



Australian Government

SITXINV005 Establish stock and purchasing and control systems

Release: 1

SITXINV005 Establish stock and purchasing and control systems

Modification History

Not applicable.

Application

This unit describes the performance outcomes, skills and knowledge required to establish and implement stock control and cost-effective stock purchasing and supply systems for a business.

The unit applies to all tourism, travel, hospitality and event industry sectors. The unit is relevant to organisations where stock management is an integral and essential part of business operations, and where there are complex purchasing and control issues to be considered. The unit is not appropriate for situations where stock management is very simple, such as controlling stationery supplies in a small office.

It applies to senior managers who operate with significant autonomy and who are responsible for making a range of strategic management decisions.

No occupational licensing, certification or specific legislative requirements apply to this unit at the time of publication.

Pre-requisite Unit

Nil

Competency Field

Inventory

Unit Sector

Cross-Sector

Elements and Performance Criteria

ELEMENTS

Elements describe the essential outcomes.

1. Determine stock requirements.

PERFORMANCE CRITERIA

Performance criteria describe the performance needed to demonstrate achievement of the element.

- 1.1. Use business data, forecasting methods and standard measures to calculate required stock levels.
- 1.2. Determine stock requirements for standard business periods, peak seasons and special events.
- 1.3. Establish cost-effective purchase quantities based on

- business information and supplier advice.
2. Establish optimum supply arrangements.
 - 2.1. Evaluate quality of supply, based on feedback from colleagues and customers.
 - 2.2. Source and review potential suppliers.
 - 2.3. Develop appropriate and accurate purchase specifications.
 - 2.4. Assess suppliers against specifications, considering all relevant factors.
 - 2.5. Assess terms of purchase, and negotiate with suppliers to achieve optimum supply arrangements.
 - 2.6. Adjust sources of supply and make accurate records of agreements.
 3. Develop and implement stock control systems.
 - 3.1. Develop stock control systems and communicate to relevant staff.
 - 3.2. Develop special control systems for stock with high wastage or loss.
 - 3.3. Monitor workplace systems and make adjustments according to feedback and operational experience.
 - 3.4. Initiate training of staff to minimise stock wastage.

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
Reading skills to:	- interpret complex supplier cost sheets, specific terms of purchase, and supplier contracts - sort and analyse information to make decisions on supply arrangements.
Writing skills to:	prepare complex and accurate purchase specifications and stock control system documents.
Oral communication skills to:	negotiate complex supply arrangements and liaise with stock suppliers.
Numeracy skills to:	- work with budgets - interpret complex stock performance, wastage and stocktake reports - interpret supply costs and calculate cost-effective quantities for purchase.
Problem-solving skills to:	monitor the quality and cost of supply, identify deficiencies

- and adjust purchasing arrangements.
- Initiative and enterprise skills to:
 - negotiate cost-effective supply and maximise profitability.
- Planning and organising skills to:
 - plan, establish and monitor stock control systems.
- Technology skills to:
 - use a computer, keyboard and stock control software.

Unit Mapping Information

SITXINV601 Establish stock purchasing and control systems

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=68c40a93-e51d-4e0f-bc06-899dff092694>

Assessment Requirements for SITXINV005 Establish stock and purchasing and control systems

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:

- establish and implement cost-effective stock purchasing and control systems for at least six of the stock items listed in the knowledge evidence
- monitor stock control systems involving the above stock items, stock quality and cost-effectiveness of supply over one stock cycle
- produce stock control reports and data required to calculate cost-effective purchasing of the above items.

Knowledge Evidence

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

- specific industry sector:
 - forecasting methods for calculating required stock levels
 - formulas for yield testing and use of standard measures
 - methods to calculate cost-effective order quantities for different stock items
 - types of computer stock control systems used, their functions and features
 - stock security systems
 - types of storage and their suitability for different kinds of stock
 - supply sources for different types of product
 - appropriate terminology and formats for, and inclusions of, purchase specifications
- specific organisation:
 - relevant stock and product life and storage requirements for specific goods
 - standard business periods, peak seasons and special events
- sources of business data relevant to stock purchasing and control:
 - historical sales figures
 - stocktake figures
 - supplier lead time
 - wastage reports
- factors which influence purchase specifications:
 - budget

- colour
- deadlines for supply
- delivery or pick up requirements
- detailed description
- expected supply cost
- fresh or frozen food
- general description
- grade
- numbers to be purchased
- product name
- quality
- required labelling
- size
- special instructions or requirements
- storage procedures
- upper purchase price barrier
- use for product
- weight
- reasons for stock loss and damage and methods to control these
- stock control systems:
 - bin card system
 - imprest system
 - integrated point-of-sale system
 - ledger system
- stock control procedures and template documents and reports for:
 - ordering
 - levels
 - loss
 - performance
 - monitoring of quality
 - receipt
 - reorder cycles
 - rotation
 - security
 - stocktakes
 - valuation
 - wastage
- storage requirements for different kinds of stock
- use of stock control equipment and software where appropriate
- special control systems:

- controlling ordering quantities
- maintaining correct environmental conditions for the storage of perishable foodstuffs:
 - temperature
 - light
 - humidity
- procedures for:
 - correct handling of perishables to avoid spoilage of stock
 - issue quantities
 - issuing only to authorised persons
 - stock transfer to other departments
 - requisitioning
 - segregated storage of non-food items from food items that have potential to cross-contaminate
- formats for, inclusions, and uses of:
 - stock control procedures
 - specific stock control procedures for stock with high wastage or loss
 - various stock control reports
- goods or stock items that need to be purchased by a business:
 - alcoholic or non-alcoholic beverages
 - cleaning agents and chemicals
 - customer travel products:
 - luggage labels
 - travel bags
 - travel wallets
 - tickets
 - vouchers
 - event supplies
 - food:
 - dairy products
 - canned products
 - dry goods
 - fresh goods
 - frozen goods
 - fruit or vegetables
 - meat, poultry or seafood
 - oils
 - vacuumed sealed items
 - fuel:
 - aircraft
 - coaches

- hire cars
- vessels
- general stores
- housekeeping supplies
- linen
- merchandise
- uniforms.

Assessment Conditions

Skills must be demonstrated in an operational tourism, travel, hospitality or events business for which stock is purchased and stock control systems are developed. This can be:

- an industry workplace
- a simulated industry environment.

Assessment must ensure access to:

- computers, printers and stock control software systems
- current commercial purchase specifications, stock control procedures and reports, supplier cost and contractual documentation used for the purchase of stock
- suppliers with whom the individual can interact and negotiate.

Assessors must satisfy the Standards for Registered Training Organisations' requirements for assessors.

Links

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