

**Unit of Competency****Functional Area: Sales and Merchandising**

Title	Formulate purchasing strategies
Code	105324L5
Range	This unit of competency is applicable to practitioners in the import and export industry to formulate purchasing strategies to acquire goods, parts, or raw materials to accomplish the company goals.
Level	5
Credit	6 (for reference only)
Competency	<p>Performance Requirement</p> <ol style="list-style-type: none"> <li>1. Possess knowledge of purchasing <ul style="list-style-type: none"> <li>• Describe relevant principles of purchasing</li> <li>• Describe company's purchasing requirements</li> <li>• Use a wide range of skills to determine the desired future and the company goals</li> <li>• Use a range of skills to develop plan to achieve the company goals</li> </ul> </li> <li>2. Formulate purchasing strategies <ul style="list-style-type: none"> <li>• Assess the quality of standards of goods, parts and/or raw materials to be acquired</li> <li>• Evaluate inventory level</li> <li>• Estimate the flow of inputs to produce products</li> <li>• Assess the cash flow requirements</li> <li>• Formulate purchasing strategies for the following activities <ul style="list-style-type: none"> <li>• Develop and review product specification</li> <li>• Prepare the tender documents</li> <li>• Advertise for bids</li> <li>• Evaluate bid</li> <li>• Award contract</li> <li>• Inspect goods received</li> </ul> </li> <li>• Develop performance indicators to measure the quality of goods, parts and/or raw materials to be acquired</li> <li>• Establish inspection processes</li> <li>• Formulate strategies to develop and implement action plans to take corrective actions (if required)</li> <li>• Review purchasing strategies in accordance with company requirements</li> <li>• Establish contingency measures to cope with unexpected incidents</li> </ul> </li> </ol>
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> <li>• Capable of determining company's purchasing needs</li> <li>• Capable of formulating purchasing strategies</li> </ul>
Remark	