

**Specification of Competency Standards**  
**for the Fashion Industry**  
**Unit of Competency**

Functional Area - Common

Title	Conduct cost analysis
Code	108294L5
Description	Conduct cost analysis in fashion product development and evaluation processes. This applies to individuals who are required to analyse the cost of producing / supplying fashion products with different options so as to achieve cost efficiency or to meet a client's target price.
Level	5
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"> <li>• review organisational policy, procedure and authority to adjust the cost variables</li> <li>• identify common materials used for making fashion products</li> <li>• analyse the construction of and process of producing fashion products</li> <li>• analyse the cost components by comparing data among different options</li> <li>• describe options that are available for selecting materials and making up the fashion product</li> <li>• specify the factors that may affect the cost of a fashion product (e.g. materials, making up)</li> <li>• review the market situation of material and production services (e.g. price, supply, competition)</li> </ul> <p>2. Application and process</p> <p style="padding-left: 40px;">Be able to</p> <ul style="list-style-type: none"> <li>• identify the costs associated with the fashion product and the related expectations (e.g. client's target price, delivery schedule)</li> <li>• determine the cost breakdown and possible areas for cost adjustment</li> <li>• compare cost breakdown of similar fashion products for the cost evaluation</li> <li>• consult related parties (e.g. suppliers, production department) to propose options for achieving cost efficiency or closing the price gap</li> <li>• solicit feedback on the options from the client or others and make corresponding adjustments</li> <li>• document product cost analysis and record the decision</li> </ul> <p>3. Exhibit professionalism</p> <p style="padding-left: 40px;">Be able to</p> <ul style="list-style-type: none"> <li>• have insight into latest market trend that may affect the cost of a fashion product</li> <li>• demonstrate full consideration of all aspects when proposing options</li> </ul>
Assessment Criteria	<p>The integrated outcome requirements of this UoC are the abilities to accomplish:</p> <ul style="list-style-type: none"> <li>• Preparation of cost analysis report to address the price gap between the organisation and the client and suggest options to close the gap.</li> </ul>
Remark	Common UoC across the functional areas: Product Development / Merchandising and Material Procurement / Sales and Marketing