

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

Functional Area - Supply Chain Management

Title	Formulate risk management plans
Code	111324L6
Range	This unit of competency (UoC) is applicable to logistic / warehousing department in the retail industry. Practitioners have the ability 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. Integrate and understand the knowledge of risk management</p> <ul style="list-style-type: none"> <li>• Have expert knowledge of the definitions of risk management, including: <ul style="list-style-type: none"> <li>○ Importance of risk management</li> <li>○ Risk management theory: <ul style="list-style-type: none"> <li>▪ Avoid risks</li> <li>▪ Prevent loss</li> <li>▪ Minimise loss</li> <li>▪ Transfer risks</li> <li>▪ Retain risks</li> </ul> </li> </ul> </li> <li>• Integrate contemporary risk management modes, including: <ul style="list-style-type: none"> <li>○ Current development of risk management</li> <li>○ Ways of handling crisis</li> <li>○ Post-crisis risk management strategies</li> </ul> </li> <li>• Have expert knowledge of the assessment of risks, including: <ul style="list-style-type: none"> <li>○ Importance of the degree of loss</li> <li>○ Risk measurement</li> </ul> </li> <li>• Have expert knowledge of the ways of controlling risks, including: <ul style="list-style-type: none"> <li>○ Importance of risk control</li> <li>○ Pre-assessment of risks</li> <li>○ Pre-incident risk control and post-incident financial compensation; Master the business strategy of the organisation</li> </ul> </li> </ul> <p>2. Formulate risk management plans</p> <ul style="list-style-type: none"> <li>• 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, analysing risk management tools and reviewing the mechanism</li> <li>• Analyse the cost of accident and benefits of safe operation</li> <li>• Consider the advantages and disadvantages of different risk control plans</li> <li>• Discuss with other departments on daily operational needs so as to formulate suitable and effective risk management plans</li> <li>• Discuss with insurance intermediaries on daily operational needs so as to formulate suitable and effective risk transfer plans</li> </ul> <p>3. Exhibit professionalism</p> <ul style="list-style-type: none"> <li>• Consider thoroughly factors like occupational safety, health and environmental protection when formulating risk management plans; ensure that the purchasing strategy</li> </ul>

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	supports the overall business of the organisation by implementing economical procurement, centralisation, quality management, etc.
Assessment Criteria	The integrated outcome requirements of this UoC are the abilities to: <ul style="list-style-type: none"><li>• Apply the knowledge of risk management to analyse rationally the logistics operations of the retail industry, and to assess the influence of risks on operation of the company; and</li><li>• Formulate effective risk management plans.</li></ul>
Remark	This UoC is adopted from 104997L6.