

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Operations Management

Title	Formulate acquisition plans for asset-typed equipment
Code	LOCUOM511B
Range	This unit of competency is applicable to sea freight, air freight and express operators. Practitioners should be capable to suggest effective solution and formulate asset-typed equipment acquisition plan to optimise cost effectiveness and for the long-term development of the company.
Level	5
Credit	9 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Possess the knowledge of asset-typed equipment acquisition</p> <ul style="list-style-type: none"> • Understand the logistics or transport equipment of an asset type • Understand ways and channels of acquiring the equipment, e.g. purchase, on hire, hire-purchase, etc. • Understand the management and use of short- and long-term loans to make the equipment investment management cost effective • Understand the current and market development in technologies and needs • Master the management concepts of equipment investment • Master the calculation of equipment cost and return • Understand the calculation of data of the internal rate of return, payback period, etc. <p>2. Formulate acquisition plans for asset-typed equipment</p> <ul style="list-style-type: none"> • Assess short- and long-term needs of asset-typed equipment acquisition in accordance with the operation policy and business development of the company • List out asset-typed equipment acquisition needs and recommend the priority • List out ways and channels of acquiring the equipment • Calculate equipment costs and return • Design different acquisition plans for the equipment • Select suitable criteria for assessment of different acquisition plans • Evaluation of return of investment from different viewpoint like technological changes, customers' requirement and plan, lifecycle of customers/equipment/ output products • Assess the influence of different acquisition location plans on the financial arrangement of the company • Assess the short- and long-term influences of different acquisition plans on the company, customers and competitors • Compile reports to illustrate the asset-typed equipment allocation plans
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Capable to apply different asset-typed equipment acquisition to analyse and calculate the costs and returns of different asset-type equipment; • Capable to design different acquisition plans for the equipment and assess the short- and long-term influences of different acquisition plans on the operation and the financial arrangement of the company as well as on the customers and competitors; and • Capable to compile reports to illustrate the asset-typed equipment acquisition plans.
Remark	