



Australian Government

Assessment Requirements for SIRRM004 Develop a merchandise financial plan

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 merchandise and organisational financial data to develop a month-by-month merchandise financial plan for a six-month trading period that includes:
 - sales
 - gross margin profit
 - buying margin
 - markdown value
 - inventory values
 - performance indicators
- re-plan sales, profit and inventory values based on actual merchandise performance and in response to:
 - internal factors impacting merchandise performance
 - external factors impacting merchandise performance
- review merchandise financial plan against performance indicators and make recommendations for future improvement.

Knowledge Evidence

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

- merchandise financial planning:
 - purpose
 - impact on organisational profit and loss
 - role in determining:
 - open-to-buy
 - space capacity planning
 - key financial values:
 - inventory
 - sales
 - profit
- role of post-trade analysis data in developing merchandise financial plan

- common types and applications of merchandise planning processes:
 - bottom-up
 - top-down
- key merchandise financial planning strategies to:
 - maximise profitability
 - minimise loss
- merchandise performance indicators, how they are calculated, and role in merchandise planning:
 - sales
 - gross profit margin
 - Gross Margin Return on Investment
 - sell-through rate
 - stock turn
 - forward cover
 - purchase margin
 - markdown percentage
- internal and external factors impacting merchandise planning:
 - percentage increase or decrease on last year
 - promotional activity
 - consumer behaviour
 - competitor activity
 - store openings
 - store closures
 - store refurbishments
 - online strategy
 - economic factors
 - critical path
- aged stock and impact on inventory and profitability
- merchandise reductions and how they are incorporated into the merchandise plan:
 - markdowns
 - inventory shrinkage
- rebates and impact on merchandise financial plan
- responses to in-trade activity:
 - re-forecasting
 - accounting for variances in:
 - sales
 - inventory
 - profit
- commonly used merchandise planning methods within the retail industry:
 - formats and structures

- systems.

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:
 - merchandise strategy
 - post-trade analysis data
 - in-trade performance data
- templates and software for merchandise financial planning.

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

Companion Volume Implementation Guides -

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