

Specification of Competency Standards
for the Jewellery Industry
Unit of Competency

Functional Area - Logistics and Purchasing

Title	Formulate procurement plans for jewellery materials, gemstone products and parts
Code	109000L4
Range	This unit of competency is applicable to managers responsible for duties related to operational management, logistics and procurement in the jewellery industry. Practitioners should be capable of making careful analysis and judgments. They should be able to analyze and assess the market trend, customers' needs and suppliers' information when performing operational management duties, so as to formulate procurement plans for jewellery materials, gemstone products and parts as well as to control the inventory level effectively.
Level	4
Credit	6
Competency	<p>Performance Requirements</p> <p>1. Understand the relevant knowledge regarding procurement plans for jewellery materials, gemstone products and parts</p> <ul style="list-style-type: none"> • Know about the market trend of jewellery products, including: <ul style="list-style-type: none"> ○ Best-selling products ○ Core products ○ Supplementary products • Know about the trend of the price of materials, including: <ul style="list-style-type: none"> ○ The trend of gold price and stone price ○ Customers' needs • Know about the reading methods and related electronic systems of bills of materials, and their applications • Know about the analytical methods for developing material requirement plans and the application of the relevant information, including: <ul style="list-style-type: none"> ○ Production schedule ○ Stock on hand ○ Lead time ○ Sales order quantities and due dates ○ Purchase order quantities and due dates ○ Lot sizing policies and safety stock requirements • Know about the cost of inventory, such as: <ul style="list-style-type: none"> ○ Material cost ○ Ordering cost ○ Storage cost ○ Out-of-stock cost • Know about the just-in-time inventory management, including: <ul style="list-style-type: none"> ○ The concept of zero inventory ○ The circumstances and concept of just-in-time inventory management <p>2. Formulate procurement plans for jewellery materials, gemstone products and parts</p> <ul style="list-style-type: none"> • Separate the finished products into materials that need to be purchased according to the bills of materials, and calculate the quantities of materials required • Use various suitable tools to estimate the appropriate order quantities, such as economic order quantities • Select suitable suppliers of jewellery materials, gemstone products and parts, including: <ul style="list-style-type: none"> ○ Assess their abilities in supplying materials as well as the prices and quality of the materials ○ Estimate the lead time required for the supply of each material

Specification of Competency Standards
for the Jewellery Industry
Unit of Competency

Functional Area - Logistics and Purchasing

	<ul style="list-style-type: none"> ○ Develop assessment records ○ Compile a list of suppliers ○ Develop order schedules, such as seasonal and non-seasonal ○ Conduct regular reviews and assessments ● Monitor the internal inventory system, including: <ul style="list-style-type: none"> ○ Inventory period ○ Inventory level (ensure that the inventory level is higher than the minimum requirement) ○ Inventory utilization rate <p>3. Professionalism</p> <ul style="list-style-type: none"> ● Safeguard the overall interests of the organization, clients and business partners when purchasing jewellery materials, gemstone products and parts ● Ensure that the material requirement information provided is accurate ● Do not process or modify the purchase orders irregularly without authorization
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> ● Able to analyze and assess the market trend of jewellery products, customers' needs and suppliers' information to formulate procurement plans for jewellery materials, gemstone products and parts; and ● Effectively control the inventory level of jewellery materials, gemstone products and parts.
Remark	