

Specification of Competency Standards of the Retail Industry

Unit of Competency

Functional Area: Store Operations

Title	Manage retail store inventory
Code	105151L4
Range	This unit of competency (UoC) is applicable to staff responsible for commodity management in the retail industry. It requires planning, analysis and judgement. It covers the abilities to implement retail store inventory management according to the organization's established retail inventory management policies in order to satisfy customer demand and reduce waste.
Level	4
Credit	6 (for reference only)
Competency	<p>Performance Requirements</p> <p>1. Knowledge of inventory management</p> <ul style="list-style-type: none"> • Master the organization's inventory management policies, e.g.: <ul style="list-style-type: none"> • Maximum and minimum quantity of inventory required for different categories of products • Inventory target of the store • Understand the organization's inventory control system, including: <ul style="list-style-type: none"> • Guidelines/procedures for handling insufficient or surplus stock • Manual or electronic inventory tracking system • Inventory requirements for low-flow commodities • Stocktaking system • Inventory quantity control policy • Understand factors affecting the inventory level of different stores, including: <ul style="list-style-type: none"> • Buying pattern and needs of the target groups of customers • Ordering strategies and accuracy • Seasonal cycle • Environmental factor • Sales strategies • Stock supply arrangement • Understand noting points for handling and storing goods, including: <ul style="list-style-type: none"> • Nature of goods, e.g. requirements for freezing, isolated storage, room temperature, etc. • Expiry dates of goods • Inventory cycle • Commodities' labels • Code of practice of the trade <p>2. Manage retail store inventory</p> <ul style="list-style-type: none"> • Analyze factors affecting the store's stock demand and ordering demand, including: <ul style="list-style-type: none"> • Whether the future supply is stable or not • Sales volume • Seasonal reason • Marketing activities and brand promotions • Market trend and technical change • Franchise commitment • Financial budget • Past sales performance • Space of warehouse • Forecast the quantity of the inventory required of different retail stores according to the organization's retail inventory policy and the sales promotion plans of relevant departments; implement retail inventory management according to the pre-set inventory level and replenishment schedule • Monitor the procedures for the delivery of inventories of the store to ensure sufficient stock • Regularly review the effectiveness and timeliness of the existing ordering and inventory control procedures, and make improvement accordingly to ensure sufficient stock of the store • Immediately stop ordering products to be pulled off the shelves or discontinued products according to corporate guidelines, and handle the remaining inventories according to guidelines, e.g. return to the warehouse or supplier, reduction sale, pull the products off the shelves and destroy • Take timely actions to follow up and report to the higher level according to corporate guidelines when finding that the inventory of product exceeds the inventory target/indicator

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Competency	3. Exhibit professionalism <ul style="list-style-type: none">• Ensure that the quantity of inventory of the store can satisfy customer demand and prevent unnecessary waste
Assessment Criteria	The integrated outcome requirements of this UoC are the abilities to: <ul style="list-style-type: none">• Analyze comprehensively factors affecting the store's inventory level and implement retail store inventory management; and• Regularly review the inventory level of the retail store and make adjustment accordingly to ensure an appropriate inventory level and compliance with the organization's inventory management policies.
Remark	