

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Planning and Design of Logistics Solutions

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| Title | Manage suppliers |
| Code | LOSAPD506B |
| Range | This unit of competency is applicable to logistics service providers. Practitioners should be able to apply managerial skills to manage suppliers. |
| Level | 5 |
| Credit | 6 (For Reference Only) |
| Competency | <p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Knowledge of supplier management <ul style="list-style-type: none"> • Know about the principles of supplier management • Understand the operational practices in logistics related industries • Understand company policy and procedure 2. Assess suppliers <ul style="list-style-type: none"> • Develop criteria to effectively evaluate service quality of suppliers • Assess existing suppliers against criteria • Identify the availability and suitability of alternate suppliers where required • Develop cooperative relationships with supplier 3. Evaluate delivery of goods/services against agreements <ul style="list-style-type: none"> • Assess the quality of goods and services supplied against the criteria • Identify and document non-compliance, implement corrective action with reference to the contractual terms and conditions • Develop contingency plans in case a supplier fails to deliver • Manage relationships with suppliers to enhance effective delivery 4. Negotiate with suppliers <ul style="list-style-type: none"> • Negotiate and implement arrangements with suppliers • Identify factors that may influence the supply of goods and services and communicate to relevant personnel • Take immediate corrective action in consultation with the supplier where potential or actual problems occur 5. Resolve disagreements with suppliers <ul style="list-style-type: none"> • Investigate disagreements with suppliers to identify causes • Negotiate and settle disagreements • Document amendments to agreements as consequences of disagreements resolution • Seek approval for amendments • Approved amendments are communicated to suppliers and relevant personnel 6. Review performance of suppliers <ul style="list-style-type: none"> • Review suppliers continuously from the perspectives of quality, cost, service, delivery status and other relevant performance indicators • Evaluate supplier performance according to the purchasing requirements • Inform suppliers of the evaluation outcomes • Make recommendations about the future appointment of suppliers |

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| | <ul style="list-style-type: none">• Delete suppliers from approved supplier list according to specific criteria (e.g., fail to deliver goods/services on time and fail to meet contractual requirements) where required• Create/update new approved suppliers lists |
| Assessment Criteria | <p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none">• Capable of assessing service performance of suppliers according to the standard;• Capable of negotiating with suppliers and implementing contracts arrangement;• Capable of investigating and solving the conflict with suppliers; and• Capable of reviewing performance of suppliers |
| Remark | |