



Australian Government

SIRRM001 Plan merchandise buying strategy

Release: 1

SIRRM001 Plan merchandise buying strategy

Modification History

Not applicable.

Application

This unit describes the performance outcomes, skills and knowledge required to plan stock levels and purchase retail merchandise.

This unit applies to senior personnel working in a diverse range of retail sectors and business contexts. They operate independently and are responsible for making a range of operational business decisions and for the buying and planning 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.Undertake post trade analysis.	1.1.Complete a post trade analysis to review past performance against planned performance, identifying missed opportunities. 1.2.Analyse customer buying patterns, and predict future trends. 1.3. Review competitor activity within the local and global marketplace. 1.4.Consult relevant stakeholders for input on post trade analysis and future range strategy.
2. Determine strategy.	2.1 Determine range strategy for relevant future trading period based on post trade analysis. 2.2 Determine price strategy, marketing strategy and product mix

- for the next trading period.
- 2.3 Communicate strategy to relevant personnel and seek input and approval as required.
3. Develop merchandise plan.
- 3.1. Review marketing calendar and new store openings and closures as required.
- 3.2. Establish base line sales and gross margin requirements.
- 3.3. Plan buying margin, markdowns, shrinkage and other reductions.
- 3.4. Determine open to buy, weeks cover or other stock measures.
- 3.5. Determine width and depth of range.
- 3.6. Quantify products to be ordered.
4. Respond to trade.
- 4.1. Evaluate sales against plans and performance benchmarks and interpret impact to the forward plan.
- 4.2. Manage merchandise plan in response to sales and account for variances in sales trends.
- 4.3. Adjust purchases within the merchandise plan, and manage slow moving surplus stock or aged stock to minimise impact on overall margin.
- 4.4. Consolidate stock 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:
- use mathematical formulas for the planning of merchandise.
- Learning skills to:
- research the market place.

Unit Mapping Information

No equivalent unit.

Links

Companion Volume implementation guides are found in VETNet - <https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=ca051b1b-5101-4ec2-ac1c-49699303188d>