

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Planning and Design of Logistics Solutions

Title	Formulate and execute purchasing strategy
Code	LOSAPD602B
Range	This unit of competency is applicable to logistics service providers. Practitioners should be able to apply purchasing knowledge to develop, implement and evaluate purchasing strategies.
Level	6
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Knowledge of purchasing</p> <ul style="list-style-type: none"> • Knowledge of principles of purchasing • Understand the use of business strategies in logistics related industries • Understand company's policy and procedures <p>2. Determine purchasing objectives</p> <ul style="list-style-type: none"> • Research and analyse industry benchmarks for purchasing • Analyse organisation's purchasing data and information • Develop purchasing objectives in consultation with relevant personnel • Ensure purchasing objectives are in accordance with company policy (e.g., cost efficiency, and reliability of suppliers) • Obtain approval from relevant personnel <p>3. Formulate purchasing strategies</p> <ul style="list-style-type: none"> • Establish purchasing strategies taking into consideration of the legal requirements (e.g., under-the-table payment and avoidance of tax are unacceptable) and purchasing objectives • Develop financial, human resource, and other plans to carry out purchasing strategies • Obtain approval for plans <p>4. Implement purchasing strategies</p> <ul style="list-style-type: none"> • Communicate purchasing strategies to relevant personnel • Access required resources and provide support to carry out purchasing strategies • Monitor the implementation of purchasing strategies • Address and identify problems and issues arising during the implementation • Provide report on implementation of strategies to relevant personnel <p>5. Evaluate purchasing strategies and provide recommendations</p> <ul style="list-style-type: none"> • Review the implementation of strategies and identify gaps between current and expected outcomes • Provide effective recommendations to achieve the expected outcomes • Communicate improvements to relevant personnel and provide support to implement improvements • Review and determine the effectiveness of implementation of improvements
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Capable of determining purchasing objectives; • Capable of establishing purchasing strategies; • Capable of monitoring purchasing strategies; and

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	<ul style="list-style-type: none">• Capable of reviewing effectiveness of purchasing strategies and implementing improvements
Remark	