

Specification of Competency Standards of the Retail Industry

Unit of Competency

Functional Area: Merchandising and Supply Chain Management

Title	Formulate risk management plans
Code	104997L6
Range	This unit of competency (UoC) is applicable in logistic / warehousing department in the retail industry. It covers the abilities to analyze and judge critically; 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	3 (for reference only)
Competency	<p>Performance Requirements</p> <p>1. 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: <ul style="list-style-type: none"> • Avoid risks • Prevent loss • Minimize loss • Transfer risks • Retain risks • Master contemporary risk management modes, including: <ul style="list-style-type: none"> • Current development of risk management • Ways 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 ways of controlling risks, including: <ul style="list-style-type: none"> • Importance of risk control • Pre-assessment of risks • Pre-incident risk control and post-incident financial compensation; Master the business strategy of the organization <p>2. Formulate risk management plans</p> <ul style="list-style-type: none"> • Master various working procedures and characteristics of logistics operations, and apply risk management knowledge and techniques to formulate risk management plans, including setting up risk management committee, formulating risk monitoring plans, analyzing risk management tools and reviewing the mechanism • Analyze 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 <p>3. Exhibit professionalism</p> <ul style="list-style-type: none"> • Consider thoroughly factors like occupational safety, health and environmental protection when formulating risk management plans; ensure that the purchasing strategy supports the overall business of the organization by implementing economical procurement, centralization, quality management, etc.
Assessment Criteria	<p>The integrated outcome requirements of this UoC are the abilities to:</p> <ul style="list-style-type: none"> • Apply the knowledge of risk management to analyze rationally the logistics operations of the retail industry, and to assess the influence of risks on operation of the company; and • Formulate effective risk management plans.
Remark	