

Specification of Competency Standards
for the Retail Industry
Unit of Competency

Functional Area - Supply Chain Management

Title	Formulate inventory management strategies
Code	111319L5
Range	This unit of competency (UoC) is applicable to inventory management staff in the retail industry. Practitioners have the ability to understand the overall inventory needs and procedures of the organisation; and formulate effective inventory management strategies to ensure the accuracy of inventory and smooth supply of goods.
Level	5
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Understand the knowledge of inventory management</p> <ul style="list-style-type: none"> • Master inventory control management, such as: <ul style="list-style-type: none"> ○ Inventory plan ○ Safe inventory ○ Loss control ○ Obsolete inventory • Possess knowledge of inventory procedures • Know the importance of setting up inventory management system and measures to prevent fabrications of inventory records for misappropriation of corporate assets • Understand the legal and corporate regulations and requirements for inventory procedures <p>2. Formulate inventory management strategies</p> <ul style="list-style-type: none"> • Formulate inventory management procedures for retail goods, including: <ul style="list-style-type: none"> ○ Inventory records ○ Receipt of goods ○ Goods delivery ○ Stock-taking ○ Dispose of goods ○ Retrieval of goods delivered ○ Returns and exchanges • Formulate suitable warehousing district strategy for goods • Formulate stocktaking procedures to categorise inventories (fast-moving, slow-moving, high value-added, etc.) • Formulate the responsibilities of inventory management staff to carry out appropriate division of labour, checks and balances • Formulate stocktaking and coordinate strategy differences • Carry out monitoring and audit control to ensure that the staff comply with established procedures • Formulate the functional authority of staff of different levels in approving different goods <ul style="list-style-type: none"> ○ Replenish items consumed ○ Acknowledge receipt of goods ○ Dispose of unusable, obsolete, or surplus goods ○ Staff conduct guidelines ○ Guidelines on other policies e.g. declaration of conflict of interest and acceptance of advantage • Review and improve the inventory management system • Note and assess the risks when formulating inventory management strategies

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	<p>3. Exhibit professionalism</p> <ul style="list-style-type: none">• Ensure that the inventory information is correct• Formulate management strategies to prevent any abuse of power or malpractice, such as abuse / misappropriation of the corporate assets and theft
Assessment Criteria	<p>The integrated outcome requirements of this UoC are the abilities to:</p> <ul style="list-style-type: none">• Formulate effective inventory strategies to ensure smooth supply of goods;• Establish effective inventory management monitoring measures to prevent misappropriation of the organisational assets by staff; and• Review and improve the inventory management system of the organisation.
Remark	<p>This UoC is adopted from 104988L5.</p>