

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Operations Management

Title	Formulate courier and express pricing level and strategy
Code	LOAFOM515B
Range	This unit of competency is applicable to freight forwarders, courier and express companies and logistics service providers. Practitioners should be capable to analyse different pricing level and strategies of courier and express market, to formulate related standards as per company's courier and express strategies to achieve the highest profitability for the company.
Level	5
Credit	9 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Possess the knowledge of courier and express pricing</p> <ul style="list-style-type: none"> • Understand the concepts of costs, charging structures and their service functions of courier and express • Understand the prepay, collect or all-in payment • Understand the standards and calculation methods of various charges • Understand the market pricing structure of courier and express such as market structure and competition climate • Understand the courier and express pricing strategies of different companies in the market, including various types, measurements, tariffs/taxes, etc., cost standards and calculations for each item • Understand the charging concepts of courier and express service in the market, charging agencies and their services, and charging principles or regulations formulated by the industry • Understand the prepay terms, cash on delivery terms and actual full payment terms • Know how to access to the most updated payment collection channels of courier and express, different charging levels, charging standards, and market trends • Know how to obtain the cost of various expenses in the company and express market, and know how to manage and formulate • Know how to analyse the impact of market structure changes and development changes on pricing • Know how to access to the latest charging methods and transaction terms <p>2. Formulate courier and express pricing level and strategy</p> <ul style="list-style-type: none"> • Formulate payment methods in different forms • Unify and classify fee items, such as mandatory charges, non-mandatory charges, import/export charges, large and small capacity charges, shipping frequency, tariffs/taxes, etc. • Evaluate and compare the service providers' charging levels to achieve the company's best profit and competitiveness • Evaluate and determine how to include/exempt or change courier and express service charges to improve competitiveness • Compile reports to analyse the formula and decision-making level of express pricing strategy • Apply tools to analyse and improve the productivity of the entire operating process, and establish/update key performance indicators to reflect market needs
Assessment Criteria	The integrated outcome requirements of this unit of competency are:

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	<ul style="list-style-type: none">• Capable to analyse the items, standards among courier and express service charges, and provide standard of service provided and the calculation ratio;• Capable to formulate overall competitive courier and express pricing level and strategies as per company's operations strategies; and• Capable to compile report to analyse courier and express pricing strategies and operations standard
Remark	