

**Specification of Competency Standards**  
**for the Manufacturing Technology Industry**  
**Unit of Competency**

Functional Area - Procurement, Logistics Planning and Control

Title	Formulate procurement strategies
Code	106588L5
Range	This unit of competency is applicable to procurement department of the corporation of Manufacturing Technology Industry. Practitioners should be capable to formulate procurement strategies in accordance with the corporate development, planning and demands.
Level	5
Credit	3 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Understand relevant knowledge of formulating procurement strategies</p> <ul style="list-style-type: none"> <li>• Understand corporate development strategies</li> <li>• Understand procurement knowledge, such as suppliers optimization, Total Quality Management (TQM), risk management, global sourcing, green procurement and supplier development</li> <li>• Understand the application of commonly used procurement principles, such as the right supplier, the right price, the right quantity, the right quality and the right time</li> <li>• Understand the surrounding market conditions of supply</li> <li>• Understand relevant legal requirements for procurement of the operating regions</li> </ul> <p>2. Formulate procurement strategies</p> <ul style="list-style-type: none"> <li>• Analyse the procurement conditions of the corporation, and comparatively analyse benchmarking in the industry</li> <li>• Base on the pass rate of supplied materials and punctuality, analyse the level of suppliers</li> <li>• Analyse the surrounding market conditions of supply, and examine the possibility and applicability of regional and even global procurement</li> <li>• Formulate corporate procurement strategies with the business development strategies, such as green procurement, fair trade, centralized procurement and specific requirements for quality management</li> </ul> <p>3. Professional handling of formulating procurement strategies</p> <ul style="list-style-type: none"> <li>• Ensure all procurement activities meet the requirements of business law</li> <li>• Prevent any abuse or corruption, such as abuse/ misappropriation of corporate assets and theft</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 formulate a series of effective procurement strategies, so as to meet the overall corporate business needs and development direction</li> <li>• Capable to systematically and strategically to reduce procurement costs sustainably, and meet the quality and delivery requirements</li> <li>• Capable to analyse market situation and the procurement data of the corporation, adjust and improve the procurement strategies</li> </ul>
Remark	