

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Operations Management

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| Title | Formulate local operation strategies |
| Code | LOCUOM501B |
| Range | This unit of competency is applicable to companies of sea freight, air freight, express and relevant operators. Practitioners should be capable to analyse thoroughly the local factors to formulate local operation strategies. |
| Level | 5 |
| Credit | 9 (For Reference Only) |
| Competency | <p>Performance Requirements</p> <p>1. Possess the knowledge of local operation strategies</p> <ul style="list-style-type: none"> • Understand local operations strategies and market practice • Understand the current and future changes of the economic scale and characteristics of the services in the district • Understand the current and future changes of the economic development and cargo handling needs of the district • Understand the current and future changes of the politics and social culture of the local district • Understand the current and future changes of the local government's policies on logistics, infrastructure and investment • Understand the current and future changes of the goods sources, types and values of products in local district • Understand the business environment and restrictions of the district on market participation • Understand the locations, connecting routes and methods of logistics service points, warehouses, and production sites/ sales points in the local district • Understand the services provided by regional competitors and their market share • Understand the relationship between logistics solutions and operation policy • Understand airlines, major traders and related governing developments and association on their future plan, trend and development • Understand the local technical change and potential impact to the logistics development • Master the transportation, wharf warehousing, distribution, IT infrastructure and manpower training of the local district and cross influence of different districts • Understand the macro environmental changes, customers development trend and competitors' direction in the district • Master the company's connection with partners, agents and operators in the local district • Master the calculations of time, space and cost in the local district • Master the use of analytical tools such as statistical methods and operations analysis • Understand quality improvement tools and techniques to achieve continuous improvement of effectiveness and efficiency. <p>2. Formulate local operation strategies</p> <ul style="list-style-type: none"> • Collect data and information on internal and external business environment • Analyse data and information • Analyse and assess the company's strengths, weaknesses, opportunities and threats • Analyse and assess the direction of the short-, mid-, and long-term development of the company • Analyse and assess governmental restrictions on operation, such as licensing, fees and environmental protection, in the local district |

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| | <ul style="list-style-type: none"> • Establish different strategic operation directions • Analyse and assess the advantages of different operation strategies and the resources thus required • Formulate appropriate business management policies according to the company and market conditions • Assess whether the existing services can cope with the business management policy • Recommend new services or modify the existing ones to cope with the business management direction <p>3. Review local operational strategies</p> <ul style="list-style-type: none"> • Make use of the district operation strategies to meet the needs of customers if the company has global or regional operation strategies in place • For any global or local operational strategies implemented by the company, local operational strategies should be followed • Establish key performance indicators (KPIs) and reports to evaluate and assess the results for further adjustment • Compile reports to illustrate district operation strategies |
| Assessment Criteria | <p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Capable to analyse thoroughly the factors for formulating local operation strategies and corporate business policy, and recommend appropriate operation strategies; • Capable to create measurement tools and reports and review local operations strategies; and • Capable to compile reports to illustrate local operation strategies. |
| Remark | This UoC is adopted from the Logistics UoCs LOCUOM501A and LOCUOM518A |