

skills **NOW** **Batch B Buying & inventory management**

Batch B units

- 4. SIRXMPR001A Profile a retail market
- 5. SIRXINV004A Buy merchandise
- 6. SIRXINV007A Plan inventory levels

Batch Skill Chart

Tick (✓) each activity when completed.

Activities	Units			Batch
	4	5	6	
1. Read Retail Notes				
2. Read skills maps				
3. Complete learning activities				
4. Complete task reports				
5. Complete activity summary				
6. Submit for assessment				

NAME:

TEL:

Skill	Activity
<p>4. Implement methods to attract customers to store To be accredited for this skill you should show that you can use the information to make your store a more attractive shopping destination. To do this you need to know how to:</p> <ul style="list-style-type: none"> • Obtain and analyse information about shoppers. • Use the information to generate ideas for attracting shoppers. • Work with other staff to develop improvement ideas and communicate these to relevant staff. • Evaluate the idea to ensure that it meets the requirements for the target shoppers. 	<p>B04 Attract store visitors</p>

5. SIRXINV004A Buy merchandise

Skill	Activity
<p>1. Analyse your market To be accredited for this skill you should show that you know the product area in which you operate. To do this you need to know:</p> <ul style="list-style-type: none"> • Your store merchandise and marketing policy and procedures. • The products which shoppers wish to buy and market trends. • New products and services available. • How to identify, evaluate, implement and review opportunities to improve sales. • How to review product ranges to identify problems and opportunities. • Monitor market competition to identify new products, pricing and sales opportunities. 	<p>B05 Analyse your market</p>
<p>2. Department or category analysis To be accredited for this skill you should show that you can evaluate the performance of departments or categories.. To do this you need to know how to:</p> <ul style="list-style-type: none"> • Analyse sales figures by department/category. • Analyse margin/profit figures by department/category. • Determine department/category space allocation to optimise performance. • Determine improvement opportunities. 	<p>B06 Category performance analysis</p>

Skill	Activity
<p>3. Plan merchandise ranges To be accredited for this skill you should show that you understand product ranging principles and how to satisfy shopper demands. To do this you need to know how to:</p> <ul style="list-style-type: none"> • Analyse sales and margin data • Plan a product range to achieve store objectives • Monitor range performance according to market trends • Coordinate promotional and marketing activities. • Review sales performance compared with inventory investment. • Identify sales and profit improvement opportunities. • Determine space requirements and layouts • Plan stock levels for seasonal peaks, and special events • Regularly review ranges according to sales, new products and shopper and staff feedback. 	<p>B07 Range structures</p>
<p>4. Establish supplier relations To be accredited for this skill you should show that you understand the importance of developing positive partnership relationships with suppliers according to store policies. To do this you need to know how:</p> <ul style="list-style-type: none"> • Work with suppliers to set improvement targets • Review supplier performance in regard to reliability quality, profitability, service and deliveries • Identify new suppliers and delete existing suppliers who fail to meet performance standards • Maintain accurate records of negotiations and agreements and convey these to relevant staff • Take immediate corrective action where potential or actual supply problems are indicated. • Identify and develop new suppliers to maintain and improve sales and service delivery. • Regularly review ranges and supply sources according to sales and supplier performance 	<p>B08 Supplier performance standards</p>

Skill	Activity
<p>5. Monitor quality control To be accredited for this skill you should show that you understand the importance of quality in a retail operation. To do this you need to know how to:</p> <ul style="list-style-type: none"> • Identify products which represent a potential quality risk. • Use only reliable suppliers with good quality assurance systems • Establish merchandise quality standards with suppliers according to legal requirements, customer needs and store policies. • Monitor and ensure quality of merchandise during supply, manufacture and delivery processes if applicable. • Record and analyse stock return figures to identify problem merchandise. 	<p>B09 Quality risk products</p>
<p>6. Introduce product ranges To be accredited for this skill you should show that you understand how to introduce new products and ranges. To do this you need to:</p> <ul style="list-style-type: none"> • Plan introduction of new ranges • Determine range location, displays and presentation • Inform staff of new product ranges and introduction • Provide staff training in product knowledge for the new range • Show staff how to display and merchandise the new products 	<p>B10 Introduce product ranges</p>
<p>7. Maximise profit To be accredited for this skill you should show that you can assess product profit contributions. To do this you need to know how to:</p> <ul style="list-style-type: none"> • Calculate or estimate individual product contributions against budget and targets • Check range/product performance against sales and profit targets • Calculate profit contributions according to store space • Negotiate better buying terms with suppliers • Determine pricing strategies consistent with store trading and marketing policies. 	<p>B11 Maximising product profitability</p>

Skill	Activity
<p>8. Rationalise stock To be accredited for this skill you should show that you understand how to review stock performance, identify and clear slow movers or unwanted stocks. To do this you need to:</p> <ul style="list-style-type: none"> • Review and update range at regular intervals • Identify items to be deleted and take action to clear with minimum impact on profit • Use merchandising techniques such as displays and ticketing to maximise clearance product impact. 	<p>B12 Identify non performing items</p>

