



Australian Government

SIRXPRO007A Improve supply and distribution chains

Revision Number: 2

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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
Second Release	Editorial updates

Unit Descriptor

This unit describes the performance outcomes, skills and knowledge required to identify, evaluate and implement ways to improve supply and distribution chains for a retail or wholesale business.

Application of the Unit

This unit applies to personnel who are responsible for identifying, evaluating and implementing ways to continuously review and improve the supply and distribution of products or services for a retail or wholesale business. It includes maintaining continuity of supply whereby inventory can meet requirements for production, sales, distribution and service commitments provided to another business or directly to the end customer.

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. Confirm features of specific supply chains.	1.1.Determine position of the business in the supply chain. 1.2.Analyse features and impact of <i>business relationships</i> with <i>suppliers</i> to the business. 1.3.Establish <i>benchmarks</i> of supply chain efficiency.
2. Maintain information on suppliers.	2.1.Obtain and store <i>information on suppliers</i> of products and services to a retail or wholesale business according to <i>business policy and procedures</i> . 2.2.Update and regularly review information on suppliers of products and services to a business. 2.3. <i>Store information</i> on nature and feature of business relationship with suppliers to a retail or wholesale business and report, according to confidentiality, security, and business requirements.
3. Review distribution arrangements.	3.1.Review, compare and analyse sales, customer satisfaction and performance reports. 3.2.Review factors affecting supply of retail or wholesale products and services.
4. Devise policy and procedures for distribution and supply.	4.1.Establish policy and procedures for supply and distribution to business customers and end consumers. 4.2.Establish procedures to collect and analyse information on distribution chain management.
5. Forecast future contingencies affecting supply chain management.	5.1.Analyse forecasted market demand to confirm future requirements. 5.2.Communicate forward supply needs for the business to suppliers according to policy and contract provisions. 5.3.Confirm factors affecting forward purchasing and supply arrangements. 5.4.Set standards for supply of products and services to the business in qualitative and quantitative terms. 5.5.Communicate procedures for enforcing quality of supply to the business to relevant internal and external personnel.
6. Improve supply and distribution chain	6.1.Evaluate supply chain against agreed benchmarks and overall

effectiveness.

impact on business performance.

6.2. Benchmark comparative performance of supply chain against best in class or competitors.

6.3. Assess ***factors affecting future distribution and supply*** of products.

6.4. Make recommendations to relevant personnel to respond to opportunities for improvements in customer supply and distribution relationships.

6.5. Confirm impact of proposed improvements to supply and distribution activities against budget and operational plans.

6.6. Use prevailing trading terms to enhance supply and distribution chain management.

6.7. Generate reports on business relationships with suppliers to the business using available business technology and agreed measures.

6.8. Complete ***reports*** to ***relevant personnel*** (internal and external to operational unit) to promote recommended implementation of improvement to supply and distribution chain.

Required Skills and Knowledge

This section describes the essential skills and knowledge and their level, required for this unit.

Required skills

- interpersonal skills to:
 - communicate forward business needs to suppliers
 - communicate procedures to relevant internal and external personnel through clear and direct communication
 - ask questions to identify and confirm requirements
 - use language and concepts appropriate to cultural differences
 - use and interpret non-verbal communication
- literacy and numeracy skills to:
 - interpret a range of workplace documentation
 - access and maintain information on suppliers
 - generate reports and recommendations for supply and distribution chain improvement to relevant personnel
- analytical skills to collect, organising and evaluate information
- management skills to:
 - implement benchmarks of supply chain efficiency
 - devise effective policy and procedures

Required knowledge

- relevant business policy and procedures
- principles and techniques in analysis, assessment, development and implementation
- approval processes and key personnel
- supply cycle
- supply chain for business and typical supply chain models used in different industry sectors and businesses
- procedures for collecting and analysing distribution chain management
- position of the business in the supply chain
- factors affecting supply and distribution management
- work and team priorities
- current forecasts and trends
- market information and data collection
- sales plans
- principles and techniques for measuring supply chain efficiency and quality standards
- Work Health and Safety (WHS) aspects of job
- relevant commercial law and legislation

Evidence Guide

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

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

Evidence of the following is essential:

- evaluates and seizes opportunities to improve supply chain for a product or service within an operational context
- identifies and understands a range of current and emerging supply chain management models
- applies tools to measure and quantify supply chain quality standards and efficiency for a retail or wholesale business
- develops clear and effective policy and procedures for wholesale or retail distribution or supply activities
- develops and implements realistic and measurable performance benchmarks for supply and distribution into a business.

Context of and specific resources for assessment

Assessment must ensure access to:

- a retail or wholesale work environment
- relevant sources of supply chain information
- relevant documentation, such as:
 - policy and procedure manuals
 - supply and distribution reports
 - supplier records
- a range of suppliers.

Methods 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
- third-party reports from a supervisor
- 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 in the performance criteria is detailed below.

Business relationships may be influenced by:

- due diligence requirements
- risk sharing
- market position
- planning cycles and timing
- cost and price analysis
- terms and conditions agreed
- intellectual property and technology rights
- value management
- continuous improvement
- supply chain management
- infrastructural and capital outlay requirements
- organisational systems integration and compatibility.

Suppliers may be:

- commercial companies
- public agencies or organisations
- governments
- community and not-for-profit organisations
- internal.

Benchmarks may include:

- Australian standards
- international standards
- professional standards
- industry standards
- performance indicators
- quality measures and criteria
- planning milestones and timeframes
- manufacturer and supplier standards.

Information on suppliers may include:

- representative's name and contact details
- range of products and/or services
- transaction records
- contact history
- account terms
- prices
- dispatch and shipping procedures
- records of supplier performance

Business policy and procedures may relate to:

- details of items supplied or returned.
- purchasing
- supply and distribution of products or services
- approval processes
- storage and transport of goods.

Methods used to ***store information*** may be:

- manual
- electronic or digital.

Factors affecting future distribution and supply of retail or wholesale products and services may include:

- merchandise availability
- transport availability
- time requirements
- budget requirements
- logistics.

Relevant personnel may include:

- manager or supervisor
- colleagues
- business or area manager
- specialist or technical personnel.

Reports may be delivered:

- verbally
- in writing
- in groups
- individually.

Unit Sector(s)

Cross-Sector

Competency field

Product Management