

Specification of Competency Standards
for the Fashion Industry
Unit of Competency

Functional Area - Common

Title	Negotiate order with supplier / vendor
Code	108296L4
Description	Negotiate purchase order with the selected supplier or vendor before finalising the purchase. This applies to individuals who are required to negotiate with suppliers or vendors to achieve the most beneficial deal on a purchase order.
Level	4
Credit	3
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"> • explain the strategies and tactics of negotiation • understand key considerations in setting negotiation objectives • describe the process of getting the right deal in negotiation • state the authority and limitations to conduct order negotiation • identify the organisational policy or guidelines for order negotiation <p>2. Application and process</p> <p style="padding-left: 40px;">Be able to</p> <ul style="list-style-type: none"> • examine the options and offerings provided by the suppliers / vendors • determine requirements for the purchase and set the objectives of negotiation (e.g. lowest price, best delivery or quality) • analyse information for negotiation (e.g. supplier's / vendor's need for the order, their profiles) • develop a negotiation strategy which may include the identification of mutually compatible interests, setting of bottom lines, etc. • participate in a negotiation process through which a beneficial deal is to be reached on a purchase order • maintain a proper record of negotiation outcomes and deal of one order <p>3. Exhibit professionalism</p> <p style="padding-left: 40px;">Be able to</p> <ul style="list-style-type: none"> • communicate openly with suppliers / vendors about the expectations of each other throughout the negotiation processes • achieve a negotiation outcome that is a win-win for both sides
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 negotiation plan, which includes the strategy, process and tactics, to achieve the most beneficial deal with suppliers / vendors on a purchase order.
Remark	Common UoC across the functional areas: Merchandising and Material Procurement / Sales and Marketing