

Specification of Competency Standards
for the Fashion Industry
Unit of Competency

Functional Area - Merchandising & Material Procurement

Title	Formulate a sourcing strategy
Code	108136L6
Description	Formulate a strategy for sourcing activities to achieve the business goals of a fashion business. This applies to individuals who are required to evaluate the business and market environment and other factors in order to design plans for sourcing activities and decisions.
Level	6
Credit	4
Competency	<p>Performance Requirements</p> <p>1. Knowledge in the subject area</p> <p style="padding-left: 40px;">Be able to</p> <ul style="list-style-type: none"> • relate business goals to sourcing strategy • critically review the factors that determine a successful sourcing strategy • identify the information required for formulating a sourcing strategy • review the various sourcing activities and decisions in a fashion business • describe the key components of a sourcing strategy • apply techniques in collecting and analysing complex data for developing a sourcing strategy <p>2. Application and process</p> <p style="padding-left: 40px;">Be able to</p> <ul style="list-style-type: none"> • critically review the business goals for setting sourcing objectives • set plan for collecting and analysing information of the market, competition, risk and opportunities • critically evaluate sourcing options by taking into account factors related to labour, currency, transportation, government and financial charges, etc. • establish the policy for building supplier relationships • establish the strategic direction for the selection of sourcing channels, sourcing countries, sourcing mix, portfolio of suppliers, etc. • identify resource requirements for implementing the sourcing strategy • liaise with related parties for feedback on the sourcing strategy and make necessary adjustments • set criteria for measuring the effectiveness of the sourcing strategy <p>3. Exhibit professionalism</p> <p style="padding-left: 40px;">Be able to</p> <ul style="list-style-type: none"> • have insight into sourcing trend in the fashion industry • align the business goals and brand positioning, if any, with the sourcing strategy
Assessment Criteria	<p>The integrated outcome requirements of this UoC are the abilities to accomplish:</p> <ul style="list-style-type: none"> • Development of a sourcing strategy for a fashion business by evaluating the markets, competition, cost, risk and opportunity.
Remark	