

Specification of Competency Standards for the Logistics Industry

Unit of Competency

1. Title	Formulate sea freight charging strategy and level
2. Code	LOGGOM512A
3. Range	This unit of competency is applicable to shipping companies and relevant sea freight operators. Practitioners should be capable to consider different factors when formulating the sea freight charging strategy and level.
4. Level	5
5. Credit	9 (for reference only)
6. Competency	<p style="text-align: center;"><u>Performance Requirements</u></p> <p>6.1 Knowledge of sea freight rates</p> <ul style="list-style-type: none"> ◆ Understand sea cargo transport, including items covered by sea freight rates, additional service charges, floating additional charges, etc. and their calculations ◆ Understand the influence of weight ton and measurement, , minimum charge, rates pro rata and trade association guidelines on freight rates ◆ Understand the company's market positioning, market's acceptance of its service, its market share and future development, etc. ◆ Master the techniques of data analysis, statistics, etc. ◆ Know the factors for sales evaluation, including past freight revenues, last year's freight revenue, profit growth, etc.

	<p data-bbox="384 555 734 745">6.2 Formulate sea freight charging strategy and level</p> <ul style="list-style-type: none"> <li data-bbox="767 226 1414 521">◆ Understand how the macroeconomic climate, including the global economic climate, financial market performance, consumption behaviour and oil price change, etc. influences the sea freight industry <li data-bbox="767 555 1473 857">◆ Formulate the sea freight charging strategy and level according to the market supply and demand of sea freight services, the company's market positioning and service standard, competitors' performance and market response <li data-bbox="767 880 1445 1122">◆ Stipulate the calculation methods of profits, costs and pricing of sea freight services provided according to the business goals of the company and based on different factors <li data-bbox="767 1144 1461 1283">◆ Compare the charging strategies and level of competitors in the same region and regions nearby <li data-bbox="767 1305 1390 1547">◆ Analyze the customer's cargo volume mode, cargo type, port of loading/discharge and seasonal terms according to the data provided by the customer <li data-bbox="767 1570 1469 1709">◆ Consider the psychological factors of sea freight service users when formulating the sea freight charging strategy and level <li data-bbox="767 1731 1461 1870">◆ Prepare guidelines on sea freight rates for relevant departments to answer the customers' enquiries <li data-bbox="767 1892 1453 2078">◆ Adjust the strategies and rates for sea freight regularly in response to internal and external changes and inform relevant departments and staff
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7. Assessment Criteria	The integrated outcome requirements of this unit of competency are: <ul style="list-style-type: none"><li data-bbox="386 293 1481 488">(i) Capable to estimate accurately the market and competitors' response in consideration of the company's target price and market factor, and formulate a suitable and competitive pricing strategy; and<li data-bbox="386 524 1481 613">(ii) Capable to compile reports or guidelines to illustrate the sea freight pricing strategy of the company.
8. Remarks	