

Specification of Competency Standards of the Retail Industry

**Unit of Competency**

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

Title	Improve the supply and distribution chain
Code	104992L6
Range	This unit of competency (UoC) is applicable to the supervisory and management staff in the retail industry. It requires critical analysis and evaluation. It covers the abilities to establish an appropriate supply and distribution chain for the organization in the absence of complete or continuous data/information and continuously improve it according to the organization's business strategies in order to promote the development of the organization's retail business.
Level	6
Credit	6 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Knowledge of the supply and distribution chain <ul style="list-style-type: none"> <li>• Fully master the organization's operation strategies and goal, market status and competitiveness</li> <li>• Understand the importance of a well-designed supply and distribution chain to the retail business operation and the overall profit of the organization</li> <li>• Master the business partner relationship between the organization and different suppliers</li> <li>• Master the good performance criteria for a supply and distribution chain</li> <li>• Master factors affecting supply of goods, e.g. <ul style="list-style-type: none"> <li>• Customers' demand for goods</li> <li>• Cost price (raw materials, manpower, freight charges, etc.)</li> <li>• Government policies</li> <li>• Seasonal or fashion effect, etc.</li> </ul> </li> </ul> </li> <li>2. Improve the supply and distribution chain <ul style="list-style-type: none"> <li>• Obtain and organize detailed information of suppliers and their goods and process the data by computer database software when necessary</li> <li>• Pay attention to and update information of suppliers and their goods, analyze the potential effect on the retail business of the organization</li> <li>• Understand whether or not the supplier's source of goods (from raw materials to the supplier) will lead to sensitive problem such as the employment of illegal workers by manufacturers, etc.</li> <li>• Review, compare and analyze reports on sales, customer satisfaction level, and quality of goods, etc, in order to analyze their effects on the supply and distribution chain</li> <li>• Formulate precise standards for quality and quantity of goods supplied</li> <li>• Formulate policies and procedures for supply and distribution of goods, including: <ul style="list-style-type: none"> <li>• From raw material to the supplier</li> <li>• From supplier to the organization</li> <li>• From warehouse to various stores/retail spots</li> <li>• From the organization to the ultimate customer, etc.</li> </ul> </li> <li>• Critically conduct a comparative analysis of the supply and distribution chain in operation against the good performance criteria/performance of competitors and make amendments when the standard is not reached</li> <li>• Accurately forecast and analyze future market supply and demand for goods in order to forecast the amount to be purchased from various suppliers in advance</li> <li>• Regularly review and implement improvement plans with key suppliers and supply chain service providers</li> <li>• Regularly submit report to the management including: <ul style="list-style-type: none"> <li>• Performance of the supply and distribution chain in operation</li> <li>• Suggestions for adding/strengthening/discontinuing suppliers</li> <li>• Make adjustments based on future demand and give Suggestions to improve the supply and distribution chain</li> <li>• Strive for additional resources/manpower required</li> <li>• Changes in operating cost and optimization method, etc.</li> </ul> </li> </ul> </li> <li>3. Exhibit professionalism <ul style="list-style-type: none"> <li>• Protect the benefits of the organization when improving the supply and distribution chain</li> <li>• Prevent any abuse of power or malpractice, such as abuse / misappropriation of the organizational assets and theft when improving the supply and distribution chain</li> </ul> </li> </ol>

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Assessment Criteria	The integrated outcome requirements of this UoC are the abilities to: <ul style="list-style-type: none"><li>• Establish an appropriate supply and distribution chain according to the business strategies and goals of the organization; and</li><li>• Continuously improve the supply and distribution chain to promote the long-term development of retail business of the organization.</li></ul>
Remark	