

Higher National Unit Specification

General information for centres

Unit title: Stock Management

Unit code: DL35 34

Unit purpose: This Unit is designed to enable the candidate to appreciate the need for a comprehensive stock control system to minimise loss and understand how technology can enhance stock control within a Retail Environment.

The Unit is relevant to all candidates undertaking the Retail Management course or to any individual working within the retail sector.

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

1. Evaluate the approach to stock management in the Retail Sector.
2. Assess the need for a comprehensive stock control system.
3. Evaluate the contribution of stock reconciliation procedures.

Credit points and level: 1 HN Credit at SCQF level 7: (8 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, but it would be beneficial if the candidate had a basic understanding of the Retail sector in the UK and/or work experience within the sector.

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 in the framework for the HNC/D Retail Management award. This Unit could also be taught as a freestanding unit.

Assessment: A holistic approach could be taken for this unit based on one 3000 word report covering all 3 Outcomes. Alternatively the candidate could be assessed using two or three assessments, one for Outcome 1 and one that covers both Outcomes 2 and 3 or separately for each Outcome (1 – 3).

General information for centres (cont)

Candidates could be asked to undertake the role of a *retail consultant or manager* within a retailer of their choice. This may be one where they currently work or one which they have chosen to research. Alternatively the candidate could be provided with a scenario or case study that enables them to provide a report that covers all of the Outcomes or two reports that cover Outcomes 1 and then Outcomes 2 and 3. A report that covers all Outcomes should be 3,000 words, if the candidate is assessed using two reports then these should be 1,000 words for Outcome 1 and 2,000 words for Outcomes 2 and 3.

Candidates must meet the word count stipulation and assessment format. There must be evidence of research into both the retailer and the retail sector in terms of stock management.

Outcome	Approach 1	Approach 2		Approach 3		
	1 report	2 reports		3 reports		
		Report 1	Report 2	Report 1	Report 2	Report 3
1	X	X		X		
2	X		X		X	
3	X		X			X
	3000 words	1000 words	2000 words	1000 words	1000 words	1000 words

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

Evaluate the approach to stock management in the Retail Sector

Knowledge and/or skills

- ◆ Organisational objectives in relation to stock management
- ◆ Information sources for stock management
- ◆ Understand the approaches to Sales forecasting
- ◆ Translate customer demand into required stock levels
- ◆ Understand different approaches to setting stock levels and stock re-ordering strategies
- ◆ Balancing stock with customer requirements

Evidence requirements

Evidence must be produced for all of the knowledge/skills section. Evidence should be current, clear and concise.

Each candidate must be able to show that s/he understands the implications of poor information and sales forecasting. The candidate must understand the importance of balancing stock with customer needs as well as organisational needs.

There must be evidence of research, Retailer and Industry specific, this should include the following:

- ◆ an overview of stock control trends in the Retail sector
- ◆ approaches to forecasting stock requirements
- ◆ approaches to stock management
- ◆ a review of paper and computerised stock control
- ◆ SWOT of current methods of stock control
- ◆ proposed stock control system
- ◆ proposed stock system to minimise stock loss

Higher National Unit specification: statement of standards (cont)

Unit title: Stock Management

Assessment guidelines

Candidates are asked to undertake the role of a *retail manager* or consultant within a retailer of their choice. This may be one where they currently work or one which they have chosen to research. Alternatively the candidate could be provided with a scenario or case study that enables them to provide a report that covers all of the Outcomes or two reports that cover Outcomes 1 and then Outcomes 2 and 3. A report that covers Outcome 1 should be 1000 words.

Candidates must meet the word count stipulation and assessment format. There must be evidence of research into the Retail Sector in terms of stock management and security. Candidates could study a retailer or act out the role of a retail consultant and provide a comprehensive report for the year ahead to the Board of Directors of a retail organisation.

This could include the following elements:

- ◆ an overview of stock control trends in the Retail sector
- ◆ approaches to forecasting stock requirements
- ◆ approaches to stock management and setting stock levels
- ◆ a review of paper and computerised stock control
- ◆ SWOT of current methods of stock control
- ◆ proposed stock control system
- ◆ proposed stock system to minimise stock loss

Outcome 2

Assess the need for a comprehensive stock control system

Knowledge and/or skills

- ◆ Goods received procedures
- ◆ Benefits of Stock control technology e.g. bar code scanning, EPOS
- ◆ Stock rotation
- ◆ Stock positioning
- ◆ Stock security
- ◆ Maintenance of stock records, e.g. transfers in, transfers out, over/short
- ◆ Role of Internet
- ◆ Just in Time
- ◆ Supply chain management, e.g. managing relationships with suppliers and third party service providers

Higher National Unit specification: statement of standards (cont)

Unit title: Stock Management

Evidence requirements

Evidence must be produced against the knowledge/skills section relevant to the Retailer that is being researched. Evidence should be current, clear and concise.

