 

**RETAIL BUYER**

**Aligned with Qualification 103145 OC Retail Buyer**

**Part Qualification 2: Retail Planner**

**PRACTICAL SKILLS TRAINING LOG**



**Retail buyer**

**Part Qualification 2: Retail planner**

**Practical experience**

**Practical skills modules**

332301000-PM-01 Manage supplier and stock performance

332301000-PM-02 Manage stock through the supply chain

332301000-PM-06 Plan and allocate stock to stores

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| **Company** |  |
| **Learner name & surname** |  |
| **Learner ID number** |  |
| **Learner signature** |  |
| **Line manager name & surname** |  |

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| 1 About this programme |

## 1.1 Occupational purpose

The purpose of this qualification is to prepare a learner to operate as a Retail Buyer by managing and buying stock in the retail environment.

A retail buyer sources, buys and allocates stock for wholesale and retail outlets.

A qualified learner will be able to:

* Manage supplier relationships and the performance of stock.
* Source products through the identification and selection of suppliers.
* Buy merchandise

## 1.2 Occupational task details

1. Manage supplier relationships and the performance of stock. (NQF Level 5)

*Unique Product or Service:* Manages supplier relationships and stock performance.

*Occupational Responsibilities:*

* Manage supplier and stock performance.
* Manage stock through the supply chain.

*Occupational Contexts:*

* Processes and procedures for the management of supplier and stock performance.

2. Source products through the identification and selection of suppliers. (NQF Level 5)

*Unique Product or Service:* Products and suppliers that meet set requirements.

*Occupational Responsibilities:*

* Source products and identify preferred suppliers.

*Occupational Contexts:*

* Processes and procedures for sourcing products and setting ranges.
* Processes and procedures for identifying preferred suppliers.

3. Buy products (NQF Level 5)

*Unique Product or Service*: Products purchased to meet organisation's target market

*Occupational Responsibilities:*

* Negotiate with suppliers.
* Buy products.

*Occupational Contexts:*

* Processes and procedures for negotiating, buying and recording products purchased.

4. Allocate stock to stores (NQF Level 5)

*Unique Product or Service:* Stock allocated to stores.

*Occupational Responsibilities:*

* Plan and allocate stock to stores.

*Occupational Contexts:*

* Processes and procedures for allocating stock to stores.

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| 2 List of practical skill module specifications |

* 332301000-PM-01, Manage supplier and stock performance (10 credits)
* 332301000-PM-02, Manage stock through the supply chain (4 credits)
* 332301000-PM-06, Plan and allocate stock to stores (6 credits)

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| 3 Physical requirements for practical skill modules |

**332301000-PM-01 Manage supplier and stock performance**

* Learning material covering the managing of supplier and merchandise performance
* Calculators, Case studies, role play scenarios or DVDs

**332301000-PM-02 Manage stock through the supply chain**

* Learning material covering the managing of stock through the supply chain, case studies

**332301000-PM-06 Plan and allocate stock to stores**

* Learning material covering allocating stock to stores
* Calculators. Scenarios of stock allocation

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| 4 Criteria for practical skills training approval |

## 4.1 Physical requirements

Should a workplace not have all the necessary physical requirements they are allowed to enter into formal agreements with other workplaces that do have the required list of physical requirements in order to achieve accreditation.

## 4.2 Requirements for practical training evidence

All evidence produced relating to the following practical training must be submitted for external assessment.

**332301000-PM-01 Manage supplier and stock performance**

* Evaluate and improve supplier performance
* Evaluate and improve merchandise performance
* Work constructively in teams by applying good teamwork

**332301000-PM-02 Manage stock through the supply chain**

* Identify critical check points in the flow of stock through the supply chain
* Manage stock through the supply chain

**332301000-PM-06 Plan and allocate stock to stores**

* Allocate new merchandise and quantities to stores
* Replenish sales

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| 5 Practical training |

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| **NOTE:** The practical assignments in this practical training guide and log are written for buyers and planners employed at a retail chain store company. If the instruction requires the learner to perform a task relating to “the retail chain you represent” and the learner is not currently employed, such learner should complete the activity at or relating to the store with which the learner has an agreement for workplace training and experience.  If the practical training is conducted by the training institution (and not the workplace), learners need to be informed in advance what information they need to bring for the contact sessions in order to complete the practical assignments. |

## 5.1 332301000-PM-01: Manage supplier and stock performance, NQF Level 5 (10 credits)

### Purpose of the practical skill modules

The focus of the learning in this module is on providing the learner an opportunity to practice managing the performance of suppliers and merchandise.

Learning contact time - the total amount of time during which the learner needs to have access to the provider to enable him or her sufficient time to obtain the required knowledge and complete activities, assignments and research (if any) as well as required to prepare for and complete assessments is 12.5 days.

The learner will be required to:

* PM-01-PS01: Evaluate and improve supplier performance
* PM-01-PS02: Evaluate and improve merchandise performance
* PM-01-PS03: Work constructively in teams by applying good teamwork

**Learning materials**

***NOTE: Learners should revise the above materials at commencement of the practical training.***

For this practical, the learning material is found in the Learner guide for Module ***KM-01 Managing supplier relationships and performance of merchandise***:

* Chapter 1.10 Criteria and behaviours conducive to working in a team
* Chapter 4 Evaluating supplier performance
* Chapter 5 Managing the performance of merchandise

### 5.1.1 PM-01-PS01: Evaluate and improve supplier performance

#### 5.1.1.1 Scope of practical skill

Given a case study detailing the performance required of a supplier along with details of the supplier’s actual performance the learner must be able to:

* Determine shortfalls in the suppliers’ performance
* Propose actions to improve the suppliers’ performance

#### Applied knowledge

* AK0101 Techniques for evaluating case studies
* AK0102 Techniques for determining shortfalls in performance
* AK0103 Possible actions to correct shortfalls in supplier performance

#### Internal assessment criteria

* IAC0101 Shortfalls in the supplier’s performance are determined according to the given scenario
* IAC0102 The actions proposed are practical and would have the desired effect of improving the supplier’s performance

