



Australian Government

Assessment Requirements for SIRXIND006 Review retail business fundamentals

Release: 1

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Modification History

Not applicable.

Performance Evidence

Evidence of the ability to complete tasks outlined in elements and performance criteria of this unit in the context of the job role, and:

- review a retail business's strategy, structure and profitability to determine:
 - business objectives
 - breakeven point and profitability
 - internal and external factors impacting on performance
- identify costs of establishing a new retail store, including:
 - store design
 - fitout
 - stock
 - legal and accounting
 - security
 - point of sale equipment
 - bank guarantee
 - recruitment and training
 - marketing
- review the following retail merchandise performance and document a report on merchandise performance:
 - profit margins
 - sell-through rates
 - inventory stock holding
 - sales per square metre
- research the target market of a retail organisation and document strategies to engage the target customer.

Knowledge Evidence

Demonstrated knowledge required to complete the tasks outlined in elements and performance criteria of this unit:

- role of a retail strategy and common retail objectives
- role of a merchandise strategy and common merchandise objectives
- retail profit and loss statements:

- role
- key metrics:
 - sales
 - gross profit
 - net profit
 - cost of goods sold
 - expenses:
 - fixed
 - variable
- key commercial elements of a retail business strategy:
 - sales turnover
 - profit
 - investment in inventory
 - investment in retail space
- common retail organisational structures and roles and responsibilities of key functions:
 - operations
 - marketing
 - warehousing
 - stores
 - buying
 - planning
 - visual merchandising
- common costs and considerations associated with establishment of a retail space:
 - leasing costs
 - bank guarantee
 - design costs
 - fit-out costs
 - utilities
 - stock
 - equipment
 - recruitment
 - staff training
 - marketing
 - legal
 - leasing agreements and terms
- key internal and external factors impacting retail productivity and performance
- value of retail product at cost and retail
- organisational merchandise structure:
 - categories
 - sub-categories

- ranges
- key retail financial metrics considered in merchandise management:
 - sales
 - gross profit
 - sell-through
 - rate of sale
 - average sale price
 - unit sales
 - markdown percentage
 - sales plan
- principles of inventory management and performance
- key considerations in managing physical retail environments:
 - sales targets
 - store presentation standards
 - service standards
 - stock holding
 - promotion strategies
 - team structure.

Assessment Conditions

Skills must be demonstrated in a service industries environment. This can be:

- an industry workplace
- a simulated industry environment.

Assessment must ensure access to:

- relevant documentation:
 - retail organisational strategy
 - retail profit and loss statement
 - retail merchandise strategy
 - retail merchandise performance data.

Assessors must satisfy the Standards for Registered Training Organisations' requirements for assessors.

Links

Companion Volume Implementation Guides -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=ca051b1b-5101-4ec2-ac1c-49699303188d>