Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Sales, Marketing and Customer Services

Title	Formulate strategy of air freight quotation
Code	LOCUSM513B
Range	This unit of competency is applicable to freight forwarders. Practitioners should be capable to formulate strategy of air freight quotation when such quotations are made to customers by the freight forwarders
Level	5
Credit	6 （For Reference Only）
Competency	Performance Requirements 1. Possess the knowledge of air freight rates • Know the formulation process of air freight contract • Understand customers' requirements for air freight services • Understand the competitive advantage of the freight services and value-added services offered by the company • Understand the TACT regulations • Understand the formulation process and calculation of air freight quotation • Understand factors affecting the quotation • Understand issues like cyclical or seasonal fluctuation, route selection, airline selection, classification of goods, weight-and-volume ratio for goods, quantity of goods, contract made between agents and airlines, etc 2. Formulate strategy of air freight quotation • Set objectives for the quotation strategy • Consider the factors of region and goods type to formulate quotation strategy • Conduct sensitivity tests for different strategies on achieving profit or market share • Set guidelines for sales department • Explain to sales department the quotation strategy • Collect feedback regularly and modify the quotation strategy accordingly
Assessment Criteria	The integrated outcome requirements of this unit of competency are: • Capable to base on the regulations imposed by air freight regulators to calculate clearly freight rates for different scenarios and explain the rationale for calculations; and • Capable to explain the quotation strategies to sales department with regular collection of feedback for adjustment of strategies
Remark	This UoC is adopted from the Logistics UoC LOAFSM401A. The QF level is adjusted from level 4 to level 5.