

## Specification of Competency Standards for the Logistics Industry

### Unit of Competency

1. Title	Formulate strategy for sea freight routings
2. Code	LOGGOM514A
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 strategy for sea freight routings.
4. Level	5
5. Credit	12 ( for reference only )
6. Competency	<p style="text-align: center;"><u>Performance Requirements</u></p> <p>6.1 Knowledge of sea freight routings</p> <ul style="list-style-type: none"><li>◆ Understand the importance and influence of vessel routing and scheduling on corporate development strategy</li><li>◆ Understand the business turnover from sea freight and the most cost-effective route</li><li>◆ Understand the company’s operation mode, coverage of transport hauls, future development goals and strategies, market positioning, financial position, manpower deployment and technical support</li><li>◆ Master the business characteristics of customers and their needs (such as timing, size of cargoes and the availability of equipment, selection of routes and delivery time), their relationship with the company, and the present and future challenges related to operation</li></ul>

	<ul style="list-style-type: none"><li>◆ Understand port conditions, such as geographical position and environment, infrastructure, operation of relevant port facilities and their limitations, the number of berths, charges and service standards, connections for inland transport and daily operation</li><li>◆ Understand the current situation and the trend of the overall shipping market, including:<ul style="list-style-type: none"><li>• Sources, types and volume of goods</li><li>• Modes of import and export, such as transshipment or direct import/export</li><li>• Connection with other routes</li></ul></li><li>◆ Understand market competitors, including their services and the advantages and disadvantages, charges, their market share, the current situation and future development</li><li>◆ Understand the factors affecting customers' demand for sea freight services and their formulation of vessel schedules, including ancillary facilities for transport, cost structure, government policies, legal and tax systems</li><li>◆ Understand how the economic climate at large, including the global economic climate, financial market performance, consumer prices and consumption behaviour, influences the demand for sea freight services and the formulation of vessel routing</li></ul>
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	<p>6.2 Formulate strategy for sea freight routings</p> <ul style="list-style-type: none"> <li>◆ Master the techniques for data analysis, such as statistics, and apply them to assess the demand for services and to work out budgets <ul style="list-style-type: none"> <li>• Analyze port conditions, such as geographical position and environment, connections with hinterlands and major international commercial centres, availability and reliability of infrastructure, technological development for cargo transport, the management system, services and charges of ports, and the legal and tax systems of relevant countries</li> <li>• Analyze the goods sources, the hinterlands' demand for sea freight services and their economic performance and future development</li> </ul> </li> <li>◆ Calculate and analyze the cost-and-revenue structure of the routes <ul style="list-style-type: none"> <li>• Estimate the cargo volume of each port call and the revenues generated</li> <li>• Estimate the operational costs in relation to the port, vessel and containers</li> </ul> </li> <li>◆ Analyze and design the strategy for sea freight routings <ul style="list-style-type: none"> <li>• Routes, the number of port of call and ports berthed</li> <li>• Ship schedule and frequency</li> <li>• Select partners and negotiate on contract details</li> </ul> </li> </ul>
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	<ul style="list-style-type: none"> <li>• Master other ancillary services for sea freight, including sea freight insurance, ship broking, ship management, ship financing, etc.</li> </ul>
7. Assessment Criteria	<p>The integrated outcome requirements of this unit of competency is:</p> <p>(i) Capable to analyze the strategies of competitors and the market supply according to the development strategy of the company, and formulate sea freight routings accordingly to meet the changing needs of the market.</p>
8. Remarks	