



Australian Government

SHBXPSM004 Develop a product and service range

Release: 1

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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	PERFORMANCE CRITERIA
Elements describe the essential outcomes	Performance criteria describe the performance needed to demonstrate achievement of the element.
1. Analyse market.	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>

Assessment Requirements for SHBXPSM004 Develop a product and service range

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:

- research four different client groups and their product and services preferences
- review the performance of four different products
- research and identify new products and suppliers for four product types suitable for above client preferences
- introduce three new products:
 - negotiate cost of supply and terms of trade
 - develop and document pricing policies and lists for each new product introduced
 - demonstrate and promote products to staff and advise of supplier claims, benefits for clients and potential safety risks
 - over three supply periods, monitor the quality of supply and rectify deficiencies; monitor and record sales performance
- research two new services:
 - evaluate against above client service preferences
 - assess organisation's ability to introduce
 - calculate projected sales and profit.

Knowledge Evidence

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

- sources of information on personal services client groups and their product and service preferences
- full details of the organisation's product and service range
- overview of competitors' current products, services and price structure
- sources and content of product and supplier information
- types of supplier product claims, methods used to substantiate and how to evaluate
- sources of information on new personal service techniques and equipment and business impacts of introducing these
- layout and space requirements for product display and delivery of different personal services relevant to the business type
- for personal services businesses and the organisation in particular:

- business objectives
- profit margins
- sales targets for turnover and profit
- methods used to consolidate stock and delete products while maintaining profitability
- format and content of sales budgets, sales and stock reports and use in analysing product and service performance
- format, content and use of product pricing policies and lists
- principles of negotiation, stages in the negotiating process and different techniques that can be used
- key components of contracts and agreements with suppliers:
 - nature of agreements and contracts
 - preferred supplier agreements
 - terms and obligations of parties
 - terms of trade
 - exclusion clauses
 - dispute resolution clauses
 - termination of contracts
- methods to monitor quality of supply and identify and rectify systematic deficiencies.

Assessment Conditions

Assessment must ensure use of:

- activities that allow the individual to research, plan for and update a range of products and services and to monitor and evaluate product and service success over an extended time period
- people with whom the individual can interact for all communication aspects of the unit; these can be:
 - people in a personal services industry workplace or
 - people who participate in role plays or simulated activities within a training organisation
- computers, printers and general software programs used to produce pricing policies and lists
- the following documents which can be actual documents used by a personal services business or generated by a registered training organisation for the purposes of project and assessment activities:
 - customer profiles, service history and product and service preferences
 - sales budgets
 - sales reports
 - stock reports
- template:
 - supplier contracts and agreements
 - supplier terms of trade

- product pricing policies and lists
- supplier product information including product claims and cost of supply.

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

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