



Australian Government

Department of Education, Employment and Workplace Relations

SITXINV003A Manage and purchase stock

Revision Number: 1

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Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to establish and implement stock control and stock purchasing systems.
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Application of the Unit

Application of the unit	This unit applies to individuals who need to establish and monitor high quality and cost-effective order and supply arrangements within an organisation. The unit is relevant in organisations where stock management is an integral and essential part of business operations, and where there are complex ordering, control and purchasing issues to be considered, such as in hospitality establishments. Individuals with managerial responsibility undertake this role. The unit is not appropriate for individuals working in environments where stock management is very simple, such as those controlling stationery supplies in a small office.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units Nil

Employability Skills Information

Employability skills The required outcomes described in this unit of competency contain applicable facets of employability skills. The Employability Skills Summary of the qualification in which this unit is packaged will assist in identifying employability skills requirements.

Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency. Performance criteria describe the required performance needed to demonstrate achievement of the element. Where ***bold italicised*** text is used, further information is detailed in the required skills and knowledge and/or the range statement. Assessment of performance is to be consistent with the evidence guide.

Elements and Performance Criteria

ELEMENT

PERFORMANCE CRITERIA

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| 1 Establish and implement an order and supply process. | 1.1 Develop an order and supply process for <i>stock</i> and communicate to relevant people. |
| | 1.2 Establish economic order quantities based on internal information and supplier advice. |
| | 1.3 Determine required stock levels according to peak seasons, special events and supplier's lead time. |
| | 1.4 Develop process to include monitoring of quality during supply and delivery processes in line with any organisation and regulatory requirements, including |

ELEMENT**PERFORMANCE CRITERIA**

food safety regulations.

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|---|--|-----|---|
| 2 | Establish and implement stock control systems. | 2.1 | Develop <i>stock control systems</i> and communicate to all appropriate staff in a timely manner. |
| | | 2.2 | Apply <i>special control systems</i> to items showing high wastage or loss. |
| | | 2.3 | Use data correctly to calculate <i>standard methods and measures</i> and communicate to appropriate staff. |
| | | 2.4 | Monitor workplace systems and make adjustments according to feedback and operational experience. |
| | | 2.5 | Initiate training of staff to minimise stock wastage. |
| | | | |
| 3 | Develop optimum supply arrangements. | 3.1 | Evaluate quality of supply, based on feedback from colleagues and customers. |
| | | 3.2 | Source and review potential suppliers in line with organisation requirements. |
| | | 3.3 | Develop appropriate and accurate <i>purchase specifications</i> . |
| | | 3.4 | Assess suppliers against specifications considering all <i>relevant factors</i> . |
| | | 3.5 | Assess <i>terms of purchase</i> and negotiate with suppliers to achieve optimum supply arrangements. |
| | | 3.6 | Adjust sources of supply in line with assessments and make accurate records of agreements. |

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

The following skills must be assessed as part of this unit:

- communication skills to negotiate and liaise with stock suppliers
- critical thinking skills to evaluate and determine optimum supply arrangements
- planning and organisational skills to establish and monitor stock control systems and procedures
- problem-solving skills to address stock-related issues at a management level
- literacy skills to interpret and develop a wide range of documents related to purchasing and stock control
- numeracy skills to work with budgets and specific stock control issues, such as wastage, standard measures and stocktakes.

The following knowledge must be assessed as part of this unit:

- economic order quantities and their workplace application, including:
 - applicability to different items
 - appropriate formulas
 - data required to compute the economic order quantity
 - information from suppliers needed to establish economic order quantities
- supply sources for different types of product
- information required to develop an accurate and complete purchase specification, including appropriate terminology
- supplier and market knowledge relevant to given industry context.

Evidence Guide

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 Evidence of the following is essential:

EVIDENCE GUIDE

demonstrate competency in this unit

- ability to develop purchasing and control systems to ensure continuity, quality and cost-effectiveness of supply
- knowledge of typical purchasing and control systems used within the relevant tourism or hospitality context
- development of a purchasing and control system to address a specific business operation need.

Context of and specific resources for assessment

Assessment must ensure:

- interaction with 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:

- evaluation of activities that allow the candidate to undertake a stock management role within a commercial kitchen or a food and beverage outlet over a period of time
- case studies to develop order and supply processes and stock control systems for different workplace situations
- oral or written questions to assess knowledge of typical systems for purchasing and stock control
- review of portfolios of evidence and third-party workplace reports of on-the-job performance by the candidate.

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

Assessing employability skills

Employability skills are integral to effective performance in the workplace and are broadly consistent across industry sectors. How these skills are applied varies between occupations and qualifications due to the different work functions and contexts.

Employability skills embedded in this unit should be assessed holistically with other relevant units that make up the skill set or qualification and in the context of the job role.

Range Statement

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.

Stock may include:

- food and beverages
- linen
- housekeeping supplies
- stationery
- cleaning agents and chemicals
- general stores
- merchandise.

Data for establishing ***stock control systems*** may include:

- yield tests
- historical sales figures
- stocktake figures.

Stock control systems may include:

- integrated point-of-sale systems
- imprest
- ledgers
- bin cards
- stocktaking systems
- stock valuation systems
- stock reporting systems.

Special control systems for items of high wastage may include:

- systems for receiving, storing and issuing
- requisitioning
- controlling issue quantities
- issuing to authorised persons
- procedures for stock transfer to other departments.

RANGE STATEMENT

Standard methods and measures vary depending on product item, but may include:

- portion size, such as weight, volume, count, scoop, measure, cup or slice
- standard recipes.

Information to be included in **purchase specifications** may include:

- product name
- general description
- detailed description
- use for product
- storage procedures
- required labelling
- special instructions or requirements.

Relevant factors to consider in assessing suppliers against specifications may include:

- ability to meet all aspects of the specification
- product availability
- delivery service, including emergency delivery
- minimum and maximum order quantities
- competitive pricing
- financial terms available
- references from other customers
- trading hours
- after sales service.

Terms of purchase may include:

- competitive or open market buying
- contract buying
- sealed bid buying
- cost plus buying
- one stop buying
- cooperative buying
- negotiated buying
- volume buying and warehousing
- centralised or decentralised purchasing.

Unit Sector(s)

Sector

Cross-Sector

Competency field

Competency field

Inventory