

Title	Demonstrate and apply knowledge of finance and costing for print production and analyse growth opportunities		
Level	5	Credits	20

Purpose	<p>This unit standard is intended for people working towards a management role in the print industry.</p> <p>People credited with this unit standard are able to: interpret key financial information and explain responsibilities in the print industry; explain procedures for costing jobs in the print industry; cost a print production job and analyse variances; calculate mark-ups, gross margin, and gross profit for a print production job; prepare a detailed quotation for a print production job; analyse and report on variances between quotation costs and actual costs for a print production job; and demonstrate knowledge of the potential sustainability of growth opportunities in the print industry.</p>
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Classification	Printing > Print Industry Management
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Available grade	Achieved
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Guidance Information

- For the purposes of this unit standard 'company operating figures' may be provided by the print industry company in which the candidate is employed, or an exemplar provided by the training provider.
- Definitions**

Accepted industry practice – approved codes of practice and standardised procedures accepted by the wider print industry as examples of best practice.

CAPEX – capital expenditure.

Gross margin – is the difference between revenue and cost of goods sold divided by revenue and is expressed as a percentage.

Gross Profit (on a job or business generally) – is the difference between revenue and cost of goods sold and is expressed in dollar terms.

Mark-up – the amount by which the cost of a product is increased in order to derive the selling price.

OPEX – operating expenditure.

Print industry – all sectors involved in printing and packaging industries including pre-production, production, and post-production activities. The sectors include – graphic pre-press, digital output, sheet-fed, reel-fed, screen, binding and finishing, fibreboard packaging, suppliers to the print industry.

Print industry company – a production company within any of the print industry sectors.

Print production – any stage of production in any sector of the print industry.

SWOT – strengths, weaknesses, opportunities, and threats.

Workplace procedures – procedures used by the organisation carrying out the work and applicable to the tasks being carried out. They may include but are not limited to – standard operating procedures, site safety procedures, equipment operating procedures, codes of practice, quality management practices and standards, procedures to comply with legislative and local body requirements.

3 Assessment information

All evidence presented for this unit standard must be in accordance with workplace procedures and accepted industry practices.

Outcomes and performance criteria

Outcome 1

Interpret key financial information and explain responsibilities in the print industry.

Performance criteria

1.1 Key financial terms are defined and explained.

Range CAPEX, OPEX, fixed costs, variable costs, overheads, running costs, depreciation, total cost of employment, turnover, gross profit, gross margin, mark-up, cost of debtors.

1.2 Key information provided in financial statements is identified and the broad implication for business sustainability is explained.

Range key information includes – operating costs, revenue, income, turnover, profit and loss, cash-flow management; financial statements include – balance sheets and profit and loss statements.

1.3 Responsibilities for costing and finance are explained.

Range may include but is not limited to – review of productivity benchmarks and change of rates; principles of stock management and waste; updating of – raw materials held in stock, price lists for outside services, hourly charge-out rates, overhead recovery rates; review of successful and unsuccessful quotations; changes required as a result of new equipment and/or staff.

Outcome 2

Explain procedures for costing jobs in the print industry.

Performance criteria

2.1 Procedures for calculating costs relating to the components of a print job are explained.

Range components include – rates charged for individual pieces of equipment, productivity benchmarks, depreciation rates for individual pieces of equipment, handling charges applied to materials and outside services, overheads to be recovered in the rate, the application of profit margins, the valuing of stock.

Outcome 3

Cost a print production job and analyse variances.

Range includes but is not limited to – required production processes, rates charged for equipment, productivity benchmarks, depreciation rates for equipment, handling charges, overheads, gross profit, gross margin.

Performance criteria

3.1 Costs are calculated for a print production job.

3.2 Variances between the calculated figures and the current company operating figures are analysed.

3.3 Changes required as a result of the analysis of the variances are identified.

Outcome 4

Calculate mark-ups, gross margin, and gross profit for a print production job.

Performance criteria

4.1 The expected return on sales or investment is obtained from the company policy.

4.2 Level of mark-up is calculated, as a percentage of cost, to ensure the return on sales or investment is achieved.

4.3 Calculations are made for handling mark-ups on outside services and their expected returns.

4.4 Calculations are made for handling mark-ups on materials and their expected returns.

4.5 Gross margin and gross profit are calculated to ensure company targets are maintained.

Outcome 5

Prepare a detailed quotation for a print production job.

Performance criteria

- 5.1 Costs associated with individual print production jobs are established.
- Range includes but is not limited to – materials, substrates, outside services, production hours required to complete each task and/or process, direct labour costs to be applied to the chargeable rate for equipment and/or processes being used, factory overheads to be apportioned to the chargeable hours for the equipment and/or processes being used.
- 5.2 Quantities and costs of materials and substrates are calculated to meet the requirements of the print production job.
- 5.3 Production costs required to complete each production task or process are calculated using cost rates.
- Range evidence for a minimum of three production tasks and/or processes is required.
- 5.4 Costs of outside services are calculated as required by the quotation specifications.
- 5.5 Handling charges and/or mark-up on components are calculated and included in the quotation.
- Range components may include but are not limited to – substrates, materials, outside services.
- 5.6 Despatch and delivery costs are determined as required by the quotation specifications.
- 5.7 Gross margin and gross profit are included to the costing figures set out in the quotation.

Outcome 6

Analyse and report on variances between quotation costs and actual costs for a print production job.

Range report must be written and can be a spreadsheet or other appropriate template.

Performance criteria

- 6.1 Costs recorded on cost summary sheets for completed work are compared to the quotation, and any variances are analysed and reported on.
- Range may include but is not limited to – time allocations for each process, materials usage and costs, outside services, handling charges, despatch and delivery charges.

Outcome 7

Demonstrate knowledge of the potential sustainability of growth opportunities in the print industry.

Performance criteria

- 7.1 The difference between growth and sustainable growth is explained.
- 7.2 The concept of the triple bottom line is defined and the significance of this for sustainable business growth is explained.
- Range financial, social, environmental.
- 7.3 The principle of diversification is described and the significance of this for sustainable business growth is explained.
- 7.4 Two strategies for identifying growth opportunities are explained.
- Range strategies include but are not limited to – design thinking, SWOT analysis, market research, customer surveys.
- 7.5 One opportunity for growth is identified and its potential for sustainability is explained.
- Range opportunities may include but are not limited to – new business, increased market share, new products, new technology.
- 7.6 The effect of an anticipated wage increase is explained in terms of the overall impact on the business and charge-out rates.
- 7.7 Costs associated with the introduction of new equipment are identified and estimated.
- Range may include but is not limited to – new equipment costs, impact of additional/reduced labour to operate equipment, ancillary plant that will be required, impact on current space, impact on cashflow for creditors and debtors.
- 7.8 Financing options for the acquisition of new equipment are described and compared in terms of their implications for the business.
- Range finance options include but are not limited to – leasing, bank loan, use of cash reserves; comparison includes both short and long-term financial implications.

Replacement information

This unit standard replaced unit standard 16764, unit standard 16765, and unit standard 16768.

Planned review date	31 December 2024
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Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	22 August 2008	31 December 2020
Revision	2	12 December 2008	31 December 2022
Rollover and Revision	3	31 May 2018	N/A
Review	4	23 July 2020	N/A

Consent and Moderation Requirements (CMR) reference	0013
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.

Comments on this unit standard

Please contact Competenz qualifications@competenz.org.nz if you wish to suggest changes to the content of this assessment standard.