



Higher National Unit specification

General information

Unit title: Principles of Retail Buying (SCQF level 7)

Unit code: HJ3L 34

Superclass: BC

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Source: Scottish Qualifications Authority

Version: 02

Unit purpose

This unit is designed to enable learners 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.

Outcomes

On successful completion of the unit the learner will 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 Higher National Unit credits at SCQF level 7: (16 SCQF credit points at SCQF level 7)

Recommended entry to the unit

Access to this unit is at the discretion of the centre. However it would be beneficial if learners have some knowledge of the retail industry.

Higher National Unit Specification: General information (cont)

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Core Skills

Achievement of this Unit gives automatic certification of the following Core Skills component:

Complete Core Skill	None
Core Skill component	Critical Thinking at SCQF level 6

There are also opportunities to develop aspects of Core Skills which are highlighted in the support notes of this unit specification.

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.

The Assessment Support Pack (ASP) for this unit provides assessment and marking guidelines that exemplify the national standard for achievement. It is a valid, reliable and practicable assessment. Centres wishing to develop their own assessments should refer to the ASP to ensure a comparable standard. A list of existing ASPs is available to download from SQA's website (<http://www.sqa.org.uk/sqa/46233.2769.html>).

Equality and inclusion

This unit specification has been designed to ensure that there are no unnecessary barriers to learning or assessment. The individual needs of learners should be taken into account when planning learning experiences, selecting assessment methods or considering alternative evidence.

Further advice can be found on our website www.sqa.org.uk/assessmentarrangements.

Higher National Unit specification: Statement of standards

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Acceptable performance in this unit will be the satisfactory achievement of the standards set out in this part of the unit specification. All sections of the statement of standards are mandatory and cannot be altered without reference to SQA.

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

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

Outcome 3

Analyse suitable buying structures for a retail organisation.

Knowledge and/or skills

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

Higher National Unit specification: Statement of standards (cont)

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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

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

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 for this unit

Outcome 1

The learner will be required 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.

Higher National Unit specification: Statement of standards (cont)

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Outcome 2

A learner will be required to give evidence that s/he can describe the responsibilities and skills required for effective buyers. The learner 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 learners can refer to text books, handouts and teaching notes.

Outcome 3

The learner 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.

Outcome 4

The learner 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 learners can refer to text books, handouts, the internet and any other relevant material.

Higher National Unit specification: Statement of standards (cont)

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Outcome 5

The learner 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.

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

Outcome 6

The learner 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 learner can refer to text books and handouts.



Higher National Unit Support Notes

Unit title: Principles of Retail Buying (SCQF level 7)

Unit support notes are offered as guidance and 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 learners who wish to pursue a career in the retail industry and who are taking a qualification in HNC/HND Retail Management. *Principles of Retail Buying* is offered as an optional unit for both HNC and HND learners. It may also be taken by learners 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.

Higher National Unit Support Notes (cont)

Unit title: Principles of Retail Buying (SCQF level 7)

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 retailers, profit margin, markdowns, selling price, gross profit. Timing- considerations for different types of retailers, ie 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 approaches to delivery of this unit

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

Guidance on approaches to assessment of this unit

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 learners could answer questions based on the evidence requirements and justify a suitable buying structure for the particular organisation in the case study.

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 five questions covering the evidence requirements in both Outcomes 1 and 3.

Higher National Unit Support Notes (cont)

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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 learner.

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.

Outcome 4 — This outcome can be assessed by an open book extended response assessment based on a short case study so the learner has relevant information to base their response. The assessment could consist of a report of no more than 1,500 words.

The assessment for this outcome could take the form of a short case study so the learner 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 — This outcome can be assessed on a combination of open and closed book assessments. 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.

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 — 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.

The assessment of this outcome can be assessed by an assignment given to the learners 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.

