



Australian Government

SIRRM005 Develop a category financial plan

Release: 1

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Modification History

Not applicable.

Application

This unit describes the performance outcomes, skills and knowledge required to undertake merchandise financial planning at the category and sub-category level for a retail organisation. It requires the ability to review a merchandise financial plan and allocate financial values to individual product categories.

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 related 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	PERFORMANCE CRITERIA
Elements describe the essential outcomes.	Performance criteria describe the performance needed to demonstrate achievement of the element.
1. Determine category planning requirements.	1.1. Access and review organisational merchandise financial plan to determine category financial planning requirements at the category and sub-category level. 1.2. Profile target market and identify relevant trends to optimise sales opportunities within category plan. 1.3. Determine open-to-buy or space capacity for the trading

- period.
- 1.4. Determine strategies and pricing structures to achieve gross margin and margin mix.
2. Develop category financial plan.
- 2.1. Plan and calculate inventory values using open-to-buy or space capacity method for each category.
 - 2.2. Allocate inventory value to core and seasonal lines.
 - 2.3. Assess risk level of inventory within each category and plan markdown value and stock exit strategy to maximise profitability and maintain inventory at budgeted levels.
 - 2.4. Review promotional plan to determine impacts of planned promotional activity on category planning.
 - 2.5. Identify and hold back a percentage of category plan spend for reaction to trade.
 - 2.6. Document category plan using established organisational systems and processes.
 - 2.7. Obtain input from relevant personnel and make adjustments to category financial plan based on feedback received.
 - 2.8. Finalise category financial plan and gain required approval.
 - 2.9. Communicate category financial plan to relevant personnel to inform range planning and merchandise buying.
3. React to trade.
- 3.1. Evaluate internal and external factors impacting category performance and make any required adjustments.
 - 3.2. Use action levers to react to in-trade performance.
 - 3.3. Re-plan category financial plan based on sales, inventory and profit values during trade.
 - 3.4. Communicate changes to relevant personnel 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.

SKILLS

DESCRIPTION

Numeracy skills to:

- apply financial formulas and perform retail financial calculations to inform the development of a category financial plan.

Technology skills to:

- use complex features of merchandise planning systems to create and manipulate a category financial plan.

Unit Mapping Information

No equivalent unit.

Links

Companion Volume Implementation Guides -

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