**Course Description:**

Financial Services Operations explores the work activities unique to the banking, insurance and investment industries. Learners will develop knowledge and skills in financial operations and management, including related areas of information, inventory and project management as well as compliance, auditing and reporting.

**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 1.2 Leadership and Communications**

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

**Competencies**

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.

**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**

1.3.1 Analyze how regulatory compliance affects business operations and organizational performance.

1.3.4 Identify how federal and state consumer protection laws affect products and services.

**Strand 2. Business Foundations**

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

**Outcome 2.4 Business Processes**

Relate business processes to business models, operations and strategies.

**Competencies**

2.4.4 Identify reasons that business processes change.

2.4.6 Explain how the need to protect assets and reduce the risk of fraud impacts the design of business processes (e.g., segregation of duties, internal controls).

**Strand 3. Business Communications**

Learners apply tactics, processes and strategies to develop and build relationships with stakeholders (e.g., customers, staff, vendors), to address stakeholder interactions and problems and to develop a collaborative work environment.

**Outcome 3.1 Customer Relations**

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

**Competencies**

3.1.3 Explain the difference between the cost of acquiring and maintaining customers.

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

3.1.9 Identify opportunities to use social media to develop and maintain customer relationships.

**Outcome 3.4 Marketing Communications**

Communicate information about products, services, images or ideas.

**Competencies**

3.4.1 Describe types of promotional channels used to communicate with targeted audiences (e.g., word-of-mouth, direct, advertising, social).

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

3.4.8 Explain the role and function of indirect marketing strategies (e.g., social media, search engine optimization [SEO}, referral and loyalty rewards, online reviews, video and image content, crowdsourcing).

3.4.11 Describe how publicity is used to inform audiences of business activities to reinforce brand (e.g., press releases, public service announcements, press kits).

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**

4.1.6 Describe quantitative and qualitative approaches to measuring and analyzing risk.

4.1.7 Distinguish among key risk indicators, key performance indicators and process indicators.

4.1.8 Develop a risk profile using the risk-reward relationship.

4.1.11 Describe strategies for managing portfolio risk that consider business risk tolerance and financial and operational goals.

4.1.12 Define risk and compare inherent and residual risk.

**Outcome 4.3 Compliance**

Identify policies, processes and strategies to manage compliance.

**Competencies**

4.3.2 Explain the impact of compliance requirements on business structure, activities, products, services and pricing.

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 and food and beverages).

4.3.5 Develop the elements of a basic compliance program to promote consistent behaviors (e.g., policies, procedures, training).

4.3.6 Analyze existing policies, procedures and documents to ascertain compliance with regulatory requirements and self-regulatory guidelines.

4.3.8 Explain the role and function of compliance assessment activities (e.g., due-diligence reviews, internal audits, work plan reviews).

**Outcome 4.4 Legal Environment**

Identify legal processes and requirements that impact business operations.

**Competencies**

4.4.10 Describe the tax enforcement process and penalties for noncompliance with tax laws.

4.4.11 Identify the characteristics and process differences that distinguish commercial real estate settlement from residential real estate settlement.

4.4.12 Describe legal documents relating to the purchase, sale and lease of residential property, insurance requirements, and residential real estate settlement procedures.

4.4.14 Describe forms of bankruptcy and explain the impact of bankruptcy proceedings on business.

4.4.15 Identify legal procedures and legal documents associated with estates (e.g., testamentary letters, wills, CODICILS, trusts, power of attorney, estate tax returns).

**Outcome 4.7 Governance Structures**

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

**Competencies**

4.7.3 Explain the roles and responsibilities of governing committees (e.g., Board of Directors, Audit and Finance Committees, Risk Committees), strategies used to fulfill these responsibilities and the impact on strategic planning and management functions.

4.7.5 Identify the elements of a corporate governance structure that impact staff decision-making authority.

4.7.6 Determine situations in which escalation to a governance member is appropriate.

**Strand 5. Marketing**

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

**Outcome 5.9 Selling**

Plan, implement and evaluate sales activities.

**Competencies**

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

5.9.6 Develop and present sales proposal.

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.

5.9.9 Plan sales activities and identify key performance indicators (KPIs) to increase sales efficiency and effectiveness.

5.9.11 Identify considerations for staffing a sales force (e.g., structure, size, territory).

**Strand 6. Business Management**

Learners identify and apply policies, processes and strategies for effective management of information, projects, strategy and talent.

**Outcome 6.2 Strategic Planning**

Apply strategic planning processes.

**Competencies**

6.2.2 Define business mission.

6.2.4 Identify and benchmark (e.g., dashboards, scorecards) key performance indicators and key risk indicators.

6.2.9 Describe the process and structure of business planning.

6.2.15 Distinguish key performance indicators across departments (e.g., finance, marketing, logistics) and select metrics to evaluate the performance of strategies.

**Outcome 6.4 Project Management**

Plan, manage and evaluate projects.

**Competencies**

6.4.1 Compare and contrast the role and responsibilities of project sponsors, project managers, and project team members.

6.4.2 Explain the impact of expectation setting on project outcomes.

6.4.3 Define project objectives, scope, outputs, and resource requirements (i.e., project charter and statement of work).

6.4.4 Document, sequence, allocate, and schedule activities to facilitate on-time and on-budget completion of project by qualified resources.

6.4.5 Monitor changes to project scope and critical path and make adjustments to project activities.

6.4.6 Manage project schedule, monitor completion status, identify potential delays and review costs.

6.4.7 Communicate project completion status and potential delays to stakeholders.

6.4.8 Manage the project team to reduce conflict and meet project objectives (e.g., establish group norms, identify and provide training opportunities, facilitate cross-team communication, catalog and resolve issues, provide feedback).