6. SIRXINV003A Plan inventory levels

Skill	Activity
<p>1. Forecast inventory needs To be accredited for this skill you should show that you understand the importance of accurate sales forecasting. To do this you need to know:</p> <ul style="list-style-type: none"> • The links between business plans, sales forecasts and stock levels. • Information required to forecast inventory needs. • How to monitor market trends and technology changes as part of managing inventory demands. • Anticipate impact of special events on future inventory needs. 	<p>B13 Sales & stock levels</p>

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Task Report

B05 Analyse your market

Retailers buy products in order to sell them for a profit. To do this, they must know:

- Their local market – what shoppers want and their competitors
- The products which they sell – the size of the market, the products, the best sellers, sales trends and any other factors such as safety and government regulation.

These statistics show the relative sales performance of departments in the hardware industry together with the performance of one store.

HARDWARE DEPARTMENTS % SALES \$		
Department	Market Sales %	Store Sales %
Building Materials	7	10
Electrical	4	2
Fasteners	6	5
Garden Equipment	9	7
General hardware	13	10
Hand tools	4	4
Housewares	6	4
Locks/door hardware	4	5
Nursery	6	3
Paint	12	10
Paint Accessories	5	7
Plumbing/heating	6	5
Power Tool Accessories	4	6
Power Tools	6	10
Timber	8	12
Total	100	100

1. Which are the three largest departments – total market?
2. Which are the largest departments – this store?
3. In which departments is the store underperforming compared with the market? Improvement opportunities?
4. In which departments is the store over-performing compared with the market?

Trainee name:

Signed:

Date:

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Task Report

B06 Category performance analysis

Retailers should continually review their sales and profit performance on a category by category basis. Larger retailers review ranges on a regular, formal basis such as every six months but a review can be done at any time. In your store follow this process:

1. Print a sales and profit report for category the period, if possible showing stocks
2. Identify the best sellers
3. Identify the worst sellers
4. Consider new products for the range – compare with existing range
5. List products for deletion
6. Implement range revision – new planogram/layout. Clear deleted stock order new items.
7. Ongoing – continue to monitor sales, stock management and profit performance

Trainee name:

Signed:

Date:

B07 Range structures

When reviewing ranges consider the range structure – do you cater for the needs of your market?

Print the range in ascending or descending price order and check that for major products you offer shoppers a “GOOD – BETTER – BEST” product assortment.

Trainee name:

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Date:

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Task Report

B08 Supplier performance standards

Retailer performance depends upon reliable suppliers who deliver orders according to specifications.

To ensure that suppliers deliver stock as and when required use checklist to review supplier performance. :

Check	Action
Do you have an ordering cycle?	
Have you set minimum & maximum stock levels?	
Have you identified your 'A' lines?	
Do you check 'A' lines daily?	
Have you allowed for supplier order turn around times & transit times?	
Have you set an order fill rate for each supplier eg 95%?	
Do you identify problem items?	
Do you identify problem suppliers?	
Do you follow up outstanding deliveries?	
Do you work with suppliers to improve their performance?	
Do you replace unsatisfactory suppliers?	
Do you work with suppliers to improve sales & service?	

Trainee name:

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Date:

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Task Report

B09 Ascertain quality risk

The best way to prevent quality problems is avoid buying risky products in the first place.

1. Review your product ranges – are there any suspect products?
2. Do you buy from reliable suppliers who will support their products with warranties or a refund policy?
3. Do you monitor product returns to identify problem products?
4. Do you delete problem products?
5. Do you check deliveries of use by date products (UBD) to avoid accepting close to UBD stock?
6. Do you rotate stock so that the oldest stock is at the front of each display?
7. Do you check UBD stock daily and mark down close to UBD stock to clear before UBD?

Trainee name:

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Date:

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Task Report

B10 Introducing product ranges

When you introduce or update a new product range there are several steps involved. This is a list of the steps involved – describe the action required.

Steps	Action
Define the new range	
Document the new range – computer product files	
Determine the range layout or planogram	
.Clear the deleted items	
Order the new items	
Set up display	
Train staff in new product features & benefits	
Monitor sales and profit performance	

Trainee name:

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Date:

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Task Report

B11 Maximising product profitability

Product profitability depends upon the profit margin for the product (the difference between cost and retail price) and the sales volume – how many units are sold. This table shows how profitability can be improved:

Improvement method	How can profit be increased?
Increase retail price	
Better trading terms	
Reduce cost price	
Increase proportion of sales made at full price	
Review range to delete low margin products	
Modify display to give more space to more profitable products	
Reduce the number and length of cut price promotions	
Only promote products at reduced prices where there is a significant supplier contribution	
Reduce buying errors through better selection & quantification	

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Date:

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Task Report

B12 Identify non performing items

To achieve their full potential, retailers need to ensure that their stock investment delivers an adequate sales and profit return. Non performing items may be:

- Slow sellers
- Low margin items
- Items which deliver a poor return on stock investment
- Residual stock – deleted items, oddments and left over stock from earlier promotions.

