

Specification of Competency Standards of the Retail Industry

**Unit of Competency**

**Functional Area: Merchandising and Supply Chain Management**

Title	Formulate inventory control systems
Code	104984L5
Range	This unit of competency (UoC) is applicable to staff responsible for inventory management in the retail industry. It covers the abilities to critically analyze, re-organize, evaluate and consolidate a wide range of information; formulate inventory control systems to reflect the real inventory situation; and optimize inventory management for an effective retail business management.
Level	5
Credit	6 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Knowledge of inventory control <ul style="list-style-type: none"> <li>• Master inventory control management, e.g. inventory plan, safe inventory, loss control, obsolete and waste stock</li> <li>• Master the functions and characteristics of different inventory management systems</li> <li>• Understand the principle of inventory management</li> <li>• Understand just-in-time inventory management, including: <ul style="list-style-type: none"> <li>• Zero inventory philosophy</li> <li>• The environment of just-in-time inventory management</li> <li>• The advantage of just-in-time inventory management</li> </ul> </li> <li>• Understand costs of stocks, e.g. material costs, ordering costs, custody costs, out of stock costs, etc.</li> <li>• Master the skills in analyzing inventories such as bestselling items, high-margin items, seasonal items, popular items, etc.</li> <li>• Effect of different promotions on demands</li> <li>• Effects of warehouse inventory zoning method on warehouse operations and procedures for receiving goods by retail stores</li> </ul> </li> <li>2. Formulate inventory control systems <ul style="list-style-type: none"> <li>• Work with different departments in analyzing the inventory system and structure of the organization</li> <li>• Analyze the inventory control system of the organization</li> <li>• Work out the inventory supply and workflow, e.g. time arrangement for buying, storing and delivering stocks</li> <li>• Formulate inventory control optimization systems for: <ul style="list-style-type: none"> <li>• Purchase control</li> <li>• Optimized warehouses</li> <li>• Withdrawing procedures</li> <li>• Manpower and responsibilities</li> <li>• Stock taking procedures</li> <li>• Automatic inventory monitoring systems, e.g. RFID, bar code, etc.</li> </ul> </li> </ul> </li> <li>3. Exhibit professionalism <ul style="list-style-type: none"> <li>• Ensure the accuracy of the inventory control system used</li> <li>• Prevent malpractice such as abuse / misappropriation of the organizational assets in a professional manner</li> </ul> </li> </ol>
Assessment Criteria	<p>The integrated outcome requirements of this UoC are the abilities to:</p> <ul style="list-style-type: none"> <li>• Master the knowledge of inventory management; and</li> <li>• Analyze and consolidate information, formulate inventory systems for efficient inventory management and warehouse management to smoothen the retail business operation.</li> </ul>
Remark	