

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Planning and Design of Logistics Solutions

Title	Formulate logistics plans related to capital arrangements
Code	LOCUPD603B
Range	This unit of competency is applicable to sea freight, air freight and express companies. Practitioners should be capable to formulate logistics plans related to capital arrangements in accordance with customers' requirements.
Level	6
Credit	12 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Knowledge of capital arrangements</p> <ul style="list-style-type: none"> • Understand the capital acquisition needs of the customer • Understand the pledging and financing purposes of cargoes • Understand the relationship between bank loan and trading • Master lending and financing tools in the market • Understand the mortgage concepts and the custodian service for mortgage cargo • Understand the hire-purchase method for buying logistics assets such as ships and warehouses • Understand the effects of the stock on corporate finance and cash turnover <p>2. Formulate logistics plans related to capital arrangements</p> <ul style="list-style-type: none"> • Analyse the logistics needs of the customer • Analyse the effects of the inventory arrangement on corporate finance • Design a logistics plan for the customer so that the inventory arrangement of the customer is favourable to the customer's corporate finance and cash turnover • Analyse financial needs (other than stock arrangement) of the customer • Suggest methods such as leveraged leasing to meet the requirements of the goods owner • Analyse the possibility of working with the bank or self-lending and self-financing • Consider working with the bank to provide mortgage service or providing the service on its own • Compile a report to illustrate the logistics plan to the customer
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Capable to analyse the logistics, inventory and financial relationship and their effects on the customers; • Capable to analyse the needs and financial conditions of and design suitable logistics plans for the customers; and • Capable to compile reports to illustrate the logistics plans to the customers.
Remark	