#### 5.1.1.2 Practical training instructions

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| **Information for completing the practical assignment PM-01-PS01:  Evaluate and improve supplier performance:**  ABC Apparel retail chain has a supplier agreement with Zen Clothing, a local manufacturer of menswear and women’s wear.  ABC Apparel buys two from two product ranges supplied by Zen Clothing   * Men’s T-shirts * Ladies blouses   They have agreed on the following scorecard for measuring performance of Zen Clothing:   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Key performance area** | **Performance standards** | **Target** | **Rating**  **1 Below target**  **3 Meets target**  **5 Exceeds target** | **Comments** | | Quality | Average response time on quality defect reports (SCAR) | 2 days |  |  | | Average resolution time for SCAR | 4 days |  |  | | Delivery | % On time delivery | 95% |  |  | | % Late deliveries | 5% |  |  | | % items shipped on time | 95% |  |  | | Agreed delivery time | 1st week of every month |  |  | | Responsiveness | Emergency orders shipping time | 5 days |  |  | | Communications | 2 days |  |  | | Risk | Conformance to specifications | 98% |  |  | | Product availability | 97% |  |  | | Political events | 0 |  |  |   The men’s T-shirts bought as part of the retail chain’s staple range for men’s casual wear includes the following:   1. Black round-neck in sizes S, M, L, XL, XXL 2. Black V-neck in sizes S, M, L, XL, XXL 3. White round-neck in sizes S, M, L, XL, XXL 4. White V-neck in sizes S, M, L, XL, XXL 5. Navy round-neck in sizes S, M, L, XL, XXL 6. Navy V-neck in sizes S, M, L, XL, XXL   Because of relatively stable consumer demand, replenishment has been automated and the agreement is for Zen Clothing to replenish the following quantities, delivering during the first week of every month for the first three months of the summer season.  It was, however, also agreed that the retail chain could place what is called an emergency order, should the company observe a sudden spike in sales.   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | **SKU** | **Sept** | | | | | **Oct** | | | | | **Nov** | | | | | | S | M | L | XL | XXL | S | M | L | XL | XXL | S | M | L | XL | XXL | | Black round-neck | 250 | 300 | 500 | 500 | 350 | 250 | 300 | 500 | 500 | 350 | 200 | 250 | 250 | 250 | 250 | | Black V-neck | 250 | 300 | 500 | 500 | 350 | 250 | 300 | 500 | 500 | 350 | 250 | 250 | 250 | 250 | 250 | | White round neck | 150 | 200 | 300 | 300 | 250 | 150 | 200 | 300 | 300 | 250 | 500 | 550 | 600 | 600 | 600 | | White V-neck | 200 | 250 | 300 | 300 | 250 | 200 | 250 | 300 | 300 | 250 | 500 | 550 | 600 | 600 | 600 | | Navy round neck | 300 | 400 | 500 | 500 | 450 | 300 | 400 | 500 | 500 | 450 | 200 | 250 | 250 | 250 | 250 | | Navy V-neck | 300 | 400 | 500 | 500 | 450 | 300 | 400 | 500 | 500 | 450 | 200 | 250 | 250 | 250 | 250 |   From the stock management system, the delivery dates and quantities for the T-shirt range were derived in a report:   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **SKU** | **Date Received** | **Sept** | | | | | | S | M | L | XL | XXL | | Black round-neck | 2 Sept | 250 | 300 | 500 | 500 | 350 | | Black V-neck | 2 Sept | 250 | 300 | 500 | 500 | 350 | | White round neck | 2 Sept | 150 | 200 | 300 | 300 | 250 | | White V-neck | 2 Sept | 200 | 250 | 300 | 300 | 250 | | Navy round neck | 2 Sept | 300 | 400 | 500 | 500 | 450 | | Navy V-neck | 2 Sept | 300 | 400 | 500 | 500 | 450 |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **SKU** | **Date Received** | **Oct** | | | | | | S | M | L | XL | XXL | | Black round-neck | 5 October | 250 | 300 | 500 | 500 | 300 | | Black V-neck | 5 October | 250 | 350 | 500 | 500 | 350 | | White round neck | 9 October | 100 | 200 | 300 | 280 | 250 | | White V-neck | 9 October | 150 | 200 | 300 | 250 | 200 | | Navy round neck | 5 October | 300 | 300 | 500 | 400 | 420 | | Navy V-neck | 5 October | 300 | 380 | 450 | 450 | 400 |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **SKU** | **Date Received** | **Nov** | | | | | | S | M | L | XL | XXL | | Black round-neck | 10 November | 200 | 250 | 200 | 200 | 200 | | Black V-neck | 10 November | 250 | 250 | 250 | 200 | 250 | | White round neck | 10 November | 500 | 550 | 550 | 600 | 600 | | White V-neck | 10 November | 500 | 500 | 600 | 600 | 600 | | Navy round neck | 15 November | 200 | 200 | 250 | 250 | 250 | | Navy V-neck | 15 November | 200 | 200 | 250 | 250 | 250 |   The buyer sent an e-mail to the supplier on 6 October to listing the short deliveries and to enquire about the reason. A response was received on 10 October, stating that the supplier of fabric had done a short delivery, impacting on production times.  From the stock management system, the buyer obtained confirmation that an emergency order was placed on 11 October for the following to compensate for short deliveries.   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **SKU** | **Date Ordered** | **Nov** | | | | | | S | M | L | XL | XXL | | Black round-neck | 11 October |  |  |  |  |  | | Black V-neck | 11 October |  | 50 |  |  |  | | White round neck | 11 October | 50 |  |  | 50 |  | | White V-neck | 11 October | 50 | 50 |  | 50 | 50 | | Navy round neck | 11 October |  | 50 |  | 100 |  | | Navy V-neck | 11 October |  | 50 |  |  |  |   Records show that shipping did not take place because there was no stock available apart from the quantities that were being prepared for the next delivery  From the stock management system, the report for customer returns due to quality defects list the following:   |  |  |  |  | | --- | --- | --- | --- | | **SKU** | **Returned**  **Sept** | **Returned**  **Oct** | **Returned**  **Nov** | | Black round-neck | 10 |  | 2 | | Black V-neck | 13 | 4 |  | | White round neck |  | 6 |  | | White V-neck | 11 |  | 4 | | Navy round neck |  |  |  | | Navy V-neck |  | 2 | 3 |   For the current summer season, the buyer was required to complete an Xcel order form for blouses:    ORDER FORM completed on Microsoft Xcel   |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | SKU |  |  | L | | | XL | | | XXL | | | | 1 | Cotton lycra |  | Month 1 | Month 2 | Month3 | Month 1 | Month 2 | Month3 | Month 1 | Month 2 | Month3 | | Blue | 1000 | 1000 | 800 | 1400 | 1400 | 1000 | 1200 | 1200 | 800 | | Black | 900 | 900 | 700 | 1200 | 1200 | 800 | 1200 | 1200 | 800 | | Yellow | 500 | 500 | 400 | 600 | 600 | 500 | 600 | 600 | 400 | | 2 | Cotton | Green | 1000 | 1000 | 900 | 800 | 800 | 600 | 800 | 800 | 600 | | Grey | 1400 | 1400 | 1000 | 1600 | 1600 | 1000 | 800 | 800 | 1000 | | Black | 600 | 600 | 400 | 800 | 800 | 600 | 800 | 800 | 600 | | 3 | Cotton | Taupe | 1000 | 1000 | 900 | 900 | 900 | 700 | 800 | 800 | 600 | | 4 | Cotton stretch | White | 1000 | 1000 | 900 | 800 | 800 | 600 | 800 | 800 | 600 | | Off-white | 1000 | 1000 | 900 | 800 | 800 | 600 | 800 | 800 | 600 | | 5 | Cotton | Yellow | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | Purple | 500 | 500 | 300 | 500 | 500 | 300 | 400 | 400 | 200 | | 6 | Cotton silk | Pink | 600 | 600 | 400 | 600 | 600 | 400 | 500 | 500 | 300 | | White | 1000 | 1000 | 800 | 1000 | 1000 | 800 | 1000 | 1000 | 800 | | 7 | Cotton stretch | Pink/white stripe | 1300 | 1300 | 1000 | 1000 | 1000 | 700 | 900 | 900 | 700 | | Navy/white stripe | 1500 | 1500 | 1000 | 1100 | 1100 | 700 | 900 | 900 | 700 | | 8 | Island cotton | Red/navy floral | 800 | 800 | 400 | 700 | 700 | 400 | 700 | 700 | 400 | | 9 | Polyester viscose | Pink/red floral | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 10 | Polyester cotton | Teal | 1600 | 1600 | 1200 | 1500 | 1500 | 1200 | 1700 | 1700 | 1500 | | Orange | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | Purple | 500 | 500 | 300 | 500 | 500 | 300 | 400 | 400 | 200 | | 11 | Indian cotton | Yellow | 700 | 700 | 500 | 600 | 600 | 500 | 1000 | 1000 | 500 | | 12 | Polyester | White | 2000 | 2000 | 2000 | 2200 | 2200 | 2200 | 2000 | 2000 | 2000 | | Blue | 800 | 800 | 700 | 800 | 800 | 700 | 700 | 700 | 500 | | Yellow | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |   **STOCK RECEIVED**  The following stock was received, all during the first week of every month, as per the agreement.   |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | SKU |  |  | L | | | XL | | | XXL | | | | 1 | Cotton lycra |  | Month 1 | Month 2 | Month3 | Month 1 | Month 2 | Month3 | Month 1 | Month 2 | Month3 | | Blue | 1000 | 1000 | 600 | 1400 | 1400 | 800 | 1200 | 1200 | 600 | | Black | 700 | 900 | 700 | 1200 | 1000 | 700 | 1200 | 1100 | 700 | | Yellow | 500 | 500 | 400 | 600 | 600 | 500 | 600 | 600 | 400 | | 2 | Cotton | Green | 1000 | 900 | 800 | 800 | 800 | 600 | 800 | 800 | 700 | | Grey | 1400 | 1400 | 800 | 1600 | 1600 | 800 | 800 | 800 | 500 | | Black | 600 | 500 | 400 | 800 | 700 | 600 | 800 | 700 | 600 | | 3 | Cotton | Taupe | 1000 | 1000 | 200 | 900 | 900 | 200 | 800 | 800 | 200 | | 4 | Cotton stretch | White | 1000 | 1000 | 900 | 800 | 800 | 600 | 800 | 800 | 600 | | Off-white | 1000 | 1000 | 900 | 800 | 800 | 600 | 800 | 800 | 600 | | 5 | Cotton | Yellow | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | Purple | 500 | 500 | 300 | 500 | 500 | 300 | 400 | 400 | 200 | | 6 | Cotton silk | Pink | 600 | 600 | 300 | 600 | 600 | 300 | 500 | 500 | 300 | | White | 1000 | 1000 | 800 | 1000 | 1000 | 800 | 1000 | 1000 | 800 | | 7 | Cotton stretch | Pink/white stripe | 1300 | 1000 | 1000 | 1000 | 1000 | 700 | 900 | 800 | 700 | | Navy/white stripe | 1000 | 1500 | 1000 | 1000 | 1100 | 700 | 900 | 900 | 500 | | 8 | Island cotton | Red/navy floral | 800 | 800 | 400 | 700 | 700 | 400 | 700 | 700 | 400 | | 9 | Polyester viscose | Pink/red floral | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 10 | Polyester cotton | Teal | 1600 | 1600 | 1200 | 1500 | 1500 | 1200 | 1700 | 1700 | 1500 | | Orange | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | Purple | 500 | 500 | 300 | 500 | 500 | 300 | 400 | 400 | 200 | | 11 | Indian cotton | Yellow | 700 | 700 | 500 | 600 | 600 | 500 | 1000 | 1000 | 500 | | 12 | Polyester | White | 1800 | 1800 | 2000 | 1800 | 1800 | 2200 | 2000 | 2000 | 2000 | | Blue | 800 | 800 | 700 | 800 | 800 | 700 | 700 | 700 | 500 | | Yellow | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |   **RETURNED FOR QUALITY ISSUES**  The following quantities of blouses were returned for quality issues. When customers return such garments, ABC Apparel does not record the size of the item returned, because the cost prices of all sizes for the same SKU are the same.   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | SKU |  |  |  | | | | 1 | Cotton lycra |  | Month 1 | Month 2 | Month3 | | Blue | 2 |  | 2 | | Black | 6 | 8 | 4 | | Yellow |  |  |  | | 2 | Cotton | Green |  |  |  | | Grey |  |  |  | | Black | 10 | 12 | 8 | | 3 | Cotton | Taupe |  |  |  | | 4 | Cotton stretch | White |  | 3 | 6 | | Off-white | 2 |  |  | | 5 | Cotton | Yellow |  |  |  | | Purple |  |  |  | | 6 | Cotton silk | Pink |  |  |  | | White | 6 |  | 2 | | 7 | Cotton stretch | Pink/white stripe |  |  |  | | Navy/white stripe |  |  |  | | 8 | Island cotton | Red/navy floral |  | 6 |  | | 9 | Polyester viscose | Pink/red floral |  |  |  | | 10 | Polyester cotton | Teal |  |  |  | | Orange |  |  |  | | Purple |  |  |  | | 11 | Indian cotton | Yellow | 2 |  |  | | 12 | Polyester | White |  |  |  | | Blue | 6 | 6 | 5 | | Yellow |  |  |  |   **Practical assignment instructions:**   1. Complete the scorecard to evaluate the performance of the performance of the supplier, based on the information above. 2. List the performance shortfalls for each of the evaluation periods (September, October and November). 3. Propose actions to improve the supplier’s performance. The proposals must be practical and should have a strong likelihood to have the desired effect on the supplier’s performance. 4. Ask your practical training facilitator or your employer to provide you with an active evaluation form/scorecard for evaluating supplier performance as well as reports on orders and deliveries, complaints to the supplier and conformance to specifications (or returns due to quality issues) to enable you to practice evaluating supplier performance.  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | SUPPLIER RATING | | Performance evaluation for: | | September | | | | | Key performance area | Performance standards | | Target | | Actual performance | Rating September  1 Below target  3 Meets target  5 Exceeds target | Comments | | Quality | Average response time on quality defect reports (SCAR) | | 2 days | |  |  |  | | Average resolution time for SCAR | | 4 days | |  |  |  | | Delivery | % On time delivery | | 95% | |  |  |  | | % Late deliveries | | 5% | |  |  |  | | % items shipped on time | | 95% | |  |  |  | | Agreed delivery time | | 1st week of every month | |  |  |  | | Responsiveness | Emergency orders shipping time | | 5 days | |  |  |  | | Communications | | 2 days | |  |  |  | | Risk | Conformance to specifications | | 98% | |  |  |  | | Product availability | | 97% | |  |  |  | | Political events | | 0 | |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | SUPPLIER RATING | | Performance evaluation for: | | October | | | | | Key performance area | Performance standards | | Target | | Actual performance | Rating September  1 Below target  3 Meets target  5 Exceeds target | Comments | | Quality | Average response time on quality defect reports (SCAR) | | 2 days | |  |  |  | | Average resolution time for SCAR | | 4 days | |  |  |  | | Delivery | % On time delivery | | 95% | |  |  |  | | % Late deliveries | | 5% | |  |  |  | | % items shipped on time | | 95% | |  |  |  | | Agreed delivery time | | 1st week of every month | |  |  |  | | Responsiveness | Emergency orders shipping time | | 5 days | |  |  |  | | Communications | | 2 days | |  |  |  | | Risk | Conformance to specifications | | 98% | |  |  |  | | Product availability | | 97% | |  |  |  | | Political events | | 0 | |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | SUPPLIER RATING | | Performance evaluation for: | | November | | | | | Key performance area | Performance standards | | Target | | Actual performance | Rating September  1 Below target  3 Meets target  5 Exceeds target | Comments | | Quality | Average response time on quality defect reports (SCAR) | | 2 days | |  |  |  | | Average resolution time for SCAR | | 4 days | |  |  |  | | Delivery | % On time delivery | | 95% | |  |  |  | | % Late deliveries | | 5% | |  |  |  | | % items shipped on time | | 95% | |  |  |  | | Agreed delivery time | | 1st week of every month | |  |  |  | | Responsiveness | Emergency orders shipping time | | 5 days | |  |  |  | | Communications | | 2 days | |  |  |  | | Risk | Conformance to specifications | | 98% | |  |  |  | | Product availability | | 97% | |  |  |  | | Political events | | 0 | |  |  |  | |

