

Specification of Competency Standards
for the Retail Industry
Unit of Competency

Functional Area - Supply Chain Management

Title	Formulate inventory control systems
Code	111315L5
Range	This unit of competency (UoC) is applicable to staff responsible for inventory management in the retail industry. Practitioners have the ability to formulate inventory control systems to reflect the real inventory situation; and optimise inventory management for an effective retail business management.
Level	5
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Analyse the knowledge of inventory control</p> <ul style="list-style-type: none"> • Master inventory control management (e.g. inventory plan, safe inventory, loss control, obsolete and waste stock) • Master the functions and characteristics of different inventory management systems • Understand the principle of inventory management • Understand just-in-time inventory management, including: <ul style="list-style-type: none"> ○ Zero inventory philosophy ○ The environment of just-in-time inventory management ○ The advantage of just-in-time inventory management • Understand costs of stocks (e.g. material costs, ordering costs, custody costs, out of stock costs) • Master the skills in analysing inventories (bestselling items, high-margin items, seasonal items, popular items) • Analyse the effects of different promotions on demands • Analyse the effects of warehouse inventory zoning method on warehouse operations and procedures for receiving goods by retail stores <p>2. Formulate inventory control systems</p> <ul style="list-style-type: none"> • Work with different departments in analysing the inventory system and structure of the organisation • Analyse the inventory control system of the organisation • Work out the inventory supply and workflow (e.g. time arrangement for buying, storing and delivering stocks) • Formulate inventory control optimisation systems for: <ul style="list-style-type: none"> ○ Purchase control ○ Optimised warehouses ○ Withdrawing procedures ○ Manpower and responsibilities ○ Stock taking procedures ○ Automatic inventory monitoring systems (e.g. RFID, bar code) <p>3. Exhibit professionalism</p> <ul style="list-style-type: none"> • Ensure the accuracy of the inventory control system used • Prevent malpractice such as abuse / misappropriation of the organisational assets
Assessment Criteria	<p>The integrated outcome requirements of this UoC are the abilities to:</p> <ul style="list-style-type: none"> • Master the knowledge of inventory management; and

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	<ul style="list-style-type: none">Analyse and consolidate information, formulate inventory systems for efficient inventory management and warehouse management to smoothen the retail business operation.
Remark	This UoC is adopted from 104984L5.