

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

Functional Area - Operations Management

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| Title               | Formulate acquisition plans for asset-typed equipment  |
| Code                | LOCUOM511B   |
| Range               | This unit of competency is applicable to sea freight, air freight and express operators. Practitioners should be capable to suggest effective solution and formulate asset-typed equipment acquisition plan to optimise cost effectiveness and for the long-term development of the company.   |
| Level               | 5  |
| Credit              | 9 (For Reference Only)   |
| Competency          | <p>Performance Requirements</p> <p>1. Possess the knowledge of asset-typed equipment acquisition</p> <ul style="list-style-type: none"> <li>• Understand the logistics or transport equipment of an asset type</li> <li>• Understand ways and channels of acquiring the equipment, e.g. purchase, on hire, hire-purchase, etc.</li> <li>• Understand the management and use of short- and long-term loans to make the equipment investment management cost effective</li> <li>• Understand the current and market development in technologies and needs</li> <li>• Master the management concepts of equipment investment</li> <li>• Master the calculation of equipment cost and return</li> <li>• Understand the calculation of data of the internal rate of return, payback period, etc.</li> </ul> <p>2. Formulate acquisition plans for asset-typed equipment</p> <ul style="list-style-type: none"> <li>• Assess short- and long-term needs of asset-typed equipment acquisition in accordance with the operation policy and business development of the company</li> <li>• List out asset-typed equipment acquisition needs and recommend the priority</li> <li>• List out ways and channels of acquiring the equipment</li> <li>• Calculate equipment costs and return</li> <li>• Design different acquisition plans for the equipment</li> <li>• Select suitable criteria for assessment of different acquisition plans</li> <li>• Evaluation of return of investment from different viewpoint like technological changes, customers' requirement and plan, lifecycle of customers/equipment/ output products</li> <li>• Assess the influence of different acquisition location plans on the financial arrangement of the company</li> <li>• Assess the short- and long-term influences of different acquisition plans on the company, customers and competitors</li> <li>• Compile reports to illustrate the asset-typed equipment allocation plans</li> </ul> |
| Assessment Criteria | <p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> <li>• Capable to apply different asset-typed equipment acquisition to analyse and calculate the costs and returns of different asset-type equipment;</li> <li>• Capable to design different acquisition plans for the equipment and assess the short- and long-term influences of different acquisition plans on the operation and the financial arrangement of the company as well as on the customers and competitors; and</li> <li>• Capable to compile reports to illustrate the asset-typed equipment acquisition plans.</li> </ul>   |
| Remark              |  |