



**Australian Government**

# **SHBXPSM004 Develop a product and service range**

**Release: 1**

## SHBXPSM004 Develop a product and service range

### Modification History

Not applicable.

### Application

This unit describes the performance outcomes, skills and knowledge required to investigate, plan for and update a range of products and services at regular intervals. It requires the ability to continually analyse the market, choose and introduce products, negotiate the cost of supply, determine pricing policies and monitor quality.

This unit applies to all single or multiple outlet businesses providing beauty treatments, hairdressing or barbering services. It applies to senior managers and small business owners who operate with significant autonomy and are responsible for making strategic business management and operational decisions.

No occupational licensing, certification or specific legislative requirements apply to this unit at the time of publication.

### Pre-requisite Unit

Nil

### Competency Field

Personal Services Management

### Unit Sector

Cross-Sector

### Elements and Performance Criteria

#### ELEMENTS

Elements describe the essential outcomes

1. Analyse market.

#### PERFORMANCE CRITERIA

Performance criteria describe the performance needed to demonstrate achievement of the element.

- 1.1. Identify business client groups and analyse their product and service preferences.
- 1.2. Review performance of product and service range to identify demand and seasonal variations.
- 1.3. Identify opportunities to improve product and service range.
- 1.4. Research and identify potential new products and services, evaluate supplier claims, benefits for clients and potential

- safety risks.
- 1.5. Identify market competition for specific products and services.
2. Plan product and service range.
    - 2.1. Assess existing product and service range against business objectives, market analysis and sales performance.
    - 2.2. Evaluate new techniques and equipment and assess workforce skills, knowledge and training required to introduce.
    - 2.3. Identify space and equipment requirements for product display and service delivery.
    - 2.4. Determine optimum product and service mix considering all factors and according to market analysis.
  3. Negotiate supply and maximise profit.
    - 3.1. Negotiate cost of supply to maximise profit margins.
    - 3.2. Negotiate terms of trade with suppliers.
    - 3.3. Convey complete and accurate records of negotiations and agreements to appropriate personnel.
    - 3.4. Determine pricing policies for products and services according to nett profit margin required.
    - 3.5. Develop product and service assessment checks and regularly calculate contributions against budgeted sales targets.
  4. Introduce new products and services.
    - 4.1. Update product and service range at regular intervals.
    - 4.2. Inform staff of new product and service range, and implement relevant staff training.
    - 4.3. Demonstrate and promote new products and services to staff.
    - 4.4. Rationalise or delete non-performing products or services.
    - 4.5. Consolidate stock to maximise sales and minimise adverse effects on profit.
  5. Monitor quality.
    - 5.1. Establish specifications for quality of supplier merchandise.
    - 5.2. Monitor merchandise quality during supply and delivery process and rectify deficiencies.
    - 5.3. Check stock return figures and analyse against target figures.
    - 5.4. Evaluate product and service range regularly against staff and client feedback and amend as required.

## Foundation Skills

Foundation skills essential to performance in this unit, but not explicit in the performance criteria are listed here, along with a brief context statement.

### Skill

### Description

Reading skills to:

- interpret sometimes unfamiliar and complex supplier information about product, costs and terms of trade.

- Writing skills to:
- develop and document pricing policies and lists using language easily understood by all staff.
- Oral communication skills to:
- provide clear directions to suppliers about merchandise quality
  - conduct clear and assertive financial negotiations of significant commercial value.
- Numeracy skills to:
- interpret and analyse complex sales, stock and budgetary data
  - calculate cost of supply for various quantities, product mark-up structures and profitable selling prices
  - calculate the dimensions of areas for product display and service delivery.
- Initiative and enterprise skills to:
- proactively seek opportunities to improve product and service range.
- Self-management skills to:
- take responsibility for product development initiatives from initial research through to product establishment and monitoring.

## Unit Mapping Information

No equivalent unit.

## Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=255d312b-db07-48f2-b6d6-1b0b06c42898>