Higher National Unit Support Notes (cont)

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Opportunities for e-assessment

E-assessment may be appropriate for some assessments in this unit. By e-assessment we mean assessment which is supported by Information and Communication Technology (ICT), such as e-testing or the use of e-portfolios or social software. Centres which wish to use e-assessment must ensure that the national standard is applied to all learner evidence and that conditions of assessment as specified in the evidence requirements are met, regardless of the mode of gathering evidence. The most up-to-date guidance on the use of e-assessment to support SQA's qualifications is available at www.sqa.org.uk/e-assessment.

Opportunities for developing Core and other essential skills

The delivery of this unit and subsequent assessment will provide learners with the opportunity to develop the Core Skills of Communication, Information and Communication Technology (ICT) and Problem Solving:

Oral Communication at SCQF level 5

The delivery and assessment of this unit may offer opportunities to develop this Core Skill. Oral Communication at SCQF level 5 involves conveying all essential information, opinions or ideas with supporting detail accurately and coherently, and with varied emphasis as appropriate. This could be demonstrated in all outcomes as learners work on the preparation and production of reports, and/or the preparation and delivery of presentations.

Communication: Written Communication (Reading) at SCQF level 5

The delivery and assessment of this unit may offer opportunities to develop this Core Skill. Written Communication (Reading) at SCQF level 6 involves identifying significant information, ideas and supporting details in a written communication. This would fit the requirements for Outcomes 2, 4 and 6 which require the learners to spend time researching and studying diverse sources of information.

Communication: Written Communication (Writing) at SCQF level 6

The delivery and assessment of this unit may offer opportunities to develop this Core Skill. Written Communication (Writing) at SCQF level 6 involves presenting all essential information and supporting detail in logical and effective order. This would fit the requirements of all outcomes in which learners can produce a report to detail the findings of their investigation.

Information and Communication Technology (ICT): Accessing Information at SCQF level 5

The delivery and assessment of this unit may offer opportunities to develop this Core Skill. Accessing Information at SCQF level 5 involves learners carrying out searches and evaluating the results. This fits with the requirements of Outcomes 2, 4 and 6 where learners can use the internet to carry out relevant searches.

Higher National Unit Support Notes (cont)

Unit title: Principles of Retail Buying (SCQF level 7)

Information and Communication Technology (ICT): Providing/Creating Information at SCQF level 5

The delivery and assessment of this unit may offer opportunities to develop this Core Skill. Providing/Creating Information at SCQF level 5 involves selecting appropriate websites/data sources to research a current issue and presenting findings in an appropriate format, which can be demonstrated in Outcomes 2, 4 and 6.

Problem Solving: Critical Thinking at SCQF level 5 and SCQF level 6

The delivery and assessment of this unit may offer opportunities to develop this Core Skill. Critical Thinking at SCQF level 5 involves assessing the relevance of factors to a situation or issue. This can be demonstrated in all outcomes where learners will be required to analyse, describe and explain the principles of retail buying.

This unit has the Critical Thinking component of Problem Solving embedded in it. This means that when learners achieve the unit, their Core Skills profile will also be updated to show they have achieved Critical Thinking at SCQF level 6.

Problem Solving: Planning and Organising at SCQF level 6

The delivery and assessment of this unit may offer opportunities to develop this Core Skill. Planning and Organising at SCQF level 6 involves identifying and ensuring you have the necessary resources, selecting these from a wide range of familiar and unfamiliar sources, possibly involving a search. This would fit with outcomes in which learners can work on the preparation and production of reports, and/or the preparation and delivery of presentations.

History of changes to unit

Version	Description of change	Date
02	Core Skills component Critical Thinking at SCQF level 6 embedded.	01/06/17

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General information for learners

Unit title: Principles of Retail Buying (SCQF level 7)

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 out with the classroom.

Completion of this unit will allow you to develop aspects of the following Core Skills:

- ◆ *Communication*
- ◆ *Information and Communication Technology (ICT)*
- ◆ *Problem Solving*

This unit has the Critical Thinking component of Problem Solving embedded in it. This means that when you achieve the unit, your Core Skills profile will also be updated to show you have achieved Critical Thinking at SCQF level 6.