

Specification of Competency Standards of the Retail Industry

Unit of Competency

Functional Area: Merchandising and Supply Chain Management

Title	Perform retail inventory management
Code	104974L3
Range	This unit of competency (UoC) is applicable to inventory management staff in the retail industry. It covers the abilities to employ the knowledge of retail inventory management to report and assess inventory information, so as to perform retail inventory management in familiar working environment (e.g. retail stores).
Level	3
Credit	6 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Knowledge of retail inventory management <ul style="list-style-type: none"> • Understand inventory management, such as: <ul style="list-style-type: none"> • Location and planning of inventory • Inventory system and control • Outdated and abandoned inventory • Understand stock-taking method and procedures • Know about the costs of inventory, such as: <ul style="list-style-type: none"> • Material cost • Out-of-stock cost • Cost of returned goods • Understand the relationship between inventory and sales of goods, such as: <ul style="list-style-type: none"> • The best-selling goods • High gross profit goods • Seasonal goods • Popular goods • Form of display • Know the inventory as well as dates of order and delivery for different direct suppliers • Understand the operation of retail stores • Understand procedures of returning goods 2. Perform retail inventory management <ul style="list-style-type: none"> • Perform goods yard management, e.g.: <ul style="list-style-type: none"> • Design a layout map showing the inventory racks in the warehouse, indicate the classification of goods in each area and post the layout map on the door of the warehouse • Put the goods by areas and by classification in a neat and tidy order • Manage the inventory racks in the warehouse according to serial number • Set a safe inventory level for the inventory goods • Apply the first-come-first-out (or some other) principle to govern the in and out of goods • Perform stock-taking duty according to the established procedures, including: <ul style="list-style-type: none"> • Counting the quantity and value of the inventory on regular basis • Recording the real balance of inventory • Recording the quantity of inventory loss • Implement inventory policy, including: <ul style="list-style-type: none"> • Assessing the impact of marketing activities and market conditions on demand • Assessing customer demand and flow • Making forecast on sales volume • Determining the proportion between inventory and sales • Arranging replenishment of goods • Estimating ordering cost and inventory cost • Setting stock re-ordering level 3. Exhibit professionalism <ul style="list-style-type: none"> • Strictly comply with the inventory policy of the organization when performing retail inventory management • Prevent any abuse of power or malpractice, such as abuse / misappropriation of the organizational assets and theft, in a professional manner

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Assessment Criteria	The integrated outcome requirements of this UoC are the abilities to: <ul style="list-style-type: none">• Employ the knowledge of retail inventory management to report and assess inventory information; and• Perform the duties of retail inventory management, such as goods yard management and stock-taking.
Remark	