

Specification of Competency Standards
for the Automotive Industry
Unit of Competency

Functional Area - Parts Management

Title	Formulate purchasing strategy of parts and accessories
Code	108626L5
Range	This unit of competency is applicable to the practitioners in the auto parts and accessories purchasing department for the formulation of effective purchasing strategy and revision of its effectiveness to optimise the utilisation of resources and enhance cost effectiveness for the organisation.
Level	5
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Knowledge (Characteristics of auto parts and accessories as well as the actual market situation)</p> <ul style="list-style-type: none"> • Master the latest information such as the prices of different auto parts and accessories, market demands and market shares. • Good understanding of the standard of goods and respective regulations governing sale • Master the states of sales, return and exchange of different goods. • Good understanding of the specifications and characteristics of different parts and accessories, such as applicable range, utilisation rate and storage period. • Master the specifications of different parts and accessories as well as inventory level requirements. • Good understanding of the quality, availability and stability of goods supply of different parts and accessories suppliers as well as the discounts and terms of conditions offered by them (applicable to the parts and accessories sales agents not affiliated with vehicle agents). • Familiar the resources available and risks affordable by the organisation. <p>2. Performance (Purchasing strategy of auto parts and accessories)</p> <ul style="list-style-type: none"> • According to the characteristics of different parts and accessories, market situation, sales records and the employable resources of the organisation, formulate the purchasing strategy of auto parts and accessories applicable to the suppliers of non-designated vehicle agents such as specifications, categories, prices, quantity and the cycles of goods supply, the requirements on the suppliers, including the instructions on the assessment of the applicability of non-original parts and accessories. • According to the sales records of different types of vehicles supplied exclusively by the organisation and the suggestions of the manufacturers, evaluate the demand for different parts and accessories and the employable resources of the organisation, to formulate the purchasing strategy applicable to the supplier of designated vehicle agents, such as prices, quantity and cycles of goods supply. • Establish contingency measures to cope with special incidents such as late supply and variation in quality. • Introduce innovated auto accessories according to the consuming pattern of local market and world-wide trend. • Establish the performance indicators for the purchasing strategy, such as the storage period of goods and costs. • Review the effectiveness of purchase and revise the strategy.
Assessment Criteria	The integrated outcome requirements of this unit of competency are that the practitioner being assessed shall prove that he/she is:

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	<ul style="list-style-type: none">• Capable of formulating effective purchasing strategy according to the characteristics of auto parts and accessories, market situation, the conditions of the suppliers and the resources of the organisation; and• Capable of reviewing and adjusting the strategy according to the performance indicators of the purchasing strategy.
Remark	