

Specification of Competency Standards of the Retail Industry

Unit of Competency

Functional Area: Merchandising and Supply Chain Management

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| Title | Formulate inventory management strategies |
| Code | 104988L5 |
| Range | This unit of competency (UoC) is applicable to inventory management staff in the retail industry. It covers the abilities to critically analyze, re-organize, evaluate and consolidate all kinds of information; understand the overall inventory needs and procedures of the organization; and formulate effective inventory management strategies to ensure the accuracy of inventory. |
| Level | 5 |
| Credit | 6 (for reference only) |
| Competency | <p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Knowledge of inventory management <ul style="list-style-type: none"> • Master inventory control management, such as: <ul style="list-style-type: none"> • Inventory plan • Safe inventory • Loss control • Obsolete inventory • Possess knowledge of inventory procedures • Know the importance of setting up proper inventory management system and measures to prevent fabrications of inventory records for misappropriation of corporate assets • Understand the legal and corporate regulations and requirements for inventory procedures 2. Formulate inventory management strategy <ul style="list-style-type: none"> • Formulate inventory management procedures for retail goods, including: <ul style="list-style-type: none"> • Inventory records • Receipt of goods • Goods delivery • Stock-taking • Dispose of goods • Retrieval of goods delivered • Returns and exchanges • Formulate suitable warehousing district strategy for goods • Formulate stocktaking procedures to categorize inventories (fast-moving, slow-moving, high value-added, etc.) • Formulate the responsibilities of inventory management staff to carry out appropriate division of labour, checks and balances • Formulate stocktaking and coordinate strategy differences • Carry out monitoring and audit control to ensure that the staff comply with established procedures • Formulate the functional authority of staff of different levels in approving different goods <ul style="list-style-type: none"> • Replenish items consumed • Acknowledge receipt of goods • Dispose of unusable, obsolete or surplus goods • Staff conduct guidelines • Guidelines on other policies e.g. declaration of conflict of interest and acceptance of advantage • Review and improve the inventory management system • Note and assess the risks when formulating inventory management strategies 3. Exhibit professionalism <ul style="list-style-type: none"> • Ensure that the inventory information is correct • Formulate management strategies to prevent any abuse of power or malpractice, such as abuse / misappropriation of the corporate assets and theft |
| Assessment Criteria | <p>The integrated outcome requirements of this UoC are the abilities to:</p> <ul style="list-style-type: none"> • Formulate effective inventory strategies to ensure smooth supply of goods; • Establish effective inventory management monitoring measures to prevent misappropriation of the organizational assets by staff; and • Review and improve the inventory management system of the organization. |
| Remark | |