Each candidate must be able to explain the procedures used to maintain stock records as well as appreciation of paper and electronic stock control systems. The candidate should indicate the type of stock control systems being used by the retailer they are researching and provide explanations as to why this is the case.

There must be evidence of research, retailer and industry specific.

This could include the following elements:

- ◆ an overview of stock control trends in the Retail sector
- ◆ approaches to forecasting stock requirements
- ◆ approaches to stock management
- ◆ A review of paper and computerised stock control
- ◆ SWOT of current methods of stock control
- ◆ proposed stock control system
- ◆ proposed stock system to minimise stock loss
- ◆ managing relationships with suppliers of products and third party logistics services

In light of subject area, some organisations may deem this information as sensitive and therefore all information will be treated in strictest confidence. ***Candidates who are unable to access information on a retailer should be provided with a retail case study or scenario that enables them to meet the evidence requirements.***

Assessment guidelines

Candidates are asked to undertake the role of a *retail manager or consultant* within a retailer of their choice and write a report that covers the evidence requirements for Outcome 2. This may be one where they currently work or one, which they have chosen to research. **Note this assessment could also cover Outcome 3. *Candidates who are unable to access information on a retailer should be provided with a retail case study or scenario provided by the lecturer that enables them to meet the evidence requirements.***

The candidate should research a retailer and provide a comprehensive report for the year ahead to the Board of Directors.

This report should include the following:

- ◆ an overview of stock control trends in the Retail sector
- ◆ approaches to forecasting stock requirements

Higher National Unit specification: statement of standards (cont)

Unit title: Stock Management

- ◆ approaches to stock management
- ◆ a review of paper and computerised stock control
- ◆ SWOT of current methods of stock control
- ◆ proposed stock control system
- ◆ proposed stock system to minimise stock loss
- ◆ managing supplier relationships

Candidates must meet the 1,000 word count stipulation for Outcome 2 (or 2,000 word count if the report covers Outcomes 2 and 3) and assessment format. There must be evidence of research into both the retailer and the retail Sector in terms of stock management and security.

Outcome 3

Evaluate the contribution of stock reconciliation procedures

Knowledge and/or skills

- ◆ Effects of stock loss on profits
- ◆ Security Technology
- ◆ Measures for minimising stock loss
- ◆ Recording wastage/shrinkage

Evidence requirements

Evidence must be produced for the knowledge/skills section relevant to the Retailer that is being researched. Evidence should be current, clear and concise.

Each candidate must be able to evaluate each of the methods of stock reconciliation and loss prevention. This will be dependent on whether they are proposed methods or methods that are currently in use within the organisation they are researching.

There must be evidence of research, retailer and industry specific. This evidence should include:

- ◆ an overview of stock reconciliation issues and approaches in the Retail sector
- ◆ approaches to forecasting stock requirements
- ◆ approaches to stock management
- ◆ a review of paper and computerised stock control
- ◆ SWOT of current methods of stock control
- ◆ proposed stock control system
- ◆ proposed stock system to minimise stock loss

Higher National Unit specification: statement of standards (cont)

Unit title: Stock Management

In light of subject area, some organisations may deem this information as sensitive and therefore all information will be treated in strictest confidence.

Candidates who are unable to access information on a retailer should be provided with a retail case study or scenario that enables them to meet the evidence requirements.

Assessment guidelines

Candidates are asked to provide a report that covers the evidence criteria for Outcome 3. **Note this assessment might be combined with Outcome 2. Candidates who are unable to access information on a retailer should be provided with a retail case study or scenario that enables them to meet the evidence requirements.**

Candidates are asked to undertake the role of a Retail Manager or consultant within a Retailer of their choice. This may be one where they currently work or one, which they have chosen to research.

They should provide a comprehensive report for the year ahead to the Board of Directors.

This report could include the following elements:

- ◆ an overview of stock reconciliation approaches in the Retail sector
- ◆ approaches to forecasting stock requirements
- ◆ approaches to stock management
- ◆ a review of paper and computerised stock control
- ◆ SWOT of current methods of stock control
- ◆ proposed stock control system
- ◆ proposed stock system to minimise stock loss

Candidates must meet the 1,000 word count stipulation and assessment format. There must be evidence of research into both the Retailer and the Retail Sector in terms of stock management and security.

