

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Planning and Design of Logistics Solutions

Title	Plan inventory levels
Code	LOSAPD508B
Range	This unit of competency is applicable to logistics service providers. Practitioners should be capable of planning and implementing inventory control systems to meet current and forecasted operational and customer demand. Practitioners should also be capable of monitoring inventory control systems for improvement.
Level	5
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Know about inventory management</p> <ul style="list-style-type: none"> • Know about the principles of inventory management • Understand company inventory policy and requirements • Understand business operations in logistics and related industries • Understand different types of inventory management systems in the market • Understand the customers' requirement and demand and the market fluctuation <p>2. Forecast inventory demands</p> <ul style="list-style-type: none"> • Identify links between company planning, sales forecasts and stock levels • Determine means to forecast demands on inventory • Develop the factors of market trends and technology changes as part of managing inventory demands • Plan impact of special events on future inventory demands • Develop the inventory level and prepare the contingency plan • Provide the historical information for consideration plan • Develop the alarm system for the highest and lowest inventory level for the customers <p>3. Implement inventory control systems</p> <ul style="list-style-type: none"> • Identify the role of inventory control systems in inventory management • Develop operational performance standards or benchmarks to measure and control inventory levels • Manage scheduling to assist logistics planning and control inventory levels • Develop and manage relationship between distribution systems and inventory control • Compare and contrast different approaches to the management and control of inventory levels to achieve specific operational outcomes • Adopt operations management approaches to achieve operational efficiency, including the use of material resource planning, manufacturing requirements planning and just-in-time concept • Devise maintenance plans or processes for inventory equipment, tools and facilities • Develop purchasing systems • Ensure inventory supply arrangements meet demand <p>4. Monitor and improve inventory plans</p> <ul style="list-style-type: none"> • Review existing ordering and inventory control tools and procedures regularly • Monitor industrial standards or performance benchmarks for continual improvement of inventory control systems • Review and improve stock control and monitoring systems • Identify strategies to improve inventory control systems and report to relevant personnel

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	<ul style="list-style-type: none">• Define the most appropriated logistics solution program to fulfil the requirement of delivery time frame.
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none">• Capable of maintaining appropriate inventory levels;• Capable of forecasting inventory demand accurately;• Capable of determining inventory requirement to meet special events or contingencies;• Capable of implementing appropriate operations, inventory control and monitoring approaches; and• Capable of reviewing and enhancing inventory plans
Remark	