

**Specification of Competency Standards**  
**for the Logistics Industry**  
**Unit of Competency**

Functional Area - Sales, Marketing and Customer Services

Title	Conduct contract negotiation
Code	LOCUSM506B
Range	The unit of competency is applicable to all sea freight, air freight and express operators. Practitioners should be capable to master contract negotiation techniques so as to formulate contract terms clearly to protect the interests of the company and to avoid controversy in future.
Level	5
Credit	9 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Possess the knowledge about contract negotiation</p> <ul style="list-style-type: none"> <li>• Understand business law, relevant international conventions, regulations and legislations</li> <li>• Understand the operation, workflow and characteristics of transport and logistics</li> <li>• Understand various modes of cooperation with customers and their characteristics</li> <li>• Understand standard contract terms and the principles of formulation</li> <li>• Understand the updated relevant regulatory requirement</li> <li>• Master communication skills</li> <li>• Master the industrial standards or regulators' requirements</li> </ul> <p>2. Conduct contract negotiation</p> <ul style="list-style-type: none"> <li>• Analyse the areas and the transport or logistics activities that the contract involved</li> <li>• Analyse the cooperation mode of and the relationship between the company and the customer</li> <li>• Analyse the range of service provided by the company and its limitations</li> <li>• Analyse the operation risks of the company</li> <li>• Set the baseline for the negotiation with regard to the range of service and its limitations, operation risks of the company, etc.</li> <li>• Consider various factors, including legislations and international conventions, etc., during negotiation</li> <li>• Communicate with internal departments to master contract requirements for different operational procedures</li> <li>• Analyse past business records of the company so as to make the contract terms tally with company goal and minimise the risks faced by the company</li> <li>• Use the techniques in negotiation, communication, calculation and forecast to fight for favourable terms for the company</li> </ul>
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> <li>• Capable to understand the goals or baseline expected by both sides to the contract;</li> <li>• Capable to use the techniques in negotiation to fight for favorable terms for and protect the interests of the company; and</li> <li>• Capable to write the contract terms and clearly state the requirement of both parties.</li> </ul>
Remark	