#### 5.1.1.3 Supporting evidence to be provided

**Insert the following after this page:**

* Completed scorecards
* List of performance shortfalls, based on the completed scorecards
* Proposals to improve the supplier’s performance.

### 5.1.2 PM-01-PS02: Evaluate and improve merchandise performance

#### 5.1.2.1 Scope of practical skill

Given sets of information comprising, the actual sales and financial return generated by a minimum of 6 products along with the minimum performance standards required by the organisation the learner must be able to:

* Rank the 6 products in order of performance
* Determine whether each are performing to, above or below required standards
* Propose ideas to improve performance or clear dead merchandise as applicable

*Applied Knowledge*

* AK0201 Methods for calculating merchandise performance
* AK0202 Methods to improve performance of merchandise
* AK0203 Techniques for clearing dead stock

*Internal Assessment Criteria*

* IAC0201 The products are ranked in order of performance
* IAC0202 All products are identified as to whether they are performing to, above or below required standards
* IAC0203 Proposals for improving merchandise performance are practical and will result in improved performance.
* IAC0204 Proposals for clearing dead stock are within policies of the organisation and would result in stock being cleared

#### 5.1.2.2 Practical training instructions

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Information for the assignment**   * The company’s product range for napery includes a variety of paper, cotton and linen serviettes. * The company has arranged with a speciality napery supplier to have exclusive rights for two designs of cotton and pure linen serviettes. * The target mark-up for general products in the napery department, where there is considerable competition from other general homeware stores is 50% with a GP of 33%. * The target for speciality and exclusive products, that form part of the company’s up-market homeware store is a markup of 100% with a GP of 49.5%.   **SALES REPORT – JULY TO SEPTEMBER**   |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | **Description** | **Cost excluding VAT** | **Selling price excluding VAT** | **Qty received** | **Target sales quantity** | **Actual Qty sold** | **Profit** | **GP%** | **Mark-up %** | **Beginning of month qty** | **Beginning of quarter stock at cost price** | **End of quarter stock at cost price** | |  | | Paper serviettes dinner contemporary design | 20 | 29 | 6,000 | 6,000 | 5,800 | 40,500 | 32.4 | 47.8 | 150 | 3,000 | 7,000 |  | | Cotton serviettes set of 4 hand-embroidered (exclusive to the company) | 119.06 | 270 | 600 | 600 | 400 | 7,547 | 55.9 | 126.8 | 120 | 14,287.2 | 38,099.2 |  | | Pure linen serviettes plain set of 6 (exclusive to company) | 97.92 | 210 | 800 | 700 | 755 | 89,664 | 53.5 | 114.9 | 150 | 14,688 | 19,094.4 |  | | Cotton serviettes set of 4 white | 71.6 | 88 | 1,000 | 1,000 | 980 | 16,400 | 18.6 | 22.9 | 200 | 14,320 | 15,752 |  | | Cotton serviettes assorted colours single | 17.9 | 22 | 5,000 | 4,800 | 2,100 | 12,300 | 18.6 | 22.9 | 230 | 4,117 | 56,027 |  | | Paper serviettes vintage floral design | 22.5 | 35 | 4,000 | 3,600 | 3,760 | 35,000 | 35.7 | 55.6 | 300 | 6,750 | 12,150 |  |   **Practical assignment instructions:**   1. Calculate the sell-through for each of the 6 products. Do this by using a table similar to the following:  |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Particulars** | | **Actual to plan** | | | | **Stock No** | **Description** | **Target** | **Actual** | **Variation %** | |  |  |  |  |  |  1. Rank the products in order of performance in terms of sell-through, by listing them from best sell-through to lowest sell-through. 2. Calculate the gross GMROI for each product using the formula   And   1. Rank the products from best to lowest performance, based on GMROI. 2. For each of the products, indicate whether they perform on, below or above the company’s GP targets for the relevant types of products (general products or exclusive products). 3. For products that have performed under the target, make proposals for improving performance. 4. Identify dead stock and make proposals for clearing such dead stock. |

#### 5.1.2.3 Supporting evidence to be provided

**Insert the following after this page:**

* Calculation of sell-through
* Ranking of the products in order of performance in terms of sell-through, by listing them from best sell-through to lowest sell-through.
* Calculation of the gross GMROI for each product
* Ranking of the products from best to lowest performance, based on GMROI.
* For each of the products, indication of whether they perform on, below or above the company’s GP targets for the relevant types of products (general products or exclusive products).

### 5.1.3 PM-01-PS03: Work constructively in teams by applying good teamwork

#### 5.1.3.1 Scope of practical skill

Given a set of role play scenarios or DVD showing the interaction of buyers with other role players in the buying team the learner must be able to:

* Identify interaction that promotes good teamwork
* Identify interaction that is disruptive to the team
* Propose how interaction should have taken place so as not to be disruptive to the team

*Applied Knowledge*

* AK0301 Techniques for analysing case studies
* AK0302 Good and disruptive team interaction

*Internal Assessment Criteria*

* IAC0301 Interactions promoting good teamwork is identified in terms of the given scenario
* IAC0302 The disruptive behaviour is identified in terms of the given scenario
* IAC0303 Interaction proposed would promote good teamwork.

