

## Specification of Competency Standards for the Logistics Industry

### Unit of Competency

1. Title	Formulate risk management plans
2. Code	LOCUIL601A
3. Range	The unit of competency is applicable to all sea freight, air freight and express operators. Practitioners should be capable to apply the risk management knowledge and techniques and, based on the thorough understanding of the transport procedure, to formulate risk management plans for different working procedures.
4. Level	6
5. Credit	9 ( for reference only )
6. Competency	<p style="text-align: right;"><u>Performance Requirements</u></p> <p>6.1 Knowledge of risk management</p> <ul style="list-style-type: none"><li>◆ Master the definitions of risk management, including:<ul style="list-style-type: none"><li>• Importance of risk management</li><li>• Risk management theory:<ul style="list-style-type: none"><li>▸ Avoid risks</li><li>▸ Prevent loss</li><li>▸ Minimize loss</li><li>▸ Transfer risks</li><li>▸ Retain risks</li></ul></li></ul></li><li>◆ Master contemporary risk management modes, including:<ul style="list-style-type: none"><li>• Current development of risk management</li><li>• Way of handling crisis</li><li>• Post-crisis risk management strategies</li></ul></li><li>◆ Master the assessment of risks, including:<ul style="list-style-type: none"><li>• Importance of the degree of loss</li><li>• Risk measurement</li></ul></li></ul>

	<ul style="list-style-type: none"> <li>◆ Master the way to control risks, including: <ul style="list-style-type: none"> <li>• Importance of risk control</li> <li>• Risk pre-assessment</li> <li>• Pre-incident risk control and post-incident financial compensation</li> </ul> </li> </ul> <p>6.2 Formulate risk management plans</p> <ul style="list-style-type: none"> <li>◆ Master various working procedures and characteristics of sea freight, air freight and express operations, and apply risk management knowledge and techniques to formulate risk management plans, including setting up risk management committee, formulating risk monitoring plans, analyzing risk management tools and reviewing the mechanism</li> <li>◆ Analyze the cost of accident and benefits of safe operation</li> <li>◆ Consider the advantages and disadvantages of different risk control plans</li> <li>◆ Discuss with other departments on daily operational needs so as to formulate suitable and effective risk management plans</li> <li>◆ Discuss with insurance intermediaries on daily operational needs so as to formulate suitable and effective risk transfer plans</li> <li>◆ Consider thoroughly factors like occupational safety, health and environmental protection when formulating risk management plans</li> </ul>
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7. Assessment Criteria	The integrated outcome requirements of this unit of competency are:  (i) Capable to apply the knowledge of risk management to analyze rationally the operation of the sea freight, air freight and express industries, and to assess the influence of risks on operation of the company; and  (ii) Capable to formulate effective risk management plans.
8. Remarks	