

Specification of Competency Standards of the Retail Industry

**Unit of Competency**

**Functional Area: Strategic Management**

Title	Monitor financial performance
Code	105025L5
Range	This unit of competency (UoC) is applicable to staff in the retail industry responsible for financial management. It covers the abilities to supervise, analyze, evaluate, monitor the financial performance of retail stores and integrate the overall financial performance of the organization.
Level	5
Credit	6 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Knowledge of financial management <ul style="list-style-type: none"> <li>• Understand capital and financial management of the retail industry</li> <li>• Understand financial planning and forecasting</li> <li>• Master financial statement analysis</li> <li>• Understand risk management, including: <ul style="list-style-type: none"> <li>• System and non-system risks</li> <li>• The relationship between risk and expected risk</li> </ul> </li> </ul> </li> <li>2. Monitor financial performance <ul style="list-style-type: none"> <li>• Confirm the objectives and scope of financial monitoring</li> <li>• Confirm the key performance indicators(KPI) for monitoring</li> <li>• Monitor the information and statistical data collected from retail points, e.g. <ul style="list-style-type: none"> <li>• The total gross profit</li> <li>• Operating margin</li> <li>• Net profit margin</li> <li>• Same-store sales growth</li> <li>• Cost of goods sold</li> </ul> </li> <li>• Use ratio analysis or other techniques to monitor the financial performance of the organization, e.g.: <ul style="list-style-type: none"> <li>• Equity</li> <li>• Fixed assets to total assets</li> <li>• Sales profits</li> <li>• Return on investment ( ROI )</li> </ul> </li> <li>• Conduct relevant risk assessments to control financial risks</li> <li>• Conduct relevant financial analyses to prepare the financial reports</li> </ul> </li> <li>3. Exhibit professionalism <ul style="list-style-type: none"> <li>• Follow the organization's guidelines and requirements and protect its benefit when monitoring the financial performance</li> <li>• Ensure the accuracy of the financial performance information provided</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>• Monitor the financial performance of the organization and analyze relevant data in order to use the financial resources effectively.</li> </ul>
Remark	