

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Operations Management

Title	Implement financial analysis and cost control
Code	LOCUOM411B
Range	This unit of competency is applicable to all kinds of transport and logistics companies. Practitioners should be capable to conduct financial analysis and cost control in order to optimize the use of capital and enhance cost effectiveness of the company.
Level	4
Credit	9 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Knowledge of financial analysis and cost control</p> <ul style="list-style-type: none"> • Understand the content of financial statement and the implication of data • Be familiar with analysis of different ratios, such as liquidity ratio, turnover time for account receivable, ratio of assets and liabilities • Master the principles and techniques of financial comparison analysis, such as financial statement comparison and trend analysis • Understand the characteristics of financial turnover in the logistics industry • Understand the workflow and cost structure of logistics • Understand the composition and type of logistics costs, such as fixed cost, variable cost relevant to transport volume or distance • Be familiar with cost control, standard cost formulation, cost responsibility system, etc. <p>2. Implement financial analysis and cost control</p> <ul style="list-style-type: none"> • Formulate system and workflow for the financial statement of the company, and collect financial information regularly • Analyse financial and business situation of the company • Calculate and analyse financial ratios, such as profitability and liabilities ratio • Monitor change of different costs • Analyse composition and change of cost • Discuss with relevant managerial staff and financial control staff on cost control measures • Explain the purpose and measures of cost control to the influenced units • Compile reports to illustrate the formulation and implementation of cost control measures
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Capable to analyse financial or cost issues relevant to logistics and transport according to financial and account information; • Capable to communicate with the financial and accounting departments of the company and implement cost control measures; and • Capable to compile reports to illustrate the formulation and implementation of cost control measures
Remark	