

Higher National Unit Specification

General information for centres

Unit title: Principles of Retail Buying

Unit code: DL30 34

Unit purpose: This unit is designed to enable candidates to have an understanding of the operation of the buying function within the retail industry and an appreciation of the role of a retail buyer.

On completion of the Unit the candidate should be able to:

1. Explain the objectives and importance of the buying function within a retail organisation.
2. Describe the techniques for effective selection and training of retail buyers.
3. Analyse suitable buying structures for a retail organisation.
4. Advise on the main aspects of effective buying.
5. Comment on the features and elements of retail buyer behaviour.
6. Describe the methods of performance management for the buying function.

Credit points and level: 2 HN Credits at SCQF level 7: (16 SCQF credit points at SCQF level 7*)

**SCQF credit points are used to allocate credit to qualifications in the Scottish Credit and Qualifications Framework (SCQF). Each qualification in the Framework is allocated a number of SCQF credit points at an SCQF level. There are 12 SCQF levels, ranging from Access 1 to Doctorates.*

Recommended prior knowledge and skills: Access to this unit is at the discretion of the centre. However it would be beneficial if candidates have some knowledge of the retail industry. This may be evidenced by possession of the NQ Unit Buying E7PP12.

Core skills: There may be opportunities to gather evidence towards core skills in this Unit, although there is no automatic certification of core skills or core skills components.

Context for delivery: If this Unit is delivered as part of a group award, it is recommended that it should be taught and assessed within the subject area of the group award to which it contributes.

This unit is included as an optional unit in the HNC/HND Retail Management; however it can be delivered as a stand-alone unit. It can also be used to underpin knowledge for work-based candidates who are completing SVQ Retail Operations at Level 3.

General information for centres (cont)

Assessment: It is recommended that the assessment guidelines provided at the end of each outcome should be followed.

A Summary is given below:

Outcome	Extended Response	Advert/Question	Case Study	RRQ
1	X			
2		X		
3	X			
4			X	
5	X			X
6	X			

Higher National Unit specification: statement of standards

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The sections of the Unit stating the Outcomes, knowledge and/or skills, and evidence requirements are mandatory.

Where evidence for Outcomes is assessed on a sample basis, the whole of the content listed in the knowledge and/or skills section must be taught and available for assessment. Candidates should not know in advance the items on which they will be assessed and different items should be sampled on each assessment occasion.

Outcome 1

Explain the objectives and importance of the buying function within a retail organisation.

Knowledge and/or skills

- ◆ Objectives of the buying function
- ◆ Importance of buying to achieving organisational objectives

Evidence requirements

The candidate will require to provide evidence that s/he can explain the main objectives of a buying function within a retail company and its importance to achieving organisational objectives. This can be in the form of written or oral evidence. The evidence should be consistent and should accurately:

- ◆ explain the five main objectives of the buying function
- ◆ describe the contribution of the buying function in achieving organisational objectives

Evidence should be generated through closed book assessment under controlled conditions.

Assessment guidelines

The assessment for this outcome could be combined with Outcome 3 as part of a single assessment instrument for Outcome 1 and Outcome 3. The closed book extended response assessment could consist of 5 questions covering the evidence requirements in both Outcomes 1 and 3.

Higher National Unit specification: statement of standards (cont)

Unit title: Principles of Retail Buying

Outcome 2

Describe the techniques for effective selection and training of retail buyers.

Knowledge and/or skills

- ◆ Responsibilities of a retail buyer
- ◆ Essential skills for effective buyers
- ◆ Selection methods that can be used to select a trainee buyer
- ◆ Training needs, training methods and trainers for a three-month training plan for a trainee buyer

Evidence requirements

A candidate will be required to give evidence that s/he can describe the responsibilities and skills required for effective buyers. The candidate will be required to recommend suitable selection methods that can be used by a retail organisation and develop a three month training plan for a trainee buyer identifying the training needs and methods that can be used. This can be in the form of written or oral evidence. The evidence should be consistent and should accurately:

- ◆ identify the responsibilities of a retail buyer
- ◆ list the essential skills needed for an effective buyer
- ◆ explain and justify the selection methods that could be used to select a trainee buyer
- ◆ identify the training needs, training methods and possible trainers for a three-month training plan for a trainee buyer

Evidence should be generated through open book assessment where candidates can refer to text books, handouts and teaching notes.

Assessment guidelines

The assessment for this outcome should take the form of a series of questions based on an advert for a trainee buyer and a pro-forma for a 3 month training plan. The advert would give general information about the role of the buyer and the retail organisation. The pro forma for the training plan would cover a three month period with detail of training needed, trainer and methods used for each week of the three month plan. Bullet points would be sufficient for the training plan.

Higher National Unit specification: statement of standards (cont)

Unit title: Principles of Retail Buying

Outcome 3

Analyse suitable buying structures for a retail organisation.