Administrative Information

Unit code:	DL35 34
Unit title:	Stock Management
Superclass category:	VB
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Additional copies of this Unit specification can be purchased from the Scottish Qualifications Authority. Please contact the Customer Contact Centre for further details, telephone 0845 279 1000.

Higher National Unit specification: support notes

Unit title: Stock Management

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 40 hours.

Guidance on the content and context for this Unit

This unit is intended to give the candidate an overview of the stock management issues faced by Retail Businesses and the importance of controlling stock.

The unit should not be viewed in isolation and other subject areas taught within the HNC/HND Retail Management framework will be of relevance e.g. Stock Presentation, Physical Distribution, Retail Security and Work Experience.

Where possible current examples should be used throughout to illustrate all three Outcomes. Candidates should be encouraged to carry out additional reading though an up to date reading list: Books, Journals, and the Internet.

Outcome 1 sets the scene for candidates and indicates the sources of information an organisation might use to make decisions concerning the stock mix and level required to meet customer needs. Candidates should be aware of the influence of product characteristics and operational needs on sales forecasting. The advantages and disadvantages of the different sales forecasting techniques should be discussed. It is useful to explore the relationship between organisation and stock management objectives. Customer service and stock levels should also be discussed.

Outcome 2 technology and its usage in stock management should be explored in this Outcome. Reference should be made to technology and processes used to capture and transmit stock. Any discussion on technology should also include industry trends.

Teaching here should incorporate the use of case studies and/or videos. The knowledge and/or skills for this Outcome cover the most widely discussed areas of stock control. Any other methods particular to a localised area or particular type of retailer can be discussed under current trends in stock control. Links could be made to warehousing and inventory management techniques in the Physical Distribution unit.

This Outcome also includes supply chain management and it is expected this topic would be explored to explain the concept and related areas such as supplier relationships/partnerships.

Higher National Unit specification: support notes (cont)

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Outcome 3 here each cause of stock variance should be evaluated, including how the loss could be minimized. The discussion could look at paper and electronic stock reconciliation systems. It is recognized that not every tutor has access to electronic examples of stock control but the merits of technology for stock control should be discussed. There is some overlap between Outcomes 2 and 3 that relate to stock control so it is possible that the two Outcomes could be assessed in one piece of work.

Guidance on the delivery and assessment of this Unit

The Unit is a core part of the HNC/D Retail Management, it does not form part of other HN qualifications. It should be delivered early in the award to enable candidates to utilise the skills, knowledge and understanding gained here in other Units. Teaching might incorporate case studies or exercises that use forecasting techniques. Videos and site visits would also enhance teaching this unit, especially if they provide examples of stock control technology. There is some overlap between Outcomes 2 and 3 that relate to stock control so it is possible that the two Outcomes could be assessed in one piece of work. *The suggested word count for each Outcome is 1,000 words, the tutor can use their discretion and increase the word count for each Outcome especially were Outcomes are combined. Candidates should be encouraged to use diagrams in their reports.*

Open learning

If this unit is delivered by open or distance learning methods, additional resources will be required for candidate support, assessment and quality assurance. For further information and advice please refer to the SQA guide: Assessment and Quality Assurance for Open and Distance Learning (SQA, February 2001 Publication code A1030).

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: Stock Management

This unit is designed to enable the candidate to identify how stock is managed in a retail organisation and more specifically a retail environment, and to evaluate available stock control techniques.

The unit provides an underpinning knowledge that will benefit you in a number of other units, in particular stock presentation and physical distribution.

Many of the issues discussed in this unit also apply outwith the Retail Sector.

The unit gives you an overview of the approaches to stock management and the challenges facing the UK retail sector in managing their stock.

The unit will give you an understanding of *how* retailers forecast, plan and control stock taking into account the paper and electronic systems that are available.

Your understanding of this unit will be increased through an awareness of the retail sector in the UK and at least one Retailer in detail. It is recommended that you actively visit some Retail sites to view some of the stock control methods at work.

In order to complete this unit successfully you will be required to achieve a satisfactory level of performance on the assessed work that covers the three Outcomes. This will be based around an organisation of your choice or on retail case studies or retail scenarios set by your tutor. The assessments will require some research on your behalf. Your assessments will be available from the start of the unit to allow you to undertake this research on retail organisations.