

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Insurance, Legal Matters and Compliance

Title	Formulate risk management plans
Code	LOCULC601B
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.
Level	6
Credit	9 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Possess the 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: ○ 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>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>3. Review risk management plan</p> <ul style="list-style-type: none"> • Define key performance indicators to assess risk management plan • Obtain information to assess the effectiveness of risk management plan

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	<ul style="list-style-type: none">• Analyse the situation to define internal and external cause that affect the performance• Provide effective proposal and adjust key performance indicators and/or risk management plan
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none">• Capable to apply the knowledge of risk management to analyse rationally the operation of the sea freight, air freight and express industries, and to assess the influence of risks on operation of the company to establish a effective risk management solution;• Capable to formulate effective risk management plans which can have full coverage of OSH and environmental protection issues, etc; and• Capable to review risk management plan
Remark	This UoC is adopted from the Logistics UoCs LOCUIL601A and LOCULC601A.