



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **SIRXINV404 Manage retail merchandise**

**Release: 1**

## SIRXINV404 Manage retail merchandise

### Modification History

The version details of this endorsed unit are in the table below. The latest information is at the top.

Release	Comments
First Release	New unit incorporating some content from SIRXINV004A Buy merchandise.

### Unit Descriptor

This unit describes the performance outcomes, skills and knowledge required to conduct market analyses, plan merchandise ranges, procure and rationalise stock, and implement staff merchandise training to maximise profit in a changing retail environment.

### Application of the Unit

This unit applies to store and department managers with responsibility for managing the range and quality of merchandise offered, and creating opportunities to improve sales while maximising profits.

### Licensing/Regulatory Information

No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.

### Pre-Requisites

Nil

### Employability Skills Information

This unit contains employability skills.

## Elements and Performance Criteria Pre-Content

### Elements and Performance Criteria

#### Element

#### Performance criteria

Elements describe the essential outcomes of a unit of competency.

Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.

- |   |   |
|---|---|
| 1. Analyse market.  | <ul style="list-style-type: none"> <li>1.1. Identify and analyse <i>store merchandise and marketing policy</i> and procedures to confirm current market position.</li> <li>1.2. Monitor <i>customer requirements</i> formally and informally in order to evaluate market trends and customer needs.</li> <li>1.3. Research new products to clarify demand and fit with current market position.</li> <li>1.4. Identify and evaluate opportunities to adjust merchandise range to improve sales.</li> <li>1.5. Monitor <i>merchandise range</i> to identify the demand for individual items and seasonal variations.</li> <li>1.6. Monitor market competition to identify and evaluate changes to merchandise range.</li> <li>1.7. Measure, analyse and report on existing and potential stock loss and dissipation and their impact on business operations.</li> <li>1.8. Analyse store or department sales figures to determine contribution rates of different product lines.</li> <li>1.9. Determine store or department space requirements and brand product mix according to store policy.</li> <li>1.10. Determine future directions for merchandise ranges according to store policy.</li> </ul> |
| 2. Analyse factors affecting stock levels and range requirements. | <ul style="list-style-type: none"> <li>2.1. Measure, analyse and report on existing and potential stock loss and dissipation and their <i>impact on business operations</i>.</li> <li>2.2. Analyse store or department sales figures to determine contribution rates of different product lines.</li> <li>2.3. Determine store or department space requirements and brand product mix according to store policy.</li> <li>2.4. Determine future directions for merchandise ranges according to store policy.</li> </ul>   |
| 3. Plan merchandise ranges.                                       | <ul style="list-style-type: none"> <li>3.1. Develop and implement buying plan, according to outcomes of analysis and store policy.</li> <li>3.2. Liaise with <i>relevant personnel</i> to coordinate promotional and marketing activities.</li> </ul>   |

- 3.3. Determine investment levels with reference to previous years' sales figures, predicted demand and projected gross profit.
- 3.4. Identify and implement strategies to improve contribution of different product lines to overall sales.
- 3.5. Determine required stock levels according to peak seasons, special events and supplier lead time.
- 3.6. Analyse, evaluate and amend merchandise range and sources of supply according to *feedback* from management, staff and customers.
4. Introduce product ranges.
  - 4.1. Inform relevant personnel of new product ranges and advise on preferred location of merchandise.
  - 4.2. Implement *staff training* in product knowledge to introduce product range.
  - 4.3. Demonstrate or display new ranges to *staff*, according to store merchandising plan.
5. Maximise profit.
  - 5.1. Calculate or estimate individual product range contributions against budget and targets.
  - 5.2. Develop and implement product range assessment checks against budget and targets.
  - 5.3. Calculate or estimate overall selling space contributions according to store merchandising plan.
  - 5.4. Determine store pricing policies according to stated net profit margin in store merchandising plan and consumer law.
6. Rationalise stock.
  - 6.1. Review and update stock range at regular intervals.
  - 6.2. Identify stock lines to be *deleted* and take action to minimise adverse effect on profit.
  - 6.3. *Consolidate stock* as required to maximise sales potential.

## Required Skills and Knowledge

This section describes the skills and knowledge required for this unit.

### Required skills

- analytical skills to evaluate and analyse:
  - market trends and projections
  - sales figures and investment levels
  - space requirement
- communication and interpersonal skills to:
  - ask questions to identify and confirm requirements
  - establish supplier relationships and negotiate supply of goods
  - give instructions
  - liaise with relevant personnel
  - provide feedback and coaching through clear and direct communication
  - provide information and training on product range
  - use and interpret non-verbal communication
  - use language and concepts appropriate to cultural differences
- literacy and numeracy skills to:
  - analyse stock figures
  - calculate and estimate product range contributions
  - develop pricing policies
- technology skills to use and apply technology, including electronic data interchange (EDI)

### Required knowledge

- store policy and procedures in regard to:
  - buying
  - current and future stock inventory levels
  - marketing
  - profit margins
  - quality control
  - stock location and allocated areas
- industry and store information, including:
  - channels of distribution
  - existing and possible new suppliers
  - market competition
  - market needs
  - pricing procedures, including GST requirements
  - range of merchandise available
- product knowledge
- relevant legislation, statutory requirements and codes of practice relating to the retail

industry

## Evidence Guide

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

### **Critical aspects for assessment and evidence required to demonstrate competency in this unit**

Evidence of the following is essential:

- applies store policy and procedures, industry codes of practice, statutory requirements and regulations in regard to buying, merchandising and marketing practices
- demonstrates planning, procurement and rationalisation of stock and merchandise ranges
- interprets market trends and applies them to the store situation to create opportunities to improve sales, while maximising profits
- trains and communicates information to and from staff or team members in regard to stock, merchandise and service range.

### **Context of and specific resources for assessment**

Assessment must ensure access to:

- a retail work environment, including existing merchandise ranges
- relevant store systems, information and documentation, including:
  - stock management system
  - store or department sales figures
  - merchandise budget information
  - merchandising and marketing policies
  - merchandising plan, including space allocation data
  - merchandise and supplier data
  - sales staff.

### **Method of assessment**

A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit:

- observation of performance in the workplace
- customer feedback
- written or verbal questioning to assess knowledge and understanding
- review of portfolios of evidence and third-party workplace reports of on-the-job performance.

### **Guidance information for assessment**

Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended.

## Range Statement

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the individual, accessibility of the item, and local industry and regional contexts) may also be included.

- Store merchandise and marketing policies*** may include:
- current market position
  - store culture
  - target market.
- Customer requirements*** may be monitored by:
- observation
  - questionnaires
  - surveys.
- Merchandise range*** may include:
- existing stock
  - new stock.
- Impact on business operations*** may include:
- budgeting
  - buying
  - ordering patterns
  - planning.
- Relevant personnel*** may include:
- frontline staff
  - relevant managers
  - specialist staff
  - supervisors
  - team leaders.
- Feedback*** may be sought and given:
- in groups or individually
  - verbally or in writing.
- Staff training*** may include:
- off-the-job
  - one-on-one coaching
  - on-the-job
  - any combination of the above.
- Staff*** may include:
- full-time, part-time, casual or contract staff
  - people from a range of social, cultural and ethnic backgrounds
  - people with varying degrees of language and literacy levels.
- Stock lines may be ***deleted*** due to:
- changes in store policy and culture
  - customer requirements
  - fashion trends
  - problems with supply
  - product availability
  - sales performance.



***Consolidation of stock*** • movement of stock between departments or stores.  
may include:

## **Unit Sector(s)**

Cross-Sector

## **Competency Field**

Inventory