

Specification of Competency Standards of the Retail Industry

Unit of Competency

Functional Area: Strategic Management

Title	Manage operational budget
Code	105028L5
Range	This unit of competency (UoC) is applicable to financial staff in the retail industry. It covers the abilities to critically analyze, re-organize, evaluate and consolidate a wide range of information in order to manage the operational budget of the organization to meet the changing factors of operation.
Level	5
Credit	6 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Knowledge of managing budget <ul style="list-style-type: none"> • Master the financial strategy of the organization • Master the workflow and procedures of retail business • Understand capital budgeting, such as: <ul style="list-style-type: none"> • Principles of investment • Net present value • Payback period • Master the calculation of different types of cash flow, e.g.: <ul style="list-style-type: none"> • Additional cash flow • Operational cash flow • Master financial management • Know how to use computer software to prepare budget documents 2. Manage operational budget <ul style="list-style-type: none"> • Analyze the operational budget after evaluating and consolidating information <ul style="list-style-type: none"> • Analyze past operational data and statistics • Coordinate discrepancies • Finish the budget report within the set time • Calculate the operational costs, e.g.: <ul style="list-style-type: none"> • Sales costs • Rent • Taxes • Labour costs • Marketing and advertising costs • Forecast the cash flow according to the sales and expenditure • Prepare the operational budget of the coming year on a monthly basis (or according to the requirements of the organization) • Prepare a financial viability report for new store • Monitor the operational data, e.g.: <ul style="list-style-type: none"> • Cash flow • Abnormally high inventory • Take appropriate action when it deviates from the budget plan in reality, and report the situation to the management 3. Exhibit professionalism <ul style="list-style-type: none"> • Manage the operational budget for the benefit of the organization • Uphold integrity and abide by ethical conduct, and ensure that all items are clearly listed in the operational budget management process
Assessment Criteria	<p>The integrated outcome requirements of this UoC are the abilities to:</p> <ul style="list-style-type: none"> • Manage the operational budget effectively according to the requirements of the organization; and • Formulate procedures to monitor business operations to ensure no deviation from the budget.
Remark	