="list-style-type: none"> <li>• Identify the required resources to launch the proposed business</li> <li>• Assess financial feasibility from the perspectives of capital requirements and financial support from relevant sources (e.g., commercial banks, government funding schemes)</li> <li>• Estimate earning and cash flow of business operations</li> <li>• Provide recommendations on the return on investment and the profitability of the proposed business</li> </ul>
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> <li>• Capable of conducting industry and market analysis to evaluate the marketability of the proposed business</li> <li>• Capable of identifying the required resources to launch new business</li> <li>• Capable of assessing financial feasibility analysis and providing recommendations on the return on investment</li> </ul>
Remark	