

Specification of Competency Standards for the Logistics Industry

Unit of Competency

1. Title	Formulate risk management plans
2. Code	LOCULC601A
3. Range	This unit of competency is applicable to logistics service providers. Practitioners should be capable of applying 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	6 (for reference only)
6. Competency	<p style="text-align: center;"><u>Performance Requirements:</u></p> <p>6.1 Knowledge of risk management</p> <ul style="list-style-type: none"> • Master the definitions of risk management, including: <ul style="list-style-type: none"> ○ Importance of risk management ○ Risk management theory: <ul style="list-style-type: none"> ○ Avoid risks ○ Prevent loss ○ Minimise loss ○ Transfer risks ○ Retain risks • Master contemporary risk management modes, including: <ul style="list-style-type: none"> ○ Current development of risk management ○ Way of handling crisis ○ Post-crisis risk management strategies • Master the assessment of risks, including: <ul style="list-style-type: none"> ○ Importance of the degree of loss ○ Risk measurement • Master the way to control risks, including: <ul style="list-style-type: none"> ○ Importance of risk control ○ Risk pre-assessment ○ Pre-incident risk control and post-incident financial compensation <p>6.2 Formulate risk management plans</p> <ul style="list-style-type: none"> • 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, analysing risk management tools and reviewing the mechanism • Analyse the cost of accident and benefits of safe operation • Consider the advantages and disadvantages of different risk control plans • Discuss with other departments on daily operational needs so as to formulate suitable and effective risk management plans • Discuss with insurance intermediaries on daily operational needs so as to formulate suitable and effective risk transfer plans • Consider thoroughly factors like occupational safety, health and environmental protection when formulating risk management plans <p>6.3 Review risk management plans</p> <ul style="list-style-type: none"> • Identify performance indicators to evaluate the risk management plans • Collect information to evaluate the effectiveness of the risk management plans • Conduct situation analysis to identify internal and external factors affecting the performance • Provide effective recommendations to make adjustment on performance indicators and/or risk management plans

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7. Assessment Criteria	The integrated outcome requirements of this unit of competency are: <ul style="list-style-type: none">• Capable of applying the knowledge of risk management to analyse rationally the operations of the land transport, warehousing and logistics service industries, and assessing the influence of risks on operations of the company• Capable of formulating effective risk management plans• Capable of reviewing risk management plans
8. Remarks	This UoC is adapted from the Logistics UoC LOCUIL601A