#### 5.1.3.2 Practical training instructions

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Video**  Watch the video, *How to make your next business meeting more productive and interesting* (as part of the practical training pack, or available from the link  *https://www.youtube.com/watch?v=\_g\_sE4AQ8DQ)*  **Scenario:**  Tom Brown has arranged a meeting with the buying team to discuss how the team will change their sourcing criteria for suppliers, so that the buying strategy will be aligned with the company’s strategic plan to offer more “green” products to the retail chain’s target group of customers who have shown an increased interest in all efforts towards environmental protection.  The following people are invited to the meeting:   * Marketing Manager, Mikaila Blackburn. She arranged a recent promotional poll among customers who participate in the company’s loyalty programme and a charity programme whereby a percentage of company profits from customers who have subscribed to and use the company’s charity card. The purpose of the poll was to collect information on customers’ environmental protection priorities when considering purchases. * John Ntuli, Planner. John is responsible for allocating products to stores in the chain, based on knowledge available about the differences in target market groups in different locations. * Khethwa Jiyana. She is the Public Relations manager responsible for publicity about the company’s community and social projects. * Morris Maluleka, Visual Merchandising Manager.   Tom prepared an agenda and sent it out to all invited participants two weeks before the date of the meeting:   |  | | --- | | **AGENDA**  Date: 15 August 20xx  Time: 10:00-11:00  Venue: Pelican Room  **Purpose:** To decide on a checklist for criteria when evaluating new suppliers or renewing agreements with current suppliers, aligned with company strategic plans relating to environmental protection  **Participants:**  Tom Brown (Meeting leader)  Mikaila Blackburn (Marketing Manager)  John Ntuli (Planner)  Khethwa Jiyana (Public Relations Manager)  Morris Maluleka (Visual Merchandising Manager)  **Agenda**   1. Welcome and purpose 2. Impact of Executive Management’s environmental protection decision on buying function 3. Criteria for supplier evaluation 4. Closing   Attachment: Executive Management circular stating policy |   Tom opened the meeting at 10:00 by welcoming the participants and thanking them for their time and for being on time. He stated that Morris, the Visual Merchandising manager, did confirm attendance so he would probably still join the group. He expressed his belief that it will be a productive meeting that will guide the buying team’s direction in evaluating suppliers and their products.  Next, Tom explained what type of information every participant has and how that may contribute to preparing a list of criteria. He expressed his resentment that Morris is not available, as Tom knows that the merchandising team had been working on acquiring display equipment and accessories that are more environmentally friendly, such as bamboo shelves and baskets. He could have been able to provide valuable information on trends in this field.  Tom checked that all participants had received and read the attachment. He then proposed that they first brainstorm ideas for criteria to be added to the list, then discuss why every suggestion should be added. A decision will be made on the criteria to be included and prioritised.  Morris joined the meeting at 10:15, apologising for being late and saying that he might need to be excused for taking calls during the meeting as his team is in the midst of major rearrangement of display units in one of the company’s flagship stores.  Tom thanked Morris for joining and emphasised that suppliers may experience several challenges relating to implementing more environment friendly manufacturing and packaging processes and that such challenges include costly equipment and changed procedures.  Tom asked for suggestions and listed ideas given by the team on a white board, divided under the headings of (1) manufacturing processes and carbon footprint and (2) packaging of products.  Mikaila said that the results of the poll she had conducted showed that the majority of customers indicated that environmental packaging, reducing plastics, was their major concern.  Tom thanked her for the valuable input as that would give the team guidance on priorities when evaluating suppliers and negotiating with them. He asked if anybody had some specific ideas about packaging.  Morris was a bit apprehensive, stating that changed packaging would not make a major difference in how customers perceived the retailer, because customers don’t tend to see the smaller changes; they look at the bigger picture therefore merchandising would need to get a higher priority. He said, “Sorry, guys, but I need to get back to the office. Good luck with your task.” And left the meeting.  When Tom proceeded with discussions, Mikaila offered to do a quick follow-up poll, offering a prize to participating customers – she had some money in the budget - to ask what great ideas have they seen in terms of environmentally friendly packaging.  The team agreed that they don’t have technical knowledge about what packaging methods and materials. They decided that Tom and John would have some exploratory meetings with two local suppliers to enquire about what technology is currently available to them and what they could offer or consider, seeing that the retail chain is one of their major buyers. They will provide feedback to this group during the next meeting in two weeks’ time.  Kwetha agreed to investigate competitors’ strategies.  The following action plans were noted as part of the minutes of the meeting:   |  |  |  | | --- | --- | --- | | **Action** | **Responsible person** | **Feedback** | | Meetings with current suppliers | Tom & John | Next meeting | | Competitor strategies | Kwetha | To Tom by next Friday, to prepare for next meeting | | Poll on ideas for environmentally friendly packaging | Mikaila | Next meeting |   **Practical assignment instructions:**   1. After watching the video recommended above, list behaviours that are conducive to teamwork and productive outcomes for a meeting. 2. Identify and list the Tom’s actions that are conducive to teamwork. 3. Identify and list any behaviours that were disruptive to teamwork and the meeting. 4. Observe a meeting between a buying team and other role players. List: 5. Behaviours that were conducive to teamwork 6. Behaviours that were disruptive 7. For the disruptive behaviours you observed in the case study (Tom’s meeting) and the meeting you attended, suggest how interactions should have taken so as not to be disruptive to the team. |

#### 5.1.3.3 Supporting evidence to be provided

**Insert the following after this page:**

* List of Tom’s actions/behaviours that were observed in the case study that are conducive to teamwork
* List of disruptive behaviours observed in the case study of Tom’s meeting.
* List of behaviours conducive to teamwork observed during a meeting that you attended.
* Evidence (such as minutes listing you as an attendee) that you attended the meeting.
* List of disruptive behaviours (if any) observed during the meeting you attended.
* Proposals of how interactions should have taken place so as not to be disruptive to the team.

### 5.1.4 Practical skills log

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| --- | --- | --- | --- |
|  | **PRACTICAL TRAINING ACTIVITIES** | **Dates and number of hours practical training** | **NOTES** |
| PM01  PS01 | Determine shortfalls in the suppliers’ performance |  |  |
| Propose actions to improve the suppliers’ performance |  |  |
| PM01  PS02 | Rank the 6 products in order of performance |  |  |
| Determine whether each are performing to, above or below required standards |  |  |
| Propose ideas to improve performance or clear dead merchandise as applicable |  |  |
| PM01  PS03 | Identify interaction that promotes good teamwork |  |  |
| Identify interaction that is disruptive to the team |  |  |
| Propose how interaction should have taken place so as not to be disruptive to the team |  |  |
|  | Manager/Facilitator signature  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Date  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Learner signature  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

## 5.2 332301000-PM-02: Manage stock through the supply chain, NQF Level 5 (4 credits)

### Purpose of the practical skill modules

The focus of the learning in this module is on providing the learner an opportunity to practice managing the flow of merchandise through the supply chain.

Learning contact time - the total amount of time during which the learner needs to have access to the provider to enable him or her sufficient time to obtain the required knowledge and complete activities, assignments and research (if any) as well as required to prepare for and complete assessments is 5 days.

