

**Specification of Competency Standards**  
**for the Logistics Industry**  
**Unit of Competency**

Functional Area - Operations Management

Title	Formulate vehicle fleet management strategy
Code	LOCUOM513B
Range	This unit of competency is applicable to sea freight, air freight and express operators. Practitioners should be capable to formulate an effective vehicle fleet management strategy for the vehicle fleet they managed.
Level	5
Credit	9 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Possess the knowledge of vehicle fleet management</p> <ul style="list-style-type: none"> <li>• Understand the ways as well as the advantages and disadvantages of purchasing and leasing goods vehicles</li> <li>• Understand the composition and calculation of the operational costs of a vehicle fleet</li> <li>• Understand the operation as well as the advantages and disadvantages of contracting out and providing company-owned vehicle fleet for goods transport service</li> <li>• Understand the role and functions of the vehicle fleet in the company's operation</li> <li>• Understand the workflow of vehicle fleet operation</li> <li>• Understand the demand of customers with different industries and products</li> <li>• Understand the service pattern of current customers of the company like delivery time frame, period, nature of cargo, etc.</li> <li>• Understand different types of KPI that can help to reflect the measurement and management of the fleet performance</li> <li>• Master the arrangements for vehicle depreciation, abandonment, replacement and realisation</li> </ul> <p>2. Formulate the strategy of vehicle fleet management</p> <ul style="list-style-type: none"> <li>• Analyse the risks of finance and fixed assets investment</li> <li>• Analyse the operational cost of vehicle fleet management</li> <li>• Analyse the utilisation rate and future need of the vehicle fleet</li> <li>• Analyse the considerations in operating the vehicle fleet, including: <ul style="list-style-type: none"> <li>• Human resources management</li> <li>• Technology: global positioning system, geographic information system, etc.</li> <li>• Routing and scheduling</li> <li>• Environmental protection</li> <li>• Market image</li> </ul> </li> <li>• Assess the value, depreciation and asset value of vehicles</li> <li>• Plan the arrangements for selling, purchasing, leasing, hiring and scraping vehicles</li> <li>• Plan different vehicle acquisition solutions</li> <li>• Assess the effects of different vehicle acquisition plans on the financial arrangement of the company</li> <li>• Assess the cost effectiveness of contracting out or providing the service by the company itself</li> <li>• Establish KPI requirement according to company's and customers' requirement</li> <li>• Compile reports to illustrate the vehicle fleet management strategy</li> <li>• Develop KPI reports to reflect the performance and identify key problem areas for future improvement</li> <li>• Continuously study new KPIs to increase company's competitiveness and cost effectiveness</li> </ul>

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Assessment Criteria	The integrated outcome requirements of this unit of competency are: <ul style="list-style-type: none"><li>• Capable to apply the knowledge of fleet management to analyse and assess the role of the vehicle fleet in the operation and development of the company to establish fleet management strategies; and</li><li>• Capable to review regularly key performance indicators to enhance the competitiveness and cost effective of the company</li></ul>
Remark	