Knowledge and/or skills

- ◆ Centralised buying structure
- ◆ Decentralised buying structure
- ◆ Composite buying structure

Evidence requirements

The candidate will analyse the possible buying structures for retail organisations and justify one suitable buying structure for a retail organisation. This can be in the form of written or oral evidence. The evidence should accurately:

- ◆ outline the advantages and disadvantages of a centralised buying structure
- ◆ outline the advantages and disadvantages of a decentralised buying structure
- ◆ outline the advantages and disadvantages of a composite buying structure
- ◆ justify one suitable buying structure for a retail organisation

Evidence should be generated through closed book assessment under controlled conditions.

Assessment guidelines

The assessment for this outcome can be combined with Outcome 1 as part of a single assessment instrument for both outcomes. The closed book extended response assessment could consist of questions covering each of the evidence requirements and a short case study which would give the candidate evidence to justify a suitable structure for the retail organisation.

Outcome 4

Advise on the main aspects of effective buying.

Knowledge and/or skills

- ◆ Importance of quality when buying
- ◆ Supplier evaluation
- ◆ Sourcing suppliers
- ◆ Patterns of demand for different types of stock
- ◆ Pricing considerations when buying

Higher National Unit specification: statement of standards (cont)

Unit title: Principles of Retail Buying

Evidence requirements

The candidate will be required to provide evidence on the main elements to consider in the buying process. This can be in the form of written or oral evidence. The evidence should accurately:

- ◆ explain the importance of quality to the buying process
- ◆ identify the elements that can be used when evaluating suppliers
- ◆ comment on the considerations for a retail organisation when deciding on sourcing of products
- ◆ outline the factors involved when considering demand for products
- ◆ indicate the pricing considerations when buying products
- ◆ describe the timing considerations of products

Evidence should be generated through open book assessment where candidates can refer to text books, handouts, the internet and any other relevant material.

Assessment guidelines

The assessment for this outcome could take the form of a short case study so the candidate has relevant information on the retail organisation to base their response.

The open book assessment could consist of a report of 1,500 words based on the case study.

Outcome 5

Comment on the features and elements of retail buyer behaviour.

Knowledge and/or skills

- ◆ Organisational buyer behaviour
- ◆ Negotiation process
- ◆ Importance of business ethics in buying

Evidence requirements

The candidate will need to provide evidence that s/he can identify the features and elements of retail buyer behaviour. The evidence can be either written or oral. The evidence should accurately:

- ◆ identify the stages of the buying process
- ◆ explain the roles within the buying process
- ◆ outline the stages of the negotiation process
- ◆ comment on the skills required to be an effective negotiator
- ◆ justify the need for business ethics in the buying function
- ◆ provide an effective code of conduct for a retail organisation

Higher National Unit specification: statement of standards (cont)

Unit title: Principles of Retail Buying

This outcome can be assessed by a combination of both open and closed book assessment.

Assessment guidelines

The assessment for this outcome could take the form of restricted response closed book questions undertaken in closed book conditions, questions covering the stages, roles and negotiation process within the buying process. An open book extended response based on a short case study could be used for evidence of ethics and code of conduct.

Outcome 6

Describe the methods of performance management for the buying function.

Knowledge and/or skills

- ◆ Methods of performance management
- ◆ Key performance measures
- ◆ Buying systems necessary to support buying

Evidence requirements

The candidate will be required to provide evidence that s/he can describe effective performance management methods needed for the buying function. The evidence should accurately:

- ◆ outline the need for performance measurement in the buying function
- ◆ provide key performance indicators for the buying process
- ◆ explain the systems needed to support the buying function

Evidence should be generated through open book assessment where the candidate can refer to text books and handouts.

Assessment guidelines

The assessment of this outcome can be assessed by an assignment given to the candidates to complete in class. The open book extended response assessment could be assessed through a series of questions relating to the evidence requirements in Outcome 6 and be no more than 750 words.

Administrative Information

Unit code:	DL30 34
Unit title:	Principles of Retail Buying
Superclass category:	BC
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Higher National Unit specification: support notes

Unit title: Principles of Retail Buying

This part of the Unit specification is offered as guidance. The support notes are not mandatory.

While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 80 hours.

Guidance on the content and context for this Unit

This unit is intended for candidates who wish to pursue a career in the retail industry and who are taking a qualification in HNC/D Retail Management either on a full or part time basis. Principles of Retail Buying is offered as an optional unit for both HNC and HND candidates. It may also be taken by candidates in employment wishing to enter or develop careers in retail buying.

The following notes give additional information on each outcome

Outcome 1:

Objectives of the buying function- supply of materials to the organisation, buy efficiently, control of stock, maintain sound co-operative relations with suppliers, develop staff. Input of buying to achieve organisational objectives- corporate goals, corporate plan, buying objectives, buying strategy, buying policy.