The learner will be required to:

* PM-02-PS01: Identify critical check points in the flow of stock through the supply chain
* PM-02-PS02: Manage stock through the supply chain

**Learning materials**

For this practical, the learning material is found in the Learner guide for ***KM01 Managing supplier relationships and the performance of merchandise***

* Chapter 3 Managing the supply chain

***NOTE: Learners should revise the above learning materials at the commencement of the practical training.***

### 5.2.1 PM-02-PS01: Identify critical check points in the flow of stock through the supply chain

#### 5.2.1.1 Scope of practical skill

Given a case study detailing the supply chain of a retail organisation the learner must be able to:

* Analyse the supply chain and determine the critical points where disruption could occur
* Propose ways a buyer/planner could manage these critical points

*Applied Knowledge*

* AK0101 The critical control points in the supply chain
* AK0102 Methods for managing the critical control points

*Internal Assessment Criteria*

* IAC0101 All critical points are determined that could disrupt the supply chain
* IAC0102 The proposed methods for managing these critical control points are practical

#### 5.2.1.2 Practical training instructions

|  |
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| **Information for practical assignment**  The Posh Food Market retail chain is reputed for quality food products.  The company goes to great lengths to ensure that only the best fresh, processed ready-to-cook and ready-to-eat foods reaches its customer base, which includes mainly busy, young and mature working families who have a need for easy-to-prepare meals and a taste for local as well as Mediterranean items on their daily menus.  One of the products that the company is well-known for, is its spaghetti rolled through a copper pasta machine which ensures the spaghetti will absorb as much olive oil and tasty sauces as possible.  The key points in the supply chain for the company’s pasta can be illustrated as follows: |



|  |
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| **Practical assignment instructions:**   1. Based on the illustration of the key points in the supply chain of Posh Food Market, and any other information or experience that you have, analyse the supply chain and determine the critical points where disruption could occur. 2. Propose ways a buyer/planner could manage the critical control points. Ensure that your proposals are practical. |

#### 5.2.1.3 Supporting evidence to be provided

**Insert the following after this page:**

* List of critical control points in the supply chain, with a description of the possible disruptions that could take place at each of the critical control points.
* Proposals on ways for managing the critical control points. Ensure that your proposals are practical.

### 5.2.2 PM-02-PS02: Manage stock through the supply chain

#### 5.2.2.1 Scope of practical skill

Given a case study detailing the disrupted flow of stock through a supply chain the learner must be able to:

* Determine where the disruption occurred
* Propose ways to manage these disruptions

*Applied Knowledge*

* AK0201 Methods for managing disruption in the flow of stock through the supply chain
* AK0202 Techniques for identifying disruption in the flow of stock through the supply chain

*Internal Assessment Criteria*

* IAC0201 All points of disruption in the supply chain are identified according to the given scenario.
* IAC0202 Proposals to manage the flow of stock are practical and will ensure a disruption free flow.

#### 5.2.2.2 Practical training instructions

|  |
| --- |
| Every supply chain has many critical points at which there is a risk for disruption. The longer the supply chain, the more critical points there will be where a disruption can occur.  Sometimes these disruptions are small and localised, and may affect only a few regions or stores. At other times, the effects are felt globally. The recent global COVID-19 pandemic is an example of how supply chains worldwide were disrupted and even came to a total standstill for months.  Possible disruptions include:   * **Natural disasters**. For example, in March 2011, an earthquake struck off the Pacific coast of Japan causing a tsunami which in turn led to a nuclear disaster at the Fukushima Daiichi Nuclear Power Plant. The catastrophe affected many businesses and the global economy, temporarily shuttering those that reportedly produced 22% of the world’s supply of 300-millimeter silicon wafers, a component in semiconductors. Natural disasters like this one —or hurricanes, tornados, wildfires, or floods — often draw attention to supply chain dependencies in the affected areas. Even a localised disaster can have far reaching implications in the supply chain depending on where it is.   ***Mitigation action***: Global diversity. Access a broader, more diverse networks of potential suppliers.   * **Transportation delays and failures.** Globalisation and increased international trade have made it more common for supply chains to include international suppliers. This trend has increased business opportunities, but also increased strain on international and domestic transport networks which, in turn, has led to congestion and delays. Such delays can be further aggravated by additional situations such as natural disasters and pandemics.   ***Mitigation action:*** Cargo carrier assessments. Carry out comprehensive to ensure cargo is being delivered safely, on time, and at a fair cost. Before contracting with a transportation partner, it should be thoroughly analysed.   * **Manufacturing and product quality problems.** Supply chain management incudes quality management. Issues with products at any stage in the chain can lead to issues and delays in the final product. * **Export and import documentation.** Any inaccuracies or gaps in information on export and import documentation can cause serious delays while either the exporter or importer is required to provide complete or accurate documentation to comply with relevant legislation and/or Customs duties. * **Industrial action and strikes.** Industrial action and strikes organised by trade unions may cause disruption in manufacture or transport of raw materials and completed goods. * **Inaccurate planning and forecasting.** The ability to accurately plan for and forecast future demand based on past supply is one of the core drivers in avoiding disruption. Intelligent software solutions lay a big part in accurate planning and forecasting. * **Shifts in governmental regulations**. Governmental regulations and restrictions are quickly becoming a common hurdle companies have to overcome in their supply chain management strategy. Taxations, trade restrictions, Customs inspections and delays, border controls, and labour laws are important elements that buyers and planners must address in establishing supply chain strategies.   The following advice is given for managing risk to disruption of the supply chain:  “To manage everyday risks and black swan events, you need a supply chain that is designed to be *resilient* in the face of disruptions. But what are the characteristics of a resilient supply chain?  **1. End-to-end visibility**  The foundation of a resilient supply chain is end-to-end visibility. End-to-end visibility helps planners detect problems that could happen at second- and third-tier supplier levels. When you know the impact of disruptions across the supply chain, you can make the right remedial decisions. With full visibility, you can avoid taking decisions that cause bigger issues elsewhere in the supply chain.  **2. Agility**  Agility is the flexibility and speed at which your supply chain can adapt to changes. It’s crucial to make fast and accurate decisions throughout the supply chain so that you can immediately respond to customer demands. However, your supply chain planning needs to be flexible enough to implement the changes. Good decisions are crucial but to stay ahead of the game, agility is key.  **3. Optimised plans**  Are you making the most of your supply chain? Optimization is about utilizing your resources effectively without compromising rules and KPIs.  For example, is your safety stock at the right level or is it leading to unnecessary costs? An optimized plan can only work if it takes into consideration constraints, business rules and KPIs so that you can measure the outcome of your decisions and improve upon them.  **4. Contingency plans and supply chain risk management**  Do you have backup suppliers if one of your main suppliers goes bankrupt? Do you have enough safety stock if a manufacturer stops operations? That’s why contingency plans are prepared, for when something unexpectedly goes wrong.  While it’s not easy to perform risk identifications, assessments, probability calculations and remediation planning (avoidance, reduction, recovery), it is vital and the rewards are worth it.”  Tactics to achieve this include:   * Monitor inventory, including components and sources, with **digital supply-chain mapping** * Differentiate how you hold inventory by using a **multi-echelon optimization approach** to prevent shortages * Assess changing operating conditions in real time and proactively assess various disruption scenarios by utilizing **digital twin and scenario-based modelling** * Identify alternative scenarios, understand the potential impacts of black swan events and assess the flexibility of the supply chain for your most important supply and distribution channels  Source: Lucie Drescherova , DELMIA Offer Marketing Specialist, Offer Marketing on https://www.supplychainbrief.com/ Read the case study scenario, then answer the questions.  The Quill is a retail chain focusing on stationery and papercraft supplies. The product range includes printed papers for scrapbooking and cardmaking, rubber stamps, ink pads for stamping, metal dies for papercrafting, inks, acrylic and oil paints and brushes and craft magazines.  The company imports quite a large portion of its merchandise and is at the forefront of introducing new products to the South African market. One of its suppliers in the USA is a leading brand for which interest and demand in South Africa is growing exponentially.  The company places an order with the supplier during the last week of every month, when the company alerts retailers about the new release of papers, rubber craft stamps, metal dies and related products to be released to crafters during the second week of the next month.  The shipments are handled by one of the larger international courier companies with a track record for reliability and on-time delivery.  A recent order included:   * Several designs of rubber stamps * Several designs of metal dies * Several designs of printed paper packs * A new product, cardstock that is die-cut into shapes to allow card makers an easy way of making round-shaped cards. This is a novel product and the buyer is sure it will sell like sweetcakes among local crafters.   The supplier distributes its products world-wide and issues a Commercial Invoice (CI) to the courier service for Customs Clearance. A copy is sent to the buying company when shipment takes place. The buyer also receives a tracking number to facilitate tracking of the parcel’s route.  The Commercial Invoice contains, among lots of other information, the following international HS tariff codes used for Customs clearance:    The courier company usually performs pre-clearance of Customs duties and taxes while the shipment is still in transit, to keep to its promised delivery to the distribution centre within a week from shipment from the USA. After receiving a Customs and VAT invoice from SARS, the company is invoiced, and delivery is made to the distribution centre.  With the last order, the buyer could track the parcel’s route but did not receive a Customs invoice from the courier company.  From the tracking number, it was found that the order was stuck at the airport in Dubai for 5 days.  On enquiry, 6 days after the expected delivery, the buyer was informed by the courier that cargo flights at the Dubai airport had been grounded because of the Covid-19 pandemic. The buyer had not checked transportation routes and possible delays during the pandemic.  The buyer got anxious to have the delivery made to the distribution centre, because the marketing team had already announced the launch date of the exciting new products in local social media.  After another week, it was clear from the tracking information that the order had arrived at the OR Tambo airport 5 days earlier but that the Customs Department at SARS offices at the airport had not cleared the delivery. The Department indicated that a special permit was required for some of the items. It was not clear to either the courier or the buyer for which items a special import permit had been required, as in their minds these were all products that had been purchased many times before without any difficulty – paper, cardstock for papercrafting, rubber stamps and metal dies. The flower-shaping moulds were also similar to products imported previously without any problems.  The buyer could eventually speak to a staff member of the Customs Department and was informed that a special permit was required for importing recovered (waste and scrap) paper. This item was the new product, ready-to use paper to make round cards.  The buyer was advised to obtain a sworn declaration from the exporting officer at the supplier to confirm that these products were not used, waste or scrap paper but new products. It took a week to obtain such a declaration and another 3 days before Customs would clear the delivery and provide an invoice for the Customs duties and VAT payable by the importer.  **Questions:**   1. Identify the disruptions in the supply chain for this order. 2. Explain what the byer could have done to prevent the disruptions in the supply chain (not knowing about the classification of the new product). 3. Propose ways in which the disruptions can be prevented in future. Ensure your proposals are practical and will ensure a disruption-free flow in future. 4. Ask your facilitator or mentor providing the practical training to give you a real example of disruption in a supply chain, without explaining how to solve the issue. Analyse the case and propose ways to manage these disruptions. Ensure your proposals are practical and will ensure a disruption-free flow in future. |

