**Course Description:**

Fundamentals of Financial Services explores functions of the banking, insurance and investment industries. Learners will develop knowledge and skills to analyze banking products and services, reduce risk in financial service institutions, and other foundational financial services operations and processes. This course also includes learning outcomes for marketing and selling financial services and products and customer and client relationship management.

**Strand 1. Business Operations/21st Century Skills**

Learners apply principles of economics, business management, marketing and employability in an entrepreneur, manager and employee role to the leadership, planning, developing and analyzing of business enterprises related to the career field.

**Outcome 1.1 Employability Skills**

Develop career awareness and employability skills (e.g., face‐to‐face, online) needed for gaining and maintaining employment in diverse business settings.

**Competencies**

1.1.2 Identify the scope of career opportunities and the requirements for education, training, certification, licensure and experience.

1.1.5 Develop strategies for self-promotion in the hiring process (e.g., filling out job applications, résumé writing, interviewing skills, portfolio development).

1.1.8 Identify the correlation between emotions, behavior and appearance and manage those to establish and maintain professionalism.

**Outcome 1.2 Leadership and Communications**

Process, maintain, evaluate and disseminate information in a business. Develop leadership and team building to promote collaboration.

**Competencies**

1.2.3 Identify and use verbal, nonverbal and active listening skills to communicate effectively.

1.2.4 Use negotiation and conflict-resolution skills to reach solutions.

1.2.7 Use problem-solving and consensus-building techniques to draw conclusions and determine next steps.

1.2.10 Use interpersonal skills to provide group leadership, promote collaboration, and work in a team.

1.2.12 Use technical writing skills to complete forms and create reports.

**Outcome 1.3 Business Ethics and Law**

Analyze how professional, ethical and legal behavior contributes to continuous improvement in organizational performance and regulatory compliance.

**Competencies**

1.3.6 Identify deceptive practices (e.g., bait and switch, identity theft, unlawful door-to-door sales, deceptive service estimates, fraudulent misrepresentations) and their overall impact on organizational performance.

1.3.9 Identify potential conflicts of interest (e.g., personal gain, project bidding) between personal, organizational and professional ethical standards.

**Outcome 1.4 Knowledge Management and Information Technology**

Demonstrate current and emerging strategies and technologies used to collect, analyze, record and share information in business operations.

**Competencies**

1.4.2 Select and use software applications to locate, record, analyze and present information (e.g., word processing, e-mail, spreadsheet, databases, presentation, Internet search engines).

1.4.3Verify compliance with security rules, regulations and codes (e.g., property, privacy, access, accuracy issues, client and patient record confidentiality) pertaining to technology specific to the industry pathway.

**Outcome 1.9 Financial Management**

Use financial tools, strategies and systems to develop, monitor, and control the use of financial resources to ensure personal and business financial well-being.

**Competencies**

1.9.3 Review and summarize savings, investment strategies and purchasing options (e.g., cash, lease, finance, stocks, bonds).

1.9.4 Identify credit types and their uses in order to establish credit.

1.9.5 Identify ways to avoid or correct debt problems.

1.9.6 Explain how credit ratings and the criteria lenders use to evaluate repayment capacity affect access to loans.

1.9.7 Review and summarize categories (types) of insurance and identify how insurances can reduce financial risk.

1.9.9 Compare and contrast different banking services available through financial institutions.

**Strand 2. Business Foundations**

Learners acquire foundational knowledge of business activities supported by economic principles, business processes and global business considerations.

**Outcome 2.1 Business Activities**

Relate business functions to business models, operations and strategies.

**Competencies**

2.1.4 Explain the role and function of accounting and finance and how they interact with other business activities.

2.1.13 Explain factors that motivate customers, clients and businesses to buy and actions employees can take to achieve the business’s desired results.

**Outcome 2.2 Economic Principles**

Relate principles of applied economics to business models, operations and strategies.

**Competencies**

2.2.13 Explain the role of the Federal Reserve System and how its policies regulate the economy.

**Outcome 2.3 Global Business**

Relate global business functions to internal business operations, activities and strategies.

**Competencies**

2.3.3 Explain the impact of a country’s economic development on global trade (e.g., type of economic system, natural resources, educational level, types of industries, infrastructure, technology availability or adoption).

2.3.5 Identify examples of emerging economies and describe their potential impact on business activities.

2.3.8 Describe regulatory policies and the government agencies that influence global trade and describe their impact.

2.3.9 Analyze U.S. competitiveness at a global level for different industries and describe factors impacting competitiveness.

**Strand 3. Business Relationships**

Learners communicate with internal and external stakeholders by applying relationship management techniques and business communication processes and strategies.

