



Australian Government

SIRRM002 Develop a merchandise strategy

Release: 1

SIRRM002 Develop a merchandise strategy

Modification History

Not applicable.

Application

This unit describes the performance outcomes, skills and knowledge required to develop a merchandise strategy that reflects the strategic objectives of a retail organisation. It requires the ability to research and critically evaluate both internal and external factors impacting merchandise performance, develop a merchandise strategy and evaluate its effectiveness.

This unit applies to individuals working in merchandise management related roles in a diverse range of retail sectors and business contexts. They operate with independence and are responsible for making a range of operational business decisions that relate to the management of retail merchandise.

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

Pre-requisite Unit

Nil

Competency Field

Merchandise Management

Unit Sector

Retail

Elements and Performance Criteria

ELEMENTS

Elements describe the essential outcomes.

PERFORMANCE CRITERIA

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

- | | |
|---------------------------------------|--|
| 1. Analyse the operating environment. | <ul style="list-style-type: none">1.1. Access and review organisational strategic objectives and determine organisational priorities for merchandise performance in consultation with relevant personnel.1.2. Access and review existing and previous merchandise strategies and available performance data to inform strategy development.1.3. Research trends in merchandise management and use findings to inform strategy development.1.4. Analyse internal and external operating environments to identify opportunities and risks related to merchandise performance. |
| 2. Develop merchandise strategy. | <ul style="list-style-type: none">2.1. Identify key priorities and objectives of the merchandising strategy based on analysis of the operating environment.2.2. Confirm merchandise strategy is consistent with the direction and objectives of the organisation.2.3. Confirm strategy execution can be supported by organisational structures and resourcing.2.4. Establish performance criteria to evaluate merchandise strategy performance.2.5. Ensure strategy can be adapted in response to environmental opportunities and threats.2.6. Develop a strategy action plan detailing key activities, responsibilities and timeframes.2.7. Obtain input from relevant personnel and make adjustments to strategy based on feedback received.2.8. Finalise merchandise strategy and gain required approval.2.9. Communicate merchandise strategy and action plan to relevant personnel. |
| 3. Review merchandise strategy. | <ul style="list-style-type: none">3.1. Obtain feedback from relevant stakeholders regarding merchandise performance.3.2. Evaluate merchandise strategy against performance criteria.3.3. Use findings to make informed conclusions about merchandise performance and make recommendations for future improvements. |

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.

SKILLS	DESCRIPTION
Reading skills to:	• interpret complex and varied information from diverse sources related to organisational operating environment.
Planning and organising skills to:	• plan for and implement realistic and achievable objectives within strategic plan.
Technology skills to:	• use digital technologies and systems to access, document and communicate information.

Unit Mapping Information

No equivalent unit.

Links

Companion Volume Implementation Guides -

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

Assessment Requirements for SIRRM002 Develop a merchandise strategy

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 the strategic objectives and direction of one retail organisation and develop a merchandise strategy for a six-month trading period by:
 - analysing the internal and external operating environment
 - analysing merchandise performance data
 - documenting a SWOT analysis identifying:
 - strengths
 - weaknesses
 - opportunities
 - threats
- document the above merchandise strategy and detail:
 - brand strategy
 - competitor strategy
 - pricing strategy
 - product strategy
 - promotional strategy
 - supplier strategy
 - target market strategy
 - store and multi-channel strategy
- develop and document an action plan for the above merchandise strategy that details:
 - resourcing requirements
 - key responsibilities
 - performance indicators
 - timeframes
- evaluate the merchandise strategy against performance indicators and make recommendations for ongoing improvements.

Knowledge Evidence

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

- retail merchandise strategies:
 - purpose
 - common objectives and priorities
 - key stakeholders:
 - organisational decision-makers
 - strategy influencers and drivers
 - influence on merchandise budget and planning
 - trends
- role of critical path in merchandise strategy development and execution
- external operating environmental factors and their impact on a merchandise strategy:
 - competitor
 - consumer behaviour
 - economic
 - environmental:
 - sustainability
 - seasonality
 - ethical
 - political
 - social
 - technological
 - target markets:
 - current
 - potential
 - trends
- internal operating environmental factors and their impact on a merchandise strategy:
 - organisational:
 - objectives and direction
 - resourcing
 - gross margin
 - percentage contribution mix
 - supply arrangements
 - logistics
 - current merchandise strategy
 - stock positions
 - product and sales trends
 - space management
 - store changes:
 - openings
 - refurbishments
 - closures

- role and interrelationship of key retail functions in merchandise management:
 - buyers
 - logistics
 - marketing
 - planners
 - production
 - retail operations
 - senior management
 - visual merchandisers
- key aspects of a merchandise strategy:
 - brand strategy
 - competitor strategy
 - pricing strategy
 - product strategy:
 - growing
 - maintaining
 - exiting
 - promotional strategy
 - supplier strategy
 - target market strategy
 - store and multi-channel strategy
- key inclusions in an action plan for merchandise strategy execution:
 - resourcing requirements
 - key responsibilities
 - performance indicators:
 - qualitative
 - quantitative
 - timeframes.

Assessment Conditions

Skills must be demonstrated in a retail environment. This can be:

- an industry workplace
- a simulated industry environment.

Assessment must ensure access to:

- relevant documentation:
 - retail organisational strategy and direction
 - merchandise performance data
- sources of information related to the internal and external operating environments of a retail organisation.

Assessors must satisfy the Standards for Registered Training Organisations' requirements for assessors, and:

- have worked in the retail industry for at least three years where they have applied the skills and knowledge within this unit of competency.

Links

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