#### 5.2.2.3 Supporting evidence to be provided

**Insert the following after this page:**

* List of disruptions in the supply chain for this order.
* An explanation of what the buyer could have done to prevent the disruptions (not knowing about the HS classification of the new product)
* Proposal setting out ways in which similar disruptions can be prevented in future.
* Proposal setting out how to manage disruptions in a supply chain, based on information about a real case obtained from the facilitator/mentor.

### 5.2.3 Practical skills log

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| --- | --- | --- | --- |
|  | **PRACTICAL TRAINING ACTIVITIES** | **Dates and number of hours practical training** | **NOTES** |
| PM02  PS01 | Analyse the supply chain and determine the critical points where disruption could occur |  |  |
| Propose ways a buyer/planner could manage these critical points |  |  |
| PM02  PS02 | Determine where the disruption occurred |  |  |
| Propose ways to manage these disruptions |  |  |
|  | Manager/Facilitator signature  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Date  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Learner signature  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

## 5.3 332301000-PM-06: Plan and allocate stock to stores, NQF Level 5 (6 credits)

### Purpose of the practical skill modules

The focus of the learning in this module is on providing the learner an opportunity to allocate new stock to stores and calculate replenishment quantities.

Learning contact time - the total amount of time during which the learner needs to have access to the provider to enable him or her sufficient time to obtain the required knowledge and complete activities, assignments and research (if any) as well as required to prepare for and complete assessments is 7.5 days.

The learner will be required to:

* PM-06-PS01: Allocate new merchandise and quantities to stores
* PM-06-PS02: Replenish sales

**Learning materials**

The learning materials for this practical can be found in the Learner guide for ***KM04 Concepts and principles for allocating stock to stores***.

### 5.3.1 PM-06-PS01: Allocate new merchandise and quantities to stores

#### 5.3.1.1 Scope of practical skill

Given details of the target market of a minimum of three stores with different target markets along with historical sales of similar products and expected growth in sales, safety stock the learner must be able to:

* Allocate merchandise to stores
* Analyse requirements and calculate quantities to allocate

*Applied Knowledge*

* AK0101 Techniques for matching different merchandise to different target markets
* AK0102 Techniques for calculating quantities to allocate

*Internal Assessment Criteria*

* IAC0101 The allocation of the merchandise is according to the target market of the different stores
* IAC0102 The quantities of stock allocated cover expected sales without overstocking the business