**Outcome 3.1 Customer Relations**

Develop, maintain and grow positive internal and external customer relationships.

**Competencies**

3.1.4 Explain how customer relationships impact acceptance of business policies, recommendations and requirements of service.

3.1.5 Describe the importance of maintaining confidentiality and security of customer information.

3.1.6 Describe how a business's image and culture reflect the brand promise.

3.1.7 Communicate how the brand promise is reflected in the business's image and culture.

3.1.8 Explain the role and function of customer relationship management and its impact on business processes.

**Outcome 3.2 Relationship Management**

Manage internal and external business relationships.

**Competencies**

3.2.3 Adapt to and lead workplace changes or situations.

3.2.4 Manage crises in relationships.

**Outcome 3.3 Business Communications Management**

Plan, create and evaluate internal and external business communications.

**Competencies**

3.3.1 Identify organizational communication protocols and select communication strategies as appropriate.

3.3.2 Explain how the content of communications creates reputational, legal and regulatory exposure for organizations; and describe how to manage the risk individually and collectively.

**Outcome 3.4 Marketing Communications**

Communicate information about products, services, images or ideas.

**Competencies**

3.4.7 Explain the role and function of direct marketing strategies (e.g., direct mail, email, phone calls, texting).

3.4.12 Explain how public relations activities build and maintain a positive image, generate goodwill and stimulate demand for a product, service or business.

**Strand 4. Business Governance**

Learners acquire foundational legal knowledge and apply business governance principles to minimize risk, maintain organizational compliance and establish and maintain organizational structure.

**Outcome 4.1 Risk Management Fundamentals**

Identify policies, processes and strategies to manage risk.

**Competencies**

4.1.3 Describe and compare types of business risks (e.g., strategic, operational, financial, compliance, reputational).

4.1.5 Identify areas of enterprise risk that must be managed (e.g., security, confidentiality, privacy, processing integrity, availability).

**Outcome 4.3 Compliance**

Identify policies, processes and strategies to manage compliance.

**Competencies**

4.3.1 Describe the need for compliance standards and potential penalties for noncompliance.

4.3.3 Explain the elements of a compliance program and how requirements and expectations differ across industry sectors (e.g., financial services, healthcare, consumer products, restaurants food and beverages).

4.3.4 Describe the factors that influence compliance program costs and effectiveness (e.g., organizational size and structure, accreditation, incentives availability).

4.3.7 Discuss methods for documenting adherence to compliance policies and procedures.

**Outcome 4.4 Legal Environment**

Identify legal processes and requirements that impact business operations.

**Competencies**

4.4.1 Distinguish between secured and unsecured creditors.

4.4.2 Explain the debtor-creditor relationship and legal protections provided each party, and determine relief options for debtors.

4.4.3 Describe consumer rights and responsibilities, services provided by consumer protection agencies and consumer protection laws.

4.4.9 Describe how tax regulations and tax reporting requirements impact businesses.

**Outcome 4.7 Governance Structures**

Relate business governance structures to business operations, activities and strategies.

**Competencies**

4.7.1 Explain the role and function of governance structures and their impact on business objectives.

4.7.2 Describe the relationship between governance structures, ownership structures (e.g., corporation, privately owned, nonprofit, limited-liability companies) and organizational size and reach (e.g., microenterprise, middle-market, large corporate, multinational, global).

**Strand 5. Marketing**

Learners create, communicate and evaluate business offerings by applying marketing functions.

**Outcome 5.1 Marketing Fundamentals**

Identify principles of marketing and marketing functions.

**Competencies**

5.1.5 Explain the role and function of marketing information management (e.g., types of relevant information, uses, legal and ethical considerations).

5.1.6 Explain the role and function of pricing and factors affecting pricing decisions (e.g., customer value perception, brand, negotiating power, corporate policies, competitive strategy, stage of customer life cycle).

5.1.9 Describe the role and function of promotion.

5.1.10 Describe the role and function of selling.

5.1.11 Describe sales processes and techniques used to facilitate selling.

**Outcome 5.9 Selling**

Plan, implement and evaluate sales activities.

**Competencies**

5.9.1 Describe buying motives used to enhance customer relationships and increase the likelihood of making sales.

5.9.3 Identify sources of product information that can be used to communicate product benefits.

5.9.5 Implement sales processes and techniques to enhance customer relationships and solicit sales.

5.9.7 Overcome objections and complete the sales transaction.

5.9.8 Complete post-sales follow-up activities that foster ongoing relationships with customers or clients.

**Strand 8. Data and Process Management**

Learners apply principles of business process management to collect, analyze and distribute data and maintain business knowledge and information systems.

