

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

Functional Area - Store Operations

Title	Develop risk management strategies
Code	111366L5
Range	This unit of competency (UoC) is applicable to staff of the management level in the retail industry. Practitioners have the ability to develop, according to the organisation's business goals and strategies, a set of relevant risk management strategies for staff to follow and implement in order to protect the interests of the organisation.
Level	5
Credit	3 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Understand the knowledge of risk management</p> <ul style="list-style-type: none"> <li>• Understand the importance of planning and formulating risk management strategies</li> <li>• Understand the risk level of different aspects that the risk management strategies need to cover, and adopt different risk assessment / measurement methods</li> <li>• Understand the great importance of planning and implementation of risk management strategies to retaining existing customers and exploring new source of customers</li> <li>• Understand the great importance of maintaining communication with external bodies (e.g. contractors) in the planning process of risk management strategies</li> <li>• Understand risk management model <ul style="list-style-type: none"> <li>○ Different risk management tools and measurement methods, and master their advantages and disadvantages</li> <li>○ Handling method and communication mechanism during the crisis</li> <li>○ Pre-crisis risk control assessment and post-crisis risk management measures</li> </ul> </li> </ul> <p>2. Develop risk management strategies</p> <ul style="list-style-type: none"> <li>• Master the characteristics of retail business, distinguish major risks faced by the organisation's retail business, including risks caused by service contractors</li> <li>• Apply risk management knowledge and assess the factors affecting business development to establish risk management strategies for the organisation by considering factors such as: <ul style="list-style-type: none"> <li>○ Retail product categories</li> <li>○ Customer groups</li> <li>○ Geographical location of the store</li> <li>○ Relevant strategies of competitors</li> <li>○ Service level of suppliers and contractors, etc.</li> </ul> </li> <li>• Ensure the development of the risk management strategies is in balance with the organisation's bearable risk level and targets of customer relationship management</li> <li>• Classify the risks and set a maximum risk limit for the organisation's retail activities, and formulate measures to ensure that the risk level is controllable</li> <li>• Discuss with various departments to develop objectives of risk management strategies, and formulate appropriate plan and monitoring measures to ensure smooth implementation of risk management strategies</li> <li>• Ensure that the risk management strategies and other measures (e.g. marketing plan) formulated by the organisation do not violate government ordinances</li> <li>• Discuss with the insurance intermediary or insurance company to formulate an appropriate risk transfer plan</li> <li>• Regularly report to the higher level the status of the implementation of risk management strategies and submit improvement proposals</li> </ul>

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	<p>3. Exhibit professionalism</p> <ul style="list-style-type: none"><li>• Take into account both the interests of the organisation and different groups of customers when developing risk management strategies</li><li>• Handle various types of risks with prudence</li></ul>
Assessment Criteria	<p>The integrated outcome requirements of this UoC are the abilities to:</p> <ul style="list-style-type: none"><li>• Master the operation of the organisation's retail business and evaluate the impact of various risks on its business operation; and</li><li>• Develop a set of risk management strategies according to the organisation's business goals and strategies.</li></ul>
Remark	<p>This UoC is adopted from 105154L5.</p>