



Australian Government

Department of Education, Employment and Workplace Relations

SIRXINV407 Manage suppliers

Release: 1

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Modification History

The version details of this endorsed unit are in the table below. The latest information is at the top.

Release	Comments
First Release	New unit incorporating some content from SIRXINV004A Buy merchandise.

Unit Descriptor

This unit describes the performance outcomes, skills and knowledge required to identify and engage new suppliers, establish and sustain supplier relationships, negotiate supply of goods, monitor supplier performance and discontinue unsatisfactory suppliers.

Application of the Unit

This unit requires the consistent application of store policy and legislative requirements in regard to procurement of stock, maintenance of supplier relations, and quality control.

Licensing/Regulatory Information

No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.

Pre-Requisites

Nil

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Elements and Performance Criteria

Element	Performance Criteria
Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
1. Develop and manage suppliers.	1.1. Establish performance indicators for supplier performance, according to store policy. 1.2. Identify and engage new suppliers with required merchandise range and determine their ability to meet performance indicators. 1.3. Develop cooperative relationships with supplier representatives according to store policy. 1.4. Monitor performance of existing suppliers against performance indicators. 1.5. Discontinue relations with existing suppliers who do not meet performance indicators, according to store policy.
2. Negotiate and manage supply of goods.	2.1. Negotiate and implement arrangements with suppliers according to store policy and procedures, and communicate to relevant personnel. 2.2. Authorise special pricing arrangements and customer payment agreements and communicate to relevant staff and management according to store policy. 2.3. Monitor records of suppliers and stock for accuracy and legibility and take appropriate action where necessary. 2.4. Identify market factors affecting supply and communicate to relevant personnel. 2.5. Produce complete and accurate records of negotiations and agreements, and convey to relevant personnel within designated timelines. 2.6. Take immediate corrective action where potential or actual problems with supply are indicated. 2.7. Analyse, evaluate and amend stock range and source of supply according to feedback from management, staff and customers.
3. Monitor merchandise quality control.	3.1. Confirm merchandise quality standards with suppliers according to legal requirements, customer requirements and store policy. 3.2. Monitor and ensure quality of merchandise during supply, manufacture and delivery processes. 3.3. Record and analyse stock return figures against target figures.

Required Skills and Knowledge

This section describes the skills and knowledge required for this unit.

Required skills

- analytical and problem-solving skills to:
 - analyse stock range
 - develop and implement performance indicators
- communication and interpersonal skills to:
 - ask questions to identify and confirm requirements
 - establish supplier relationships and negotiate supply of goods
 - give instructions
 - liaise with relevant personnel
 - use and interpret non-verbal communication
 - use language and concepts appropriate to cultural differences
- literacy and numeracy skills to:
 - analyse stock figures
 - document performance indicators
 - produce and review documentation

Required knowledge

- industry and store information, including:
 - channels of distribution
 - existing and possible new suppliers
 - range of merchandise available
- relevant legislation, statutory requirements and codes of practice relating to the retail industry
- store policy and procedures in regard to:
 - buying
 - current and future stock inventory levels
 - profit margins
 - quality control

Evidence Guide

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the following is essential:

- applies store policy and procedures, industry codes of practice, statutory requirements and regulations in regard to managing suppliers
- identifies suppliers and maintains supplier relations
- monitors quality control
- negotiates supply of goods
- rationalises stock.

Context of and specific resources for assessment

Assessment must ensure access to:

- a retail work environment
- organisational buying policy and procedures
- relevant store systems, information and documentation, including:
 - a stock management system
 - records of suppliers and stock range
- stock returns data.

Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit:

- observation of performance in the workplace
- customer feedback
- written or verbal questioning to assess knowledge and understanding
- review of portfolios of evidence and third-party workplace reports of on-the-job performance.

Guidance information for assessment

Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended.

Range Statement

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the individual, accessibility of the item, and local industry and regional contexts) may also be included.

- Performance indicators*** may include:
- merchandise range
 - performance
 - price
 - profitability
 - quality
 - service
 - supply reliability.
- Negotiation*** process may include:
- strategies to maximise profits
 - terms of trade.
- Pricing arrangements*** may include:
- cash on delivery (COD)
 - cheque
 - credit card
 - invoice
 - GST.
- Market factors*** may include:
- fashion trends
 - product availability
 - sales performance.
- Legal requirements*** may include:
- licence, patent or copyright arrangements
 - pricing procedures, including GST requirements
 - sale of second-hand goods
 - Australian Consumer Law.

Unit Sector(s)

Cross-Sector

Competency Field

Inventory