

Specification of Competency Standards of the Retail Industry

Unit of Competency

Functional Area: Store Operations

Title	Formulate product loss prevention policy
Code	105163L6
Range	This unit of competency (UoC) is applicable to staff responsible for policy formulation in the retail industry. It involves complex planning and design of operation and workflow, and requires analysis, evaluation and judgement. It covers the abilities to fully consider the causes of product loss and formulate product loss prevention procedures and policy to reduce loss and protect the interests of the organization.
Level	6
Credit	3 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Knowledge of product loss prevention <ul style="list-style-type: none"> • Understand the definition of “product loss”, e.g. product damage, return, waste, theft, fraud, etc. • Understand usual reasons for product loss in the retail industry, including: <ul style="list-style-type: none"> • Shop theft (by staff or customers), robbery, etc. • Fraud (counterfeit banknotes, fake credit card) • Improper handling of commodities (deterioration, damage) • Accidents (fires, floods) • Master the operation of various departments of the organization and the operational procedures of facilities/systems, e.g. inventory, sales, etc. • Understand types of insurance related to the retail industry and their coverage, e.g.: <ul style="list-style-type: none"> • Property insurance • Product liability insurance • Theft insurance • Cash insurance, etc. • Understand legal requirements and regulations related to retail business 2. Formulate product loss prevention guidelines <ul style="list-style-type: none"> • Establish the objectives and method of formulating the product loss prevention policy, e.g.: <ul style="list-style-type: none"> • Amend and update the existing policy • Formulate a new policy • Formulate staff guidelines • Conform with the requirements of new legislation • Formulate comprehensive product loss prevention measures and procedures for different reasons of product loss according to the business nature of various departments of the organization, e.g.: <ul style="list-style-type: none"> • Theft prevention and security • Handling of goods(e.g. stocktaking, storage and delivery of goods on a regular basis) • Handling of cash(e.g. settlement, account entry and deposit of cash) • Make all relevant staff members understand and implement the product loss prevention policy through effective channels • Regularly arrange staff members to take part in trainings and workshops related to product loss prevention, and provide them with timely and appropriate product loss prevention information • Regularly review and assess the effectiveness and timeliness of the existing product loss prevention policy and procedures, and make improvements accordingly • Monitor the implementation of the product loss prevention policy newly formulated to ensure it conforms to the objectives of the organization • Formulate appropriate remedial measures according to the business nature of relevant departments e.g. buying different insurance policy 3. Exhibit professionalism <ul style="list-style-type: none"> • Ensure in a professional manner that the product loss prevention policy can prevent product losses and protect the interests of the organization

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Assessment Criteria	The integrated outcome requirements of this UoC are the abilities to: <ul style="list-style-type: none">• Formulate a comprehensive product loss prevention policy according to the business nature of the organization, the legal requirements and the security needs of the retail stores; and• Make all relevant staff members understand and implement the product loss prevention policy through effective channels.
Remark	