



Australian Government

Assessment Requirements for SIRRM005 Develop a category 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 a merchandise financial plan to create a category financial plan for one product category across a six-month trading period, using either:
 - open-to-buy method
 - space capacity method
- document the above category plan detailing:
 - core and seasonal line spend
 - sub-category spend
 - percentage held back for reaction to trade
 - trial items
 - key winners
 - repeat items
 - deleted items
 - promotional items
 - key delivery dates
- use action levers to adjust the above category plan in response to the following in trade activity:
 - seasonal changes
 - competitor activity
 - sales decreases
 - sales increases
 - supply challenges.

Knowledge Evidence

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

- role and purpose of category financial planning
- methods for creating merchandise category plan:
 - open-to-buy method:
 - at retail

- at cost
 - space capacity method
- internal and external factors impacting category planning:
 - merchandise strategy
 - merchandise financial plan
 - merchandise category structures:
 - category
 - sub-category
 - planned promotional activity
 - consumer trends
 - post-trade analysis
 - open-to-buy
 - space capacity in stores
 - like-for-like sales comparisons
 - stock-quit cycles
 - stock availability
 - full price, markdown and promotional
 - supplier performance
 - competitor performance
 - aged stock
- category pricing structures and role in category financial planning:
 - volume
 - promotional
 - high-margin
 - good, better, best
 - everyday low pricing
- values included within a category plan:
 - core and seasonal line spend
 - sub-category spend
 - trial items
 - key winners
 - repeat items
 - deleted items
 - promotional items
 - key delivery dates
- role of re-forecasting processes
- merchandise performance indicators and role in category plan:
 - sales
 - gross profit margin
 - margin mix

- purchase margin
- markdown value
- levers to react to trade:
 - markdowns
 - promotions
 - repeats
 - re-pricing
 - competitor review
 - holding stock
 - new product trial
 - stock returns
- impacts of, and strategies for, reacting to:
 - seasonal changes
 - competitor activity
 - sales decreases
 - sales increases
 - supply challenges
- commonly-used merchandise category planning methods within the retail industry.

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 financial plan
 - in-trade performance data
- templates for merchandise category planning
- software for merchandise category 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>