

Specification of Competency Standards
for the Jewellery Industry
Unit of Competency

Functional Area - Operational Management

Title	Formulate risk management plans
Code	108868L6
Range	This unit of competency is applicable to practitioners responsible for formulating strategies in the work related to operational management in the jewellery industry. Practitioners should be capable of making critical analysis and judgment, and mastering extensive information under a daily business environment with possibility of changes to formulate risk management plans for different work areas of the organization with risk management knowledge and techniques.
Level	6
Credit	9
Competency	<p>Performance Requirements</p> <p>1. Know about the scope and source of risks</p> <ul style="list-style-type: none"> • Know about the source of risks, such as: <ul style="list-style-type: none"> ○ Natural disaster ○ Politics ○ Fire ○ Accident ○ Burglary ○ Quality of internal management ○ Labour disputes • Know about the scope of operations and daily operation of the enterprise • Know about the risk management theory, including: <ul style="list-style-type: none"> ○ Avoid risks ○ Prevent loss ○ Minimize loss ○ Transfer risks ○ Retain risks • Know about the enterprise's scope of risks and other risk management system requirements, such as: <ul style="list-style-type: none"> ○ Direct property loss ○ Inventory loss ○ Facility damages ○ Loss of special talents ○ Computer operational system failure ○ Loss/Theft of important record and information ○ Corporate reputation damages • Know about common risk-related legislation, such as: <ul style="list-style-type: none"> ○ Factories and Industrial Undertakings Ordinance ○ Factories and Industrial Undertakings (Electricity) Regulations ○ Factories and Industrial Undertakings (Confined Spaces) Regulation ○ Occupational Safety and Health Ordinance ○ Fire Prevention/Fire Alarm Ordinance • Master contemporary risk management modes, including: <ul style="list-style-type: none"> ○ Current development of risk management ○ Ways of handling crisis ○ Post-crisis risk management strategies • Master the assessment of risks, including: <ul style="list-style-type: none"> ○ Importance of the degree of loss ○ Risk measurement

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	<ul style="list-style-type: none"> • Master the ways of controlling risks, including: <ul style="list-style-type: none"> ○ Importance of risk control ○ Pre-assessment of risks ○ Pre-incident risk control and post-incident financial compensation • Master the business strategies of the organization <p>2. Formulate risk management plans</p> <ul style="list-style-type: none"> • Master the characteristics of different work areas of the organization and apply risk management knowledge and techniques to formulate risk management plans, including: <ul style="list-style-type: none"> ○ Set up risk management committee ○ Formulate risk monitoring plans ○ Analyze risk management tools ○ Review the mechanism • Assess the advantages and disadvantages of different risk control plans • Analyze the risk level of tangible assets such as property, inventory and facility, and choose the most desirable asset assurance plans for the organization • Discuss the daily operational needs with insurance intermediaries or insurance companies to formulate suitable and effective risk transfer plans • Discuss the daily operational needs with other relevant departments to formulate suitable and effective risk management plans, such as monitoring and reviewing: <ul style="list-style-type: none"> ○ The human resources policy, such as training policy, promotion and employment conditions to reduce the risk of talent loss ○ The policy of daily operational management and equipment to reduce the operational facility risk, such as unstable operation of computer systems or equipment ○ The daily operations and monitoring systems, such as the security system, receipt and delivery of inventory and record system to reduce the inventory loss risk due to burglary ○ The public relations strategy of the organization to reduce the risk of corporate reputation ○ The customer credit management strategy to reduce the default risk of the organization • Formulate the organizational management system and relevant indicators as well as allocate suitable resources to implement the risk management plans <p>3. Professionalism</p> <ul style="list-style-type: none"> • Formulate protective measures to minimize the disruption to the business and operations of the organization (Mainland factory) due to disasters and incidents, thereby reducing the risk of the organization (e.g. insurance policy) • When implementing risk management, the overall interests of the organization, customers and business partners must be taken into account
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Able to integrate various kinds of information in a daily business environment with possibility of changes to formulate risk management plans or strategies for different areas of business of the enterprise, so as to reduce risks; and • Co-ordinate the resources of the organization to facilitate the implementation of various risk management strategies.
Remark	