

Competency Standard

UNIT TITLE: MANAGE STOCK PURCHASES AND INVENTORY		NOMINAL HOURS: 50
UNIT NUMBER: D1.HML.CL10.09 D2.HGE.CL7.06 D1.HGA.CL6.09 D1.HRM.CL9.12 D2.TGA.CL6.04 D2.TRM.CL9.08		
UNIT DESCRIPTOR: This unit deals with skills and knowledge required to develop and operate an effective stock control system including the purchasing, receipt, storage and internal distribution and management of stock within the hotel and travel industries workplace context		
ELEMENTS AND PERFORMANCE CRITERIA	UNIT VARIABLE AND ASSESSMENT GUIDE	
<p>Element 1: Identify the need for stock control and management</p> <p>1.1 Identify the <i>internal requirements</i> for the stock control and management system</p> <p>1.2 Describe the <i>stock items</i> to be covered and controlled by the stock control and management system</p> <p>1.3 Identify <i>personnel</i> with stock control and management duties</p> <p>1.4 Describe the steps in the <i>stock control cycle</i></p> <p>1.5 Identify and describe the role of <i>documentation</i> within the stock control and management process</p> <p>1.6 Develop <i>product knowledge</i> in relation to stock items that will be used</p> <p>Element 2: Develop and operate a purchasing and/or supply system</p> <p>2.1 Identify and differentiate between potential suppliers</p>	<p>Unit Variables</p> <p>The Unit Variables provide advice to interpret the scope and context of this unit of competence, allowing for differences between enterprises and workplaces. It relates to the unit as a whole and facilitates holistic assessment.</p> <p>This unit applies to all industry sectors that are involved in stock purchase and inventory within the labour divisions of the hotel and travel industries and may include:</p> <ol style="list-style-type: none"> 1. Front Office 2. Housekeeping 3. Food and Beverage Service 4. Food Production 5. Travel Agencies 6. Tour Operation <p><i>Internal requirements</i> may be related to:</p> <ul style="list-style-type: none"> • Stock security • Physical inventory levels • Monetary value of inventory 	

<p>2.2 <i>Select suppliers</i> based on nominated internal requirements</p> <p>2.3 Determine <i>purchasing and supply requirements</i> that will guide demand</p> <p>2.4 Determine <i>terms of purchase</i> that may apply to the purchase of stock items</p> <p>2.5 <i>Implement ordering system</i> using identified suppliers</p> <p>Element 3: Develop and implement stock receival procedures</p> <p>3.1 <i>Monitor in-coming deliveries</i> and stock</p> <p>3.2 <i>Inspect incoming stock</i></p> <p>3.3 Return unwanted or damaged stock</p> <p>3.4 Reject unsuitable stock</p> <p>3.5 Complete appropriate <i>delivery documentation</i></p> <p>Element 4: Develop and implement stock storage systems</p> <p>4.1 Create appropriate <i>storage conditions</i> for all stock that needs to be stored</p> <p>4.2 Store stock according to required storage conditions</p> <p>4.3 <i>Enter stock data</i> into the internal stock system</p> <p>4.4 Secure stock and protect it from damage, deterioration and unauthorised access</p>	<ul style="list-style-type: none"> • Timing and delivery requirements • Continuity of supply • Cost and quality • Choice including options relating to different quality items at different price points • Back-up service • Terms of trade, including times for payment of accounts, credit periods, interest rates, fees and charges applicable • Factoring in supplier lead times. <p><i>Stock items</i> may include:</p> <ul style="list-style-type: none"> • Food and beverages including fresh, frozen and convenience foods; alcoholic and non-alcoholic drinks • Linen and staff uniforms • Housekeeping supplies including cleaning equipment and chemicals • Stationery including all consumable office supplies • Merchandise, including all items offered for sale in internal sales outlets • Promotional material including brochures, flyers, booklets, posters and catalogues • General store provisions. <p><i>Personnel</i> involved in stock control duties may include:</p> <ul style="list-style-type: none"> • Purchasing officer • Store man • Managers and owners • Department heads.
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<p>Element 5: Develop and implement stock issuing systems</p> <p>5.1 Identify the basis on which stock will be issued or distributed internally</p> <p>5.2 Develop <i>documentation to support the issuing of stock</i></p> <p>5.3 Manage <i>stock distribution within the premises</i></p> <p>5.4 <i>Track and record the movement of stock within the enterprise</i></p> <p>Element 6: Develop and implement stock management systems</p> <p>6.1 Create and implement <i>stock taking systems</i></p> <p>6.2 Create and implement <i>stock valuation systems</i></p> <p>6.3 Create and implement <i>stock reporting systems</i></p> <p>6.4 Make recommendations to improve the operation of the existing stock system</p>	<p><i>Stock control cycle</i> may relate to:</p> <ul style="list-style-type: none"> • Purchasing • Receiving • Storing • Issuing • Production • Service • Sales. <p><i>Documentation</i> may include:</p> <ul style="list-style-type: none"> • Internal documentation, such as purchase orders, bin cards, requisitions, internal stock transfers, stock take sheets, ledgers • External documentation, such as delivery dockets, invoices, statements, credit notes. <p><i>Product knowledge</i> may include:</p> <ul style="list-style-type: none"> • Visiting suppliers and markets • Testing and tasting food items • Researching information provided by growers, manufacturers and suppliers • Obtaining product samples • Attending industry events, seminars, launches and conferences. <p><i>Select suppliers</i> should address:</p> <ul style="list-style-type: none"> • Ability of supplier to meet nominated supply specifications, including brands, quantities, timing, price • Product availability and continuity of supply • Delivery services available, including timing, safe food handling practices, deliveries to meet emergency situations that arise • Minimum and maximum orders quantities imposed by the supplier
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- Competitive pricing details, including reference to quantity and other discounts, special deals, rebates and volume incentives
 - Financial terms applicable to credit and payment
 - References available from other customers attesting to their level of satisfaction with the suppliers being considered
 - Trading hours and delivery times of suppliers
 - After hours services available, including ordering facilities, emergency deliveries.
- Purchasing and supply requirements may include:*
- Development of purchasing specifications, including details regarding product name, general and detailed item descriptions, identification of final product use, storage procedures, required labelling, special instructions and/or requirements for the item
 - Conducting yield testing using methods appropriate to individual stock types
 - Development of bidding and tendering process, where applicable
 - Price control and price mapping
 - Product cycle details
 - Internal demand, including seasonal and event influences; reference to historical trade and product usage data and stock figures
 - Establishment of economic order quantities
 - Determination of minimum and maximum stock levels.
- Terms of purchase may refer to:*
- Competitive or open market buying, which will vary between items
 - Obligations imposed by buying groups, franchise operations and head office imperatives
 - Contract buying, sealed bid buying, cost plus buying, one stop buying, cooperative buying, negotiated buying
 - Rationalisation of suppliers to minimise cost and time spent on administration and account checking and payment

- Differentiation between wholesale and retail buying
 - Comparison of centralised and decentralised buying.
- Implementation ordering system*, will include placement of orders, which may include:
- Standing orders
 - On-line ordering
 - Purchase orders
 - Telephone orders
 - Face-to-face lodgement of orders with sales staff/representatives.
- Monitor in-coming deliveries* may relate to:
- Ensuring stock is intended for the premises
 - Checking physical stock against items ordered
 - Checking physical stock against accompanying delivery documentation
 - Checking pricing details
 - Checking stock against product specifications.
- Inspecting incoming stock* should include:
- Checking brand names, container/package size, vintages, colour, type
 - Verifying quality and quantity of items
 - Ensuring food safety, including freedom from pests, correct temperatures, integrity of packaging
 - Ensuring stock is not damaged
 - Complying with the requirements of the food safety plan/program for the establishment.
- Delivery documentation* may relate to:
- Signing documentation
 - Documenting returns and rejection of stock
 - Following up short-deliveries with internal department and suppliers, including making decisions about re-ordering stock to ensure required stock levels are maintained.

	<p><i>Storage conditions</i> must include:</p> <ul style="list-style-type: none">• Storage conditions for fresh, refrigerated, frozen and dry goods• Storage conditions for alcoholic and non-alcoholic beverages• Storage conditions for other items, including linen, uniforms, chemicals, stationery, equipment, merchandise and promotional materials• Complying with the requirements of the food safety plan/program for the establishment• Conditions and processes to minimise wastage, theft and loss• Stock rotation principles. <p><i>Enter stock data</i> may relate to:</p> <ul style="list-style-type: none">• Use and updating of bin cards, stock sheets and goods inwards documentation• Inputting stock received data into the electronic stock control system. <p><i>Documentation to support the issuing of stock</i> may include:</p> <ul style="list-style-type: none">• Requisitions sheets• Internal transfer sheets. <p><i>Stock distribution within the premises</i> must include:</p> <ul style="list-style-type: none">• Physical supply of stock to departments within the property• Verifying stock ordered against stock supplied internally• Ensuring the security of stock supplied• Use of the imprest stock system. <p><i>Track and record the movement of stock</i> may relate to:</p> <ul style="list-style-type: none">• Completing internal manual paperwork to reflect stock that has been issued• Updating electronic systems• Ensuring stock type and quantity are accurately entered
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- Ensuring records reflect department to which stock has been provided.

Stock taking systems may include:

- Undertaking physical stock takes
- Development and completion of stock take sheets
- Training of staff in stock taking practices
- Extension of stock take sheets.

Stock valuation systems may include:

- Development of stock figures to identify stock performance, including identification of fast and slow moving lines, stock losses and performance indicators
- Calculation of stock-on-hand figures
- Comparison of theoretical stock levels against actual stock levels
- Investigation of stock irregularities and variances.

Stock reporting systems may relate to:

- Preparation and production of required internal stock reports, including development of on-going figures, identification and explanation of trends and variances
- Training of staff in waste management practices
- Revision of existing systems and practices to optimise stock usage.

Assessment Guide

The following skills and knowledge must be assessed as part of this unit:

- Knowledge of products and understanding of the final use of all products and items ordered
- Knowledge of economic order quantities for all items
- Ability to source available supply and purchasing options
- Knowledge of supplier, industry and market knowledge relating to supply and ordering of stock

- Knowledge of sources of information regarding products and suppliers
- Knowledge of enterprise policies and procedures in regard to ordering, payment, storing, stock management and where applicable, safe food handling
- Ability to order, receive, store and issue a nominated range of stock items
- Ability to write product specifications
- Ability to undertake yield testing.

Linkages To Other Units

- Access and retrieve computer-based data
- Apply standard safety procedures for handling foodstuffs
- Communicate effectively on the telephone
- Comply with workplace hygiene procedures
- Perform clerical procedures
- Receive and store kitchen supplies and food stock
- Maintain strategies for safe storage of prepared foods
- Develop and maintain food and beverage product knowledge
- Plan and establish systems and procedures
- Maintain a paper-based filing and retrieval system
- Use common business tools and technology
- Monitor catering revenue and costs
- Receive and store stock
- Produce documents on a computer
- Manage and control operational costs.

Critical Aspects of Assessment

Evidence of the following is essential:

- Ability to develop stock purchasing and control/management systems
- Ability to effectively implement stock control/management procedures, including staff training, preparation and completion of documentation, stock taking procedures
- Product and stock knowledge.

Context of Assessment

This unit may be assessed on or off the job

- Assessment should include practical demonstration either in the workplace or through a simulation activity, supported by a range of methods to assess underpinning knowledge
- Assessment must relate to the individual's work area or area of responsibility
- Actual or simulated workplace application of stock control and management protocols including stock ordering, receipt and inspection, storage, issuing and maintenance of optimum stock levels.

Resource Implications

Training and assessment to include access to a real or simulated workplace; and access to workplace standards, procedures, policies, guidelines, tools and equipment.

Assessment Methods

The following methods may be used to assess competency for this unit:

- Case studies
- Observation of practical candidate performance
- Oral and written questions
- Portfolio evidence
- Problem solving
- Role plays
- Third party reports completed by a supervisor
- Project and assignment work.

Key Competencies in this Unit		
<i>Level 1 = competence to undertake tasks effectively</i>		
<i>Level 2 = competence to manage tasks</i>		
<i>Level 3 = competence to use concepts for evaluating</i>		
Key Competencies	Level	Examples
Collecting, organising and analysing information	3	Compile information about products and suppliers; undertake yield testing and prepare purchase specifications
Communicating ideas and information	3	Liaise with internal staff to identify supply needs; negotiate with suppliers
Planning and organising activities	2	Arrange deliveries, standing orders, internal supply and storage
Working with others and in teams	3	Collaborate with internal staff to issue stock as required and in the quantities needed
Using mathematical ideas and techniques	3	Calculate order quantities and stock figures
Solving problems	2	Follow-up of credits and short-deliveries/non-supply
Using technology	2	Enter data into stock control systems; manipulate stock data to generate stock reports and statistics; use technology to place orders