

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Operations Management

Title	Formulate air freight alliance strategy
Code	LOAFOM601B
Range	This unit of competency is applicable to airlines and express companies. Practitioners should be capable to analyse thoroughly on all factors affecting airfreight alliance strategies and formulate the most appropriate airfreight alliance strategy.
Level	6
Credit	9 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Possess the relevant knowledge of air freight alliance</p> <ul style="list-style-type: none"> • Understand the concepts and operation of air freight alliance • Understand concepts of synergy • Understand the pros and cons of air freight alliance to participating companies • Master the current situation and development of global air freight alliance • Understand the modes to share market technology, manpower and resource • Understand case studies of air freight alliance strategy • Understand the effective logistics solutions and value-added services resulted from air freight alliance strategy • Master the methodology and techniques adopted in games theory, operations analysis and financial analysis • Understand the usage of different key performance indicators and measurement tools to enhance the efficiency and effectiveness of strategies <p>2. Formulate air freight alliance strategy</p> <ul style="list-style-type: none"> • Explore the possibility and conditions for organising or joining an air freight alliance • Analyse the strengths and weaknesses of the allies and the company • Analyse the scale of the allies and various kinds of resources • Analyse the effect of economies & diseconomies of scale brought by the allies • Analyse the threats and opportunities brought by the allies • Assess the factors of synergy and identify business areas to which it can be applied • Use games theory to analyse the number of allies and the influence of different combinations • Analyse the competitiveness and the possibility of increasing the market share and cornering the market • Analyse the alliance's influence on pricing, safety measures, corporate financing and resources arrangement, time control and service quality • Assess whether to organise or join an alliance, the form of cooperation and alliance, etc. • Set the purpose for organising or joining an alliance and the form of joining • Handle and balance the interests of the participants and stakeholders of the alliance • Compile reports to illustrate the air freight alliance strategy • Establish key performance indicators to measure the results of strategies against budget/pre-set outcome and corrective action plan
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Capable to analyse thoroughly the possibility of organising or joining an air freight alliance, and formulate strategy for organising or joining an air freight alliance; and • Capable to develop key performance indicators to measure and enhance the strategies to achieve the targeted result

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