

Specification of Competency Standards
for the Retail
Unit of Competency

Functional Area - Merchandising / E-commerce Merchandising

Title	Manage relationships with suppliers
Code	111290L5
Range	This unit of competency (UoC) is applicable to the purchasing department of the retail industry. Practitioners have the ability to analyse and assess suppliers' information, and manage relationships with suppliers including management of purchase agreement, resolution of conflicts, and monitoring of suppliers, in order to ensure that the delivery of goods is correct in quantity and punctual.
Level	5
Credit	6
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Understand the knowledge of supplier management <ul style="list-style-type: none"> • Understand the organisation's procedures and policy guidelines related to purchasing, tender invitation, and contract signing (including limit of authority and monitoring measures) • Understand the organisation's guidelines on supplier selection • Understand the organisation's policies and guidelines on contract negotiation • Understand methods of monitoring and assessing performance of suppliers • Understand by what method/mechanism the organisation uses to monitor the quality of goods provided by suppliers 2. Manage relationships with suppliers <ul style="list-style-type: none"> • Analyse and classify suppliers e.g. <ul style="list-style-type: none"> • Scale of the organisation • Types / quality of goods provided • Business expansion • Background • Analyse suppliers' production costs and evaluate the production condition in order to formulate appropriate purchasing strategies • Regularly update changes in suppliers' organisation information • Understand suppliers' organisation structure, decision making process, etc. • Assess suppliers' financial risks and their sustainability and formulate corresponding strategies and contingency plans • Increase transparency in tender invitations or contract negotiations to ensure a mutual understanding of all contractual terms and conditions. • Monitor suppliers' performance and give opinions on the following to improve cooperative relationship <ul style="list-style-type: none"> • Quality of goods • Delayed delivery • Arrangement for return of goods • Understand terms for return of goods (e.g. the return is due to problems related to transportation / packaging, etc.) • Faulty invoices • Establish communication channels with suppliers and maintain good cooperative relationship <ul style="list-style-type: none"> • Respect • Trust • Justice and integrity • Mutual benefits • A business partner 3. Exhibit professionalism

	<ul style="list-style-type: none"> • Ensure that benefits of the organisation will not be harmed, which is a prerequisite when entering a partnership with suppliers, in order to achieve a win-win situation • Ensure that professional conduct has been upheld in the cooperative relationship with suppliers • Prevent any abuse of power or malpractice, such as abuse / misappropriation of the organisational assets and theft
Assessment Criteria	<p>The integrated outcome requirements of this UoC are the abilities to:</p> <ul style="list-style-type: none"> • Master the business characteristics of suppliers; and • Manage relationship with suppliers effectively, and establish sound communication channels with suppliers for mutual benefits.
Remark	<p>This UoC is adopted from 104982L5. The UoC title is revised.</p>