#### 5.3.1.2 Practical training instructions

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| The retail chain you represent is a leading South African fashion store specialising in elegant, fashionable womenswear, menswear and accessories. The product range includes a range of fashion-forward brands.  The company claims that its timeless designs and elegant fashion must-haves are created with a keen eye for detail using only the finest fabrics and craftsmanship.  Features of the key womenswear brands offered to the target market:   * **Brand A**: A casual range that transforms fashion trends into wearable, modern, feminine fashion looks * **Brand B**: A formal look that is international and exciting, speaks of quality and has a promise of exclusivity. * **Brand C**: A feminine range that commands centre stage.  This collection is all about transforming the latest key fashion trends into impactful fashion looks. * **Brand D**: A range that strikes the perfect balance between comfort, modernity and luxury, offering today’s discerning dresser a striking range of wearable, sensual and seasonally appropriate womenswear.   The company’s three flagship stores are situated in upmarket shopping centres: Brooklyn Mall (Pretoria), Xlands Boulevard (Pretoria) and The V&A Waterfront (Cape Town).  Although the company targets discerning dressers and the same brands are stocked at all three of the flagship stores, the target markets are slightly different, mainly due to the areas in which the stores are located:   * **Brooklyn Mall**: The shopping centre is situated in the heart of Pretoria's cosmopolitan Embassy suburbs, and the property owner claims that the mall creates a vibrant hub of activity for the capital city’s most prestigious neighbourhood. The centre offers customers the convenience of one-stop-shopping catering to the requirements of the most discerning shopper. It hosts a full complement of national retailers along with approximately 220 specialist retail stores. Therefore, it provides the very best luxuries and shopping of choice. * **Xlands Boulevard**: The shopping centre claims to offer good choice of quality and has a number of luxury homeware, luggage and jewellery shops. It also offers a number of fast-fashion and low-income fashion brands. The mall is situated in the centre of a number of suburbs that have large clusters of upmarket retirement villages and is bordered by an informal settlement. In younger families in this area, the trend is mostly that both husband and wife are working, but in other areas of the city. The profile of shoppers – and therefore tenants – have changed considerably since the opening of the mall 12 years ago. While the target market was initially aimed at shoppers looking for exclusivity, reality of the demographics in the area has changed due to vast high-density residential developments right around the mall. Shoppers from the informal settlement frequent the grocery chain and low-cost fashion retail chains. * **The Victoria & Alfred Waterfront**. V&A Waterfront is a busy retail, dining and entertainment district with gift and design stores, diverse museums, and a restaurant scene which covers burger joints to posh bistros. It offers a wide variety of family-friendly attractions and plays host for large numbers of holidaymakers.   Average store size throughout the retail chain is 800 square metres. These three stores are all 1,000 square metres. The average number of units per SKU sold in an average store is 100.  For the winter season, the buyer needs to allocate the new fashion ranges.  Sell-through figures for the three centres for the various brands in the three shops are as follows. The new merchandise needs to be allocated to the stores in line with selling trends for the different brands at the different stores.   |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | |  | Brooklyn Mall | | | Xlands | | | V&A Waterfront | | | |  | 2018 | 2019 | 2020 | 2018 | 2019 | 2020 | 2018 | 2019 | 2020 | | Brand A SKU 1 | 83.5 | 85.7 | 87.6 | 92.3 | 89.7 | 73.5 | 92.3 | 93.5 | 93.4 | | Brand B SKU 2 | 92.7 | 93.2 | 95.6 | 92.1 | 87.5 | 75.2 | 89.7 | 87.9 | 86.4 | | Brand C SKU 3 | 91.5 | 91.7 | 91.5 | 78.2 | 76.8 | 70.2 | 88.9 | 88.5 | 88.2 | | Brand D SKU 4 | 85.3 | 85.4 | 84.7 | 81.1 | 79.2 | 69.2 | 83.1 | 81.2 | 85.8 |   The quantities purchased of every SKU listed in the table above is 1,000.  **Instructions:**   1. Describe how the target markets for the different brands would be different for the three stores (that is, what type of style – casual, luxury attire, formal office wear, etc.). Use the description of the shopping centres and the brands to help you with this. 2. Use the weighted allocation method to calculate how many items of each SKU will be allocated to average-sized stores (based on the latest figures, that is, for 2020). 3. Use the weighted allocation method to calculate how many items of each of the SKUs should be allocated to each of the 3 stores, based on the 2020 figures. |

#### 5.3.1.3 Supporting evidence to be provided

**Insert the following after this page:**

* Description of how the target markets for the different brands would be different for the three stores (that is, what type of style – casual, luxury attire, formal office wear, etc.
* Documentary evidence that the allocation of the merchandise is according to the target market of the different stores.
* Documentary evidence that the quantities of stock allocated cover expected sales without overstocking the business

### 5.3.2 PM-06-PS02: Replenish sales

#### 5.3.2.1 Scope of practical skill

Given details of stock on hand, past sales, expected sales for a period of 3 months and safety stock the learner must be able to:

* Determine items to be replenished
* Analyse requirements and calculate quantities to replenish

*Applied Knowledge*

* AK0201 Techniques for analysing which products need to be replenished
* AK0202 Techniques for calculating quantities of stock to cover expected sales

*Internal Assessment Criteria*

* IAC0201 All products needing to be replenished are identified in terms stock on hand and sales
* IAC0202 The quantity calculated covers expected sales and the required safety stock of the organisation

#### 5.3.2.2 Practical training instructions

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| **Information**  The buyer needs to replenish stock of UHT products from the supplier.  Delivery takes place once a month, 7 days after receipt of the order.  A sales report from the POS system provides the following information for the last 3 months.  Because schools are re-opening after the school holidays, it is expected that sales for UHT milk 500 ml will increase by 10% for April.   |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | |  | Jan | Feb | Mar | Stock on hand | Maximum sales monthly | Average sales monthly | Safety stock | Order quantity | | UHT milk 500 ml - 6-pack | 22 100 | 23 200 | 24 100 | 8 900 |  |  |  |  | | UHT milk 1 litres - 6 pack | 42 100 | 43 200 | 42 700 | 10 250 |  |  |  |  | | UHT cream 250 ml - 10-pack | 16 500 | 16 350 | 16 400 | 17 250 |  |  |  |  | | UHT cream 500 ml - 6 pack | 20 150 | 21 350 | 21 800 | 5 760 |  |  |  |  | | Tetra pack juice orange 1 litre - 6 pack | 18 200 | 18 400 | 18 250 | 6 310 |  |  |  |  | | Tetra pack juice fruit cocktail 1 litre - 6 pack | 17 270 | 17 600 | 17 430 | 4 730 |  |  |  |  | | Tetra pack juice apricot 1 litre - 6 pack | 15 150 | 15 300 | 15 700 | 5 230 |  |  |  |  |   **Instructions**:   1. Using the following formulae, calculate the order quantity for March. No significant increase or decrease in sales is expected.   **Order quantity** = Maximum monthly usage + Safety stock – Quantity on hand  **Safety stock** = (Maximum monthly use x lead time) - (Average monthly use x lead time)  **Average sales** = (Sales month 1 + Sales month 2 + Sales month 3) ÷ 3  **Lead time =** Number of days ÷ 30.5 (Because some months have 31 days and some 30, it is common practice to divide by 30.5) |

#### 5.3.2.3 Supporting evidence to be provided

**Insert the following after this page:**

* Documentary evidence that all products needing to be replenished are identified in terms stock on hand and sales (your calculations for all of the products in the table)
* Documentary evidence that the quantity calculated covers expected sales and the required safety stock of the organisation (your calculations based on the information in the table)

### 5.3.3 Practical skills log

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|  | **PRACTICAL TRAINING ACTIVITIES** | **Dates and number of hours practical training** | **NOTES** |
| PM06  PS01 | Allocate merchandise to stores |  |  |
| Analyse requirements and calculate quantities to allocate |  |  |
| PM06  PS02 | Determine items to be replenished |  |  |
| Analyse requirements and calculate quantities to replenish |  |  |
|  | Manager/Facilitator signature  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Date  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Learner signature  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |