

Specification of Competency Standards for the Logistics Industry

Unit of Competency

1. Title	Formulate revenue management for sea freight
2. Code	LOGGOM513A
3. Range	This unit of competency is applicable to shipping companies, carrier and freight forwarders which provide various services and products. Practitioners should be capable to formulate the management system to manage the revenues of the company according to established operation strategies.
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 revenues</p> <ul style="list-style-type: none"> ◆ Understand the characteristics of sea freight services ◆ Understand the market structure of sea freight services and the trend ◆ Understand the elasticity of customers' demand and freight rates ◆ Understand the concept of revenue management ◆ Understand revenue analysis such as break-even point and targeted profits analysis, etc. ◆ Understand the impact of under booking and overbooking of cargo spaces on the revenues of the company ◆ Understand the revenue concepts relevant to buffer spaces, quota control, profit allocation, free market and on-spot sales ◆ Apply the concept of probability, statistical projection or games theory to analyze freight revenues

	<p>6.2 Formulate the revenue management system for sea freight</p>	<ul style="list-style-type: none"> ◆ Analyze the relationship between the market prices and revenues of different freight services of the company ◆ Analyze the market share of the company's different freight services and the impact on corporate revenues ◆ Analyze the market competition faced by the company in different economic environment ◆ Analyze the status of customers and the market projections ◆ Analyze the impact of coordinated pricing on company revenues ◆ Apply the probability to project different scenarios of revenue-and-profit change ◆ Analyze the advantages and disadvantages of the revenue management strategies for sea freight, and recommend appropriate decision-making guidelines ◆ Design the revenue management system ◆ Compile reports to illustrate the application of decision-making guidelines and its values to revenue management ◆ Solicit feedback and views for improving the revenue management system and decision-making guidelines
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7. Assessment Criteria	The integrated outcome requirements of this unit of competency are: (i) Capable to analyze the relationship among different services, market conditions and revenues systematically and scientifically; (ii) Capable to design effective management system and decision-making guidelines for revenue management; and (iii) Capable to compile reports to illustrate the use of decision-making guidelines.
8. Remarks	