This list shows ways to identify non performing items. Select a category and apply these tests.

1. Analyse sales performance – units and dollars

Tip – set par sales for each category eg sell one unit per week as a minimum unless the product is a specialist item which should be stocked for retailer credibility.

2. Low margin items

Identify the low margin items in the category – look for low margin items with poor sales and pricing inconsistencies – similar products should earn similar margins.

3. Excess stocks

Identify the products where excessive stocks are carried. Check layout and display, stock levels, minimum order quantities and pack sizes. Also check model, style, size and colour options.

4. Residual stock

Markdown and clear non performing stock. A strong product range is a profitable one – you don't have to rely on risky special buys for sales.

Trainee name:

Signed:

Date:

4. Activity summary

B Buying & inventory management

Trainee name	
Trainee number	
Date	

Batch B assessment units

- SIRXMPR001A Profile a retail market
- SIRXINV004A Buy merchandise
- SIRXINV007A Plan inventory levels

1. Activity summary

Activity	✓	Date
Attend training sessions		
Read notes		
Complete learning activities		
Recognition of prior learning		
Practical experience		
Skills – workplace evidence		
Employability skills		
Other – list		

Third party/Supervisor report

I certify that I have witnessed the nominated trainee perform the required tasks for these units to a consistently acceptable performance standard.

Signed:

Position:

Date:

2. Completed learning activities

Learning activity	✓	Learning activity	✓
4. SIRXMPR001A Profile a retail market		5. SIRXINV004A Buy merchandise	
B01 Store image		B05 Analyse your market	
B02 Local market needs		B06 Category performance analysis	
B03 Customer profiles		B07 Range structures	
B04 Attract store visitors		B08 Supplier performance standards	
6. SIRXINV003A Plan inventory levels		B09 Quality risk products	
B13 Sales & stock levels		B10 Introduce product ranges	
B14 Using inventory control systems		B11 Maximising product profitability	
B15 Monitoring inventory control systems		B12 Identify non performing items	

3. Improving employability skills

If you have completed the learning activities, then you will have improved these employability skills.

1 Communicating effectively	✓
2 Working in a team	✓
3 Problem solving	✓
4 Initiative & enterprise	✓
5 Planning and organising	✓
6 Self management	✓
7 Learning new skills	✓
8 Using technology	✓

TRAINEE ASSESSMENT SUMMARY

Trainee:	Date:

This is to certify that the trainee has met the skills standards required for the units in this batch as evidenced by:

Completed task records and other evidence	
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✓

Observation of workplace performance	
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✓

Signed

Trainee	Trainer	Assessor

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Learning Activity Summary

Name:	
Course:	Certificate IV in Retail Management
Training Organisation	

This is to certify that the nominated trainee has satisfactorily completed the learning activities as marked for this course.

Note that if an activity has not been marked it is because it was not selected by the trainer and does not indicate any trainee shortcoming.

Signed:

Trainer/Assessor

Date

skills **NOW**

CERTIFICATE IV RETAIL MANAGEMENT

Completed Learning Activities

SIRXMGT003A Lead and manage people

Position skills	
What do managers do?	
What makes a good manager?	
Leading by example	
Defining team objectives	
Developing team skills	
Which skills do you need?	
Which tasks can you delegate?	
Delegation of authority?	
Team meeting agenda	
Helping team members	

SIRXMER004A Merchandise presentation

Reviewing displays	
Promotion set up	
Check pricing errors	
Commitment to better housekeeping	

SIRXOHS003A Safe working environment

OHS Review – staff meeting	
OHS communications	
Safe procedures	
Workplace risk inspection	
Planning a safe event	
Staff induction program	
Maintaining OHS records	
Are your OHS policies working?	

SIRXMPR001A Profile a retail market

Store image	
Local market needs	
Customer profiles	
Attract store visitors	

SIRXINV004A Buy merchandise

Analyse your market	
Category performance analysis	
Range structures	
Supplier performance standards	
Quality risk products	
Introduce product ranges	
Maximising product profitability	
Identify non performing items	

SIRXINV003A Plan inventory levels

Sales & stock levels	
Using inventory control systems	
Monitor inventory control systems	

SIRXFIN004A Manage financial resources

Store accounting systems	
Budget submission data	
Setting sales budgets	
Setting expenditure budgets	
Controlling budgets	
C06 Controlling costs	

BSBSBM404A Business planning

Formulate business plan objectives	
Implementing business plans	
Minimising business plan risks	

SIRXSL005A Sales & service delivery

Sales and service standards	
Supply of goods	
Shopper service needs	
A productive workplace	

SIRXCLM002A Manage store facilities

Store asset register	
Equipment service schedule	
Maintenance service contracts	
Using space effectively	