

**Unit of Competency****Functional Area: Strategic Management**

Title	Formulate competitive strategy to enhance firm performance
Code	105351L6
Range	This unit of competency is applicable to practitioners in the import and export industry to formulate competitive strategy including the ends (e.g., goal, objective, or mission) for which the company is striving and the means (e.g., tactic, operating, and functional policies) by which it is seeking to get there.
Level	6
Credit	8 (for reference only)
Competency	<p>Performance Requirement</p> <ol style="list-style-type: none"> <li>1. Possess knowledge of competitive strategy <ul style="list-style-type: none"> <li>• Explain the essential notion of strategy, i.e., ends (e.g., goal, objective, or mission) and means (e.g. tactic, operating, or functional policies)</li> <li>• Explain the process for formulating competitive strategy</li> <li>• Use a range of skills to set company goals</li> <li>• Use appropriate techniques to test the consistency of proposed strategy</li> <li>• Use a range of skills to evaluate and select strategy to achieve sustainable competitive advantage</li> </ul> </li> <li>2.1. Evaluate internal and external factors <ul style="list-style-type: none"> <li>• Compare the company's strengths and weaknesses against major competitors</li> <li>• Evaluate industry opportunities and threats to define competitive environment with attendant risks and potential rewards</li> </ul> </li> <li>2.2. Develop company competitive strategy <ul style="list-style-type: none"> <li>• Define how the business is going to achieve long-term competitive advantage</li> <li>• Determine company strategic goals, e.g., enhance market share, strengthen brand names, develop advanced product</li> <li>• Devise company policies which are aligned with the goals</li> <li>• Compare the existing strategy against proposed strategy</li> <li>• Use appropriate methods (e.g. internal consistency, environmental fit, and resource fit ) to test the consistency of proposed goals and policies</li> <li>• Generate feasible strategic alternatives</li> <li>• Evaluate all the alternatives</li> <li>• Select the best alternatives suitable for the company to achieve sustainable competitive advantage</li> </ul> </li> <li>3. Evaluate the effectiveness of business strategy <ul style="list-style-type: none"> <li>• Set the desired performance outcomes (e.g., profit level, growth rate, and market share)</li> <li>• Compile information to measure the actual performance outcomes</li> <li>• Compare the actual and desired performance outcomes to determine the usefulness and effectiveness of the business strategy</li> <li>• Modify the means to ensure that desired performance outcomes can be achieved</li> </ul> </li> </ol>
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> <li>• Capable of evaluating internal and external factors affecting the company's competitiveness</li> <li>• Capable of determining company goals and developing policies to achieve goals</li> <li>• Capable of identifying strategic alternatives and selecting business strategy</li> <li>• Capable of evaluating the effectiveness of business strategy</li> </ul>
Remark	