6.4.9 Complete project closing activities (e.g., obtain buyer acceptance, finalize billing, archive documentation).

6.4.10 Evaluate project results (e.g., compare project results to expectations, conduct surveys, review lessons learned), and recommend follow-up actions.

**Strand 7. Operations Management**

Learners identify and apply policies, processes and strategies for business operations.

**Outcome 7.3 Inventory Management**

Identify, administer and evaluate inventory management policies, processes and strategies.

**Competencies**

7.3.15 Identify factors that impact the availability of inventory.

7.3.16 Describe how inventory management principles apply to intangible services.

**Outcome 7.4 Quality Management**

Identify, administer and evaluate quality control policies, processes and strategies.

**Competencies**

7.4.3 Explain how a quality control plan is developed and the role of employees and data integrity in the process.

7.4.4 Evaluate the impact of quality control on brand experience, business reputation, financial performance, procurement, sourcing options and process design.

7.4.5 Describe the impacts of quantitative and qualitative quality control methods on risk prevention, appraisal and business performance metrics (e.g., mean time to failure, mean time to repair, training scores, complaint analysis, warranty analysis).

7.4.6 Explain the role and function of documentation systems (e.g., quality manuals, plans, procedures, work instructions, inspections and tests) in quality control and management.

**Outcome 7.8 Operations Risk Management**

Identify, administer and evaluate policies, processes and strategies to manage risk of operational failure.

**Competencies**

7.8.1 Compare the costs of routine operational failures (e.g., execution errors, accidents, processing failures) with non-routine operational failures (e.g., fraud, conscious violation of professional ethics, acts of nature).

7.8.3 Explain factors used to reduce the risk of routine and non-routine operational failures (e.g., automation, procedures, checklists).

7.8.4 Identify the operational risk factors associated with new ventures or business changes (e.g., new product, market, system, process).

**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**

8.1.4 Identify measurements and metrics for evaluating process effectiveness and efficiency.

8.1.5 Identify and select approaches for acquiring and evaluating quantitative and qualitative business process data (e.g., observation, re-performance, surveys, data analysis).

8.1.7 Quantify the costs and benefits of business process improvements.

**Outcome 8.3 Information Management**

Identify, select and evaluate information management policies, processes and strategies.

**Competencies**

8.3.2 Manage and maintain business records (e.g., accounting information, routing orders, tracking shipments, expense reports, healthcare data, customer data, budget data, quality data, human resources data).

8.3.3 Monitor and audit internal records.

8.3.4 Identify business records requiring preservation, and archive information according to retention guidelines and regulatory requirements.

**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 9.4 Internal Controls**

Identify, select and evaluate internal controls in compliance with applicable regulations.

**Competencies**

9.4.1 Describe the impact of financial reporting and internal control regulations on control requirements (e.g., Sarbanes-Oxley Act of 2002, Dodd-Frank Wall Street Reform Act, Model Audit Rule, Government Accountability Standards).

9.4.2 Assess and identify the risk of errors and fraud in transactions and accounts (e.g., unusual activity, abnormal variations).

9.4.3 Assess the effectiveness of internal controls.

9.4.4 Explain the role and function of internal controls (e.g.., cash controls, inventory controls, payroll controls, capital asset control, data protection, personal information controls).

9.4.5 Inspect and ensure the continued functioning of internal controls.

**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**

9.6.3 Identify the regulatory bodies that set standards for business reporting (e.g., Financial Accounting Standards Board [FASB], Securities and Exchange Commission [SEC], Public Company Accounting Oversight Board [PCAOB], International Financial Reporting Standards [IFRS], Small- and Medium-Sized Entities [SME] Financial Reporting Framework, Governmental Accounting Standards Board [GASB]).

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

**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]).

9.8.3 Explain rating systems and guidelines used by regulatory agencies to assess a financial institution’s compliance (e.g., CAMELS [Capital Adequacy, Asset Quality, Management Administration, Earnings, Liquidity and Sensitivity]) and the rules regarding use and disclosure.

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).

9.8.7 Interpret banking and insurance risk measures and metrics (e.g., interest rate risk, liquidity risk, credit risk, underwriting risk).

**Outcome 9.9 Cash Management**

Identify policies, processes and strategies to monitor and control cash flow and currency.

**Competencies**

9.9.4 Identify strategies for managing the risks associated with opening, managing, and closing corporate bank accounts (e.g., Payment Card Industry [PCI] compliance).

9.9.5 Manage the use and acceptance of credit cards and online payment methods (e.g., Venmo, PayPal, Cash App, Square, Zelle).

**Outcome 9.11 Financial Operations**

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

**Competencies**

9.11.2 Explain the role and function of operations in businesses providing financial services (e.g., banking, insurance, securities operations) and how it interacts with other business activities.

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).

9.11.5 Explain segregation of duties controls (e.g., dual vault control).

9.11.6 Analyze unique physical and information security risk factors applicable to financial services and recommend strategies for ensuring security.

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

9.11.8 Underwrite loan and insurance applications.

9.11.9 Service loans and accounts in accordance with regulatory requirements (e.g., mortgage, trust, agency).

9.11.10 Investigate abnormal activity for financial accounts and identify needed action.

9.11.11 Investigate and process insurance claims (e.g., conduct interviews, inspect property, review medical reports, assign value, compile report).

9.11.12 Analyze claim activity for fraud.

9.11.13 Calculate, record, and analyze commissions.