# Specification of Competency Standards
# for the Automotive
# Unit of Competency

**Functional Area - Parts Management**

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| **Title** | Supply-chain Management in Automotive Industry |
| **Code** | 111774L4 |
| **Range** | This unit of competency is applicable to the practitioners of the parts department department with the following responsibilities : To manage the day-to-day operational aspects of a supply chain within the automotive industry. It involves coordinating the flow of goods, information, and finances from procurement of raw materials and components to the delivery of finished vehicles or parts to end-users. Applies to individuals in automobile spare parts management roles, such as Supply Chain Supervisors, Logistics Coordinators, Parts Managers, Production Supervisors, and Inventory Controllers, who are responsible for ensuring the efficient, cost-effective, and timely operation of the automotive supply chain. They perform tasks related to planning, scheduling, inventory management, and supplier relationships with a significant degree of autonomy and responsibility for the work outcomes of others. |
| **Level** | 4 |
| **Credit** | 6 *(For Reference Only)* |
| **Competency** | **Performance Requirements**<br><br>1. Knowledge (Knowledge of Supply-chain Management in Automotive Industry)<br>• Automotive Supply Chain Structure: Knowledge of the multi-tiered supply chain, and the flow of components for vehicle assembly and the aftermarket.<br>• Inventory Management Principles: Understand the Economic Order Quantity (EOQ), ABC analysis, safety stock, and First-In-First-Out (FIFO).<br>• Understand the Logistics and Transport Modes<br>• Lean and Quality Principles: Understanding of JIT, Kaizen, and quality management standards.<br>• Regulatory Knowledge: Awareness of relevant regulations including customs compliance, import/export controls, and dangerous goods handling.<br>• Understanding of Supplier Relationship Management (SRM) |

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| | 2. Performance (Manage inventory and warehouse operations)<br>• Plan and source materials for automotive operations<br>  ◦ Understand the interpret production schedules and parts demand forecasts to determine material requirements.<br>  ◦ Able to liaise with established and potential suppliers to source components, materials, and services according to specifications.<br>  ◦ Able to process purchase orders and manage supplier agreements to ensure continuity of supply.<br>  ◦ Able to apply Just-in-Time (JIT) and lean principles to sourcing activities to minimise inventory holding costs.<br>• Manage inventory and warehouse operations<br>  ◦ Able to implement inventory control procedures to maintain optimal stock levels and minimise stockouts or excess inventory.<br>  ◦ Able to supervise warehouse activities, including receiving, put-away, storage, picking, packing, and dispatch.<br>  ◦ Able to coordinate cycle counts and stocktakes, and investigate and reconcile discrepancies.<br>  ◦ Able to manage the handling and storage of specific automotive components, including hazardous goods and sensitive electronic parts.<br>• Coordinate logistics and distribution activities<br>  ◦ Able to schedule and monitor the transportation of materials and finished goods through inbound and outbound logistics.<br>  ◦ Able to select and manage relationships with freight carriers and third-party logistics (3PL) providers.<br>  ◦ Able to ensure all documentation (e.g., bills of lading, customs paperwork, dangerous goods declarations) is accurately completed.<br>  ◦ Able to track shipments and implement contingency plans to resolve logistical delays or disruptions.<br>• Monitor and improve supply chain performance<br>  ◦ Able to collect and analyse key performance indicators (KPIs) such as on-time delivery, inventory turnover, and order accuracy.<br>  ◦ Able to identify issues and inefficiencies within the supply chain operation and investigate their root causes.<br>  ◦ Able to implement and monitor continuous improvement actions to enhance supply chain efficiency and reduce costs.<br>  ◦ Able to report on supply chain performance to management and other relevant stakeholders.<br>• Management Skills<br>  ◦ Understanding of advanced skills to analyse inventory data, calculate KPIs (e.g., fill rates, freight costs), manage budgets, and interpret financial reports.<br>  ◦ Able to interpret complex documents including purchase orders, shipping contracts, supplier agreements, and safety data sheets (SDS).<br>  ◦ Digital Literacy: Understanding of Proficiency in using Enterprise Resource Planning (ERP) systems, Warehouse Management Systems (WMS), and supply chain software for tracking and management.<br>  ◦ Problem-solving: Ability to anticipate potential disruptions, analyse root causes of issues (e.g., using 5 Whys), and develop effective solutions.<br>  ◦ Communication and Interpersonal Skills: Able to lead a team, negotiate with suppliers and carriers, and communicate clearly with internal stakeholders. |
| **Assessment Criteria** | Demonstrate the ability and knowledge to complete the tasks<br>• Able to develop a Supply Chain Management Plan for a specific automotive scenario (e.g., launching a new parts line, managing seasonal demand for a dealership).<br>• Able to analyse a set of inventory data to identify slow-moving and fast-moving parts, recommend stock level adjustments, and calculate the financial impact. |

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| | • Able to resolve a complex simulated disruption (e.g., a supplier production halt, a port strike delaying critical components) by developing and presenting a contingency plan.<br>• Able to prepare and deliver a performance report to management, outlining KPIs, key issues, and proposed improvement initiatives.<br>• Able to explain the role of JIT in a vehicle assembly plant and its implications for a logistics supervisor.<br>• Able to describe the key steps in a supplier evaluation and onboarding process.<br>• Understanding of the documents required for international shipping of automotive lithium-ion batteries and comparing and contrasting different inventory valuation methods and their impact on financial reporting. |
| **Remark** | The credits value of this suit competency assumes that the practitioner has already possessed basic knowledge on parts management |