

Specification of Competency Standards of the Retail Industry

Unit of Competency

Functional Area: Store Operations

Title	Formulate a retail store risk management plan
Code	105160L5
Range	This unit of competency (UoC) is applicable to staff responsible for store business management in the retail industry. It involves planning and design, and covers the abilities to critically analyze and assess potential risks for store operation, formulate a comprehensive retail store risk management plan to control or reduce the influence on the organization and relevant parties (e.g. staff, customers and suppliers).
Level	5
Credit	6 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Knowledge of retail store risk management <ul style="list-style-type: none"> • Master the organization's business goals and risk management policies • Understand the business and mode of operation of retail store, e.g. suppliers, business partners, etc. • Understand the concept of risk management, including: <ul style="list-style-type: none"> • Definition and classification of risk • Efficiency and objectives of risk management • Risk management procedures (identify, forecast and handle risks) • Handling of risks (transfer, avoid and prevent loss) • Understand potential risks related to retail store operation and sources of risks, e.g.: <ul style="list-style-type: none"> • Change in economic environment • Fires, floods, natural disasters, etc. • Customer's expectation, product safety, etc. • Information security • Corporate reputation and brand image • Understand legal requirements and regulations related to store operation, e.g.: <ul style="list-style-type: none"> • Buildings safety • Occupational safety and health • Consumer goods safety • Understand the international standards and coverage of risk management 2. Formulate a retail store risk management plan <ul style="list-style-type: none"> • Formulate a risk management plan to deal with the potential risks in different areas of a retail store <ul style="list-style-type: none"> • Change in market demand and product development trend • Economic growth or decline • Change in legislation • Product quality and customer complaints • Intellectual property • Safety and security, etc. • Analyze the risks existing in retail stores of the organization according to trade practice and international standards, and classify them in different levels according to the degree of damage, e.g. high, middle and low levels • Use risk management skills to formulate control methods and risk management procedures for risks of different levels, e.g. buying insurance, contract terms protection, etc. • Formulate a risk management monitoring system to review and assess the effectiveness and timeliness of the risk management mechanism, and make amendments accordingly 3. Exhibit professionalism <ul style="list-style-type: none"> • Ensure that the retail store risk management plan of the organization monitors the risks effectively in order to minimize the impact on store operation
Assessment Criteria	<p>The integrated outcome requirements of this UoC are the abilities to:</p> <ul style="list-style-type: none"> • Identify potential risks of retail store, use risk management skills to classify risk types and degree of damage, and formulate an appropriate risk management plan to minimize the impact and degree of damage on store operation; and • Formulate risk monitoring and assessment mechanism to monitor the effectiveness and timeliness of the risk management plan, and activate remedial procedures.
Remark	