**Outcome 8.1 Business Process Analysis**

Identify and evaluate business processes to improve performance.

**Competencies**

8.1.3 Identify business process requirements and performance expectations.

**Outcome 8.4 Business Applications**

Plan, create and evaluate technology applications.

**Competencies**

8.4.2 Mine standard databases (e.g., accounting, customer, product, vendor, sales, operations, human resources, patient, supplier, procurement), apply analytical tools and interpret the findings.

**Strand 9. Financial Analysis and Evaluation**

Learners apply principles of financial and managerial accounting to collect, analyze and distribute financial data, evaluate investment opportunities and operate financial services.

**Outcome 9.1. Financial Principles**

Identify and apply principles of finance and accounting to plan and monitor the use of financial resources.

**Competencies**

9.1.1 Explain the role and function of profit and taxes and how they differ depending on business structure.

9.1.2 Explain how accounting standards impact business financial performance.

9.1.4 Analyze business performance utilizing financial ratios in the areas of liquidity, profitability, asset management, debt management and market valuation (e.g., current ratio, quick ratio, inventory turnover, debt ratio, gross margin, profit margin, return on assets, return on equity, earnings per share, price-earnings ratio).

9.1.6 Calculate and interpret financial ratios.

9.1.7 Identify the information needed to calculate existing and forecasted sales.

9.1.8 Review and analyze business tax returns.

**Outcome 9.2 Corporate Investments**

Identify policies, processes and strategies for making investments.

**Competencies**

9.2.1 Identify sources of and interpret securities information.

9.2.3 Describe how financial needs differ in the stages of a business lifecycle (e.g., start-up, growth, maturity, decline).

**Outcome 9.3 Financial Risk Management**

Identify, administer and evaluate policies, processes and strategies to manage financial risk.

**Competencies**

9.3.3 Analyze the impact of changes in benchmark rates on lending and borrowing costs (e.g., fed funds rate, 10-year treasury rate, London Interbank Offered Rate [LIBOR]).

9.3.7 Determine financial risk-management techniques and associated risks (e.g., derivative contracts, insurance, indemnity agreements, self-insured retentions, captives).

**Outcome 9.6 Financial Reporting and Auditing**

Collect and analyze financial information and report financial activity in compliance with applicable regulations, policies and processes.

**Competencies**

9.6.1 Explain the importance of accurately reporting a business’s financial position and activities, the types of systems that are used for that purpose (i.e., tax systems, financial, cost systems) and the linkage to operational systems (i.e., enterprise systems).

9.6.2 Determine the level and type of financial statement verification that is required to achieve business objectives and comply with regulatory requirements (compilation, review or audit).

9.6.13 Prepare financial statements including income statement, statement of stockholders’ equity and balance sheet.

9.6.15 Describe the importance of complying with financial reporting confidentiality and non-disclosure requirements.

**Outcome 9.8 Risk Management for Financial Institutions**

Identify policies, processes and strategies to manage risk specific to financial institutions.

**Competencies**

9.8.1 Explain key banking and insurance calculations (e.g., interest, annual percentage rate, exchange rates, RAROC [Risk-Adjusted Return on Capital], claim loss ratio) and requirements established in regulatory guidelines.

9.8.2 Explain the financial ratios used to analyze retail bank performance (e.g., net interest margin, loan-to-assets, return-on assets, provision for credit losses [PCL]).

9.8.4 Explain the risks associated with banking services (e.g., default, fraudulent transactions, falsified information) and techniques used to manage these risks for a financial institution (e.g., loan criteria, credit-based scoring models, identity verification).

9.8.5 Explain the risks associated with insurance services (e.g., underwriting, claims) and techniques used to reduce, mitigate and measure risks at the enterprise level (e.g., insurability provisions, credit-based scoring models, actuarial sciences, reinsurance).

9.8.6 Explain the risks associated with securities products and trust services (e.g., suitability, risk of loss) and strategies used to manage these risks for a financial institution (e.g., investment profiles, validated asset allocation models, disclosures).

**Outcome 9.11 Financial Operations**

Apply policies, processes and strategies to operate financial service institutions.

**Competencies**

9.11.1 Describe lines of business (e.g., retail, commercial), and identify products and product features.

9.11.3 Perform and document transactions for different financial services.

9.11.4 Manage customer accounts in accordance with policies and regulatory requirements, governmental mandates (e.g., verify information, complete required forms, report mandated information).

9.11.7 Perform daily branch operating procedures (e.g., process cash deposits and withdrawals, perform currency exchanges, balance drawer).