

Title	Demonstrate knowledge of product purchasing for the New Zealand marine industry		
Level	4	Credits	4

Purpose	People credited with this unit standard are able to: explain the identification of marine products to purchase for re-sale to customers; describe, for the marine industry, supplier types and selection; contractual arrangements for purchase and supply; freight logistics for purchased products; the process for receiving inwards goods; and describe the format alternatives for placing orders.
----------------	---

Classification	Boating Industries > Marine Sales and Services
-----------------------	--

Available grade	Achieved
------------------------	----------

Guidance Information

- 1 Recommended for entry: Unit 25356, *Purchase and receive marine products from suppliers*.
- 2 Definitions
Special order – non-stocked products
Stock turnover ratio – how quickly a business turns over stock
 Stock Turnover Ratio = $\frac{\text{Cost of Goods}}{\text{Average Stock}}$
Terms of trade – a suppliers' guide to customers on how transactions will be carried out, from quoting through to final payment.
- 3 References
 Copyright Act 1994
 Trade Marks Act 2002
 Convention on International Trade in Endangered Species of Wild Fauna and Flora, available at www.cites.org
 Transitional biosecurity, available at <http://containerchecks.maf.govt.nz>.

Outcomes and performance criteria

Outcome 1

Explain the identification of marine products to purchase for re-sale to customers.

Performance criteria

- 1.1 Identification of products to purchase is explained in accordance with company business plan and company business positioning in the market place.
- Range may include but is not limited to – product types or categories, brands, quality, new release products, replacement of existing stock.
- 1.2 Methods of determining purchase quantities are explained in accordance with current and projected stock requirements and stock turnover ratios.
- Range may include but is not limited to – shelf-life, stock rotation.
- 1.3 The importance of correct product identification codes and part numbers when ordering are explained. The implications of mistakes are explained in terms of financial and time impacts.
- Range stocked products, special order.
- 1.4 A marine product example that may be available to purchase but does not comply with New Zealand law is identified in accordance with the Copyright Act 1994.
- 1.5 A marine product example that may be available to purchase but does not comply with New Zealand law is identified in accordance with the Trade Marks Act 2002.
- 1.6 A marine product example that may be available to purchase but does not comply with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) is identified.

Outcome 2

Describe marine industry supplier types and selection.

Performance criteria

- 2.1 Suppliers are described in terms of type.
- Range manufacturer, distributor, agency, franchise, licence holder, mass production suppliers.
- 2.2 Supplier selection considerations are described in accordance with purchasing needs.
- Range product types, product item price, volume requirements, delivery time.

Outcome 3

Describe contractual arrangements for purchase and supply in the marine industry.

Performance criteria

- 3.1 Contractual arrangements are described in terms of supplier terms of trade.
- 3.2 Contractual arrangements are described in terms of conditions of payment for products.
- Range may include but is not limited to – timing, deposits, payment type, payment required prior to delivery, discounts.
- 3.3 Contractual arrangements are described in terms of pricing structures.
- Range may include but is not limited to – bulk discounts, minimum order quantity.
- 3.4 Supply agreement types are described in terms of potential options.
- Range indent, to order, special order, just in time, minimum order, re-order, ex-stock, volume order.
- 3.5 Contractual arrangements are described in terms of supply logistics and delivery times.
- 3.6 Procedures that may be followed in the event of customer warranty claims are described in terms of the requirement for claim procedures to be included in contractual agreements and potential options for claim remedies.
- 3.7 Shipping delivery terms that may apply to contract arrangements are identified.
- Range CIF, FOB, ex-works, LCL, FCL.

Outcome 4

Describe freight logistics for purchased products.

Performance criteria

- 4.1 Freight logistics are described for products for imported and locally sourced products.
- Range airfreight, shipping, courier, weight, volume, documentation, freight agent requirements, customs requirements, duty requirements, GST requirements, fumigation, local delivery, traceability, insurance, delivery time agreements.

Outcome 5

Describe the process for receiving inward goods.

Performance criteria

- 5.1 Description includes quantity checks in accordance with product purchase order.
- 5.2 Description includes condition checks in accordance with agreements for delivery.

Range may include but is not limited to – shipping company agreements, supplier agreements.
- 5.3 Description includes procedures for receiving into stock and delivering specially requested products to customers promptly in accordance with customer requirements and agreements made with customers.
- 5.4 Company process to follow when products do not match agreed delivery criteria is described in terms of re-order, return, and negotiation options.

Range negotiation may include but is not limited to – insurance.
- 5.5 Process for entering products into stock is described in accordance with company procedures.

Range may include but is not limited to – physical storage of products, stock rotation, entering products into computer system, accounting.
- 5.6 Ministry of Agriculture and Fisheries biosecurity requirements for container unloading transitional facilities are described in terms of unloading containers of marine equipment.

Outcome 6

Describe the format alternatives for placing orders in the marine industry.

Performance criteria

- 6.1 Order format alternatives are described in terms of ordering system, efficiencies, advantages, and disadvantages.

Range may include but is not limited to – fax, phone, email, online.

Planned review date	31 December 2020
----------------------------	------------------

Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	12 December 2008	N/A
Rollover and Revision	2	31 May 2018	N/A

Consent and Moderation Requirements (CMR) reference

0136

This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.

Comments on this unit standard

Please contact the NZ Marine and Composites ITO training@nzmarine.com if you wish to suggest changes to the content of this unit standard.