

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

1. Title	Formulate strategy to bargain with business partners
2. Code	LOCUOM512A
3. Range	This unit of competency is applicable to sea freight, air freight and express operators. Practitioners should be capable to formulate strategy to bargain with business partners in accordance with the market conditions and operation policy of the company.
4. Level	5
5. Credit	6 ( for reference only )
6. Competency	<p style="text-align: center;"><u>Performance Requirements</u></p> <p>6.1 Knowledge of strategy to bargain with business partners</p> <ul style="list-style-type: none"> <li>◆ Know about the concept and application of games theory</li> <li>◆ Understand different forms and types of cooperation with business partners</li> <li>◆ Master the concept and techniques of bargaining</li> <li>◆ Understand long- and short-term cooperation relationship with business partners</li> <li>◆ Master the methods and techniques of contract negotiation</li> <li>◆ Understand the role of business partners in logistics and supply chain</li> <li>◆ Understand the competitiveness of the business partner in the market and the price level</li> <li>◆ Master the techniques of contract negotiation</li> </ul>

	<p>6.2 Formulate strategy to bargain with business partners</p>	<ul style="list-style-type: none"> <li>◆ Make business agreement with service and product suppliers in accordance with the operation policy and long-term development of the company to stabilize the price</li> <li>◆ Explain to the business partner reasons for the charges and price change or the market trend</li> <li>◆ Explain to the business partner the concession for the charges or price in order to maintain good cooperation relationship</li> <li>◆ Assess the cooperation and synergy with the business partner and use them as factors of consideration when formulating the bargaining strategy</li> <li>◆ Assess the competitive edge of the potential business partner in the market and use it as a factor of consideration when formulating the bargaining strategy</li> <li>◆ Design recommendations on the strategy to bargain with business partners with respect to the market conditions and operation policy of the company</li> <li>◆ Assess possible advantages and disadvantages of different recommendations and select a more favourable bargaining strategy</li> <li>◆ Compile reports to illustrate the strategy to bargain with business partners</li> </ul>
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7. Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"><li data-bbox="386 293 1481 488">(i) Capable to analyze synergy of the business partner in logistics and supply chain and assess the cooperation relationship with the partner, and use them as factors of consideration when formulating the bargaining strategy; and</li><li data-bbox="386 524 1481 770">(ii) Capable to assess the strategy to bargain with business partners with respect to the market conditions and operation policy of the company to select more favourable bargaining strategies and to compile reports to illustrate the strategies to bargain with business partners.</li></ul>
8. Remarks	