Outcome 2:

Responsibilities of retail buyers-achieve profit margin, source and develop products, negotiation of prices, delivery and payment terms, research and evaluate all product and market trends, communicate effectively with suppliers, product teams and senior management, manage and develop buying teams. Essential skills for effective buyers. Selection techniques- letters, application forms, interviews, presentations, assessment centres, selection tests. Training plan- training areas, training methods, different levels of staff within the organisation involved in training new buyers.

Outcome 3:

Buying structures- advantages and disadvantages of centralised, decentralised and composite structures.

Outcome 4:

Quality- benefits to company and customer, consequences of defective goods, specifications, company and standards, TQM. Supplier evaluation- main methods of supplier evaluation. Sources of supply- sources of new suppliers, single versus multiple sourcing, local versus international sourcing, traditional relationship with suppliers, partnership sourcing. Demand-order quantity, Distribution Requirement Planning, Just In Time, sales growth, sales phasing, sales analysis, minimum stock levels, reorder levels, rate of stock turn, contribution of technology-EPOS, EDI. Price- price analysis, pricing considerations for different types of

Higher National Unit specification: support notes (cont)

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retailers, profit margin, markdowns, selling price, gross profit. Timing- considerations for different types of retailers i.e., fashion store, traditional retailer, cut price retailers.

Outcome 5:

Buyer behaviour- consumer versus business buying, roles within the buying process, stages of the buying process. Negotiation- stages of the negotiation process, essential negotiation skills for an effective buyer. Ethics- importance of business ethics in buying, codes of conduct, examples of sharp practice, Ethical Trading Initiative. Legal-contract, labelling, copyright, fit for purpose

Outcome 6:

Performance management- need for performance management. Key performance indicators for buyers- quality, quantity, time, cost, supplier performance, sales, profit margin. Purchasing systems- systems for originating, ordering and completing the order, documentation, non-standard purchases.

Guidance on the delivery and assessment of this Unit

This unit is an optional unit as part of the group award HNC/HND Retail Management, for candidates on a full or part time basis. This Unit may be offered as a freestanding unit as it is not dependant on any previous or wider retail knowledge. The outcomes may be assessed by the following methods:

Outcome 1 and Outcome 3- Both outcomes could be assessed by a closed book extended response assessment. This could be based on a short case study where the candidates could answer questions based on the evidence requirements and justify a suitable buying structure for the particular organisation in the case study.

Outcome 2- This outcome can be assessed through an open book assessment to be completed out with the classroom. The assessment questions can be based on an advert for a trainee buyer and a pro-forma training plan can be completed by the candidate.

Outcome 4- This outcome can be assessed by an open book extended response assessment based on a short case study so the candidate has relevant information to base their response. The assessment could consist of a report of no more than 1500 words.

Outcome 5- This outcome can be assessed on a combination of open and closed book assessment. The stages, roles and negotiation process roles in the buying process can be assessed by closed book restricted response. An open book extended response based on a short case study could be used for evidence for ethics and the code of conduct.

Higher National Unit specification: support notes (cont)

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Outcome 6- This outcome can be assessed by an open book assessment which can be completed within the classroom with access to handouts and notes. The open book assessment could be assessed by a series of questions relating to evidence requirements for Outcome 6 and be no longer than 750 words.

Open learning

This unit can be delivered by distance learning. However, it would require planning by the centre to ensure sufficiency and authenticity of candidate evidence. Arrangements would need to be made to ensure the necessary assessments are delivered in a supervised environment under controlled conditions.

Candidates with additional support needs

This Unit specification is intended to ensure that there are no artificial barriers to learning or assessment. The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments or considering alternative Outcomes for Units. For information on these, please refer to the SQA document *Guidance on Special Assessment Arrangements for Candidates with Additional Support Needs* (BA 2399, SQA, due 2004).

General information for candidates

Unit title: Principles of Retail Buying

The major aim of the unit is to prepare those wishing to enter or develop careers in retail buying. The unit will give you an understanding of how you could be selected and trained as a trainee buyer for a retail organisation. This unit is designed to give you an understanding of the main objectives and responsibilities of the buying function. It gives an insight into “a day in the life” of a retail buyer and the diversity of issues they need to consider when carrying out their job.

The unit considers the process of buying the correct products for the retail organisation and includes the personal skills and characteristics needed to be an effective buyer. The unit explores the sourcing and evaluation of suppliers and explains the negotiation process that would need to be conducted with each supplier. The unit covers the conduct of retail buyers when negotiating and selecting the products for selling within the retail industry.

Overall you will be expected to use the knowledge and skills from this unit to enable you to have an understanding of the operation of the buying function and the role of the retail buyer to perform their job effectively.

In order to complete the unit successfully, you will be required to achieve a satisfactory level of performance on several pieces of assessed work. Numerous methods of assessment will be used; some assessments will be delivered in a supervised environment under controlled conditions while others will be submitted after completion outwith the classroom.