

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

Functional Area - Purchasing and Logistics Management

Title	Manage third party logistics services
Code	104998L6
Description	This unit of competency (UoC) is applicable to policy makers in the retail industry. It requires critical analysis, evaluation and management. It covers the abilities to identify the work flow of the outsourced logistics services and monitor the performance of contractors/service providers in order to improve the organization's business efficiency.
Level	6
Credit	6 ( For Reference Only )
Competency	<p>Performance Requirements</p> <p>1. Knowledge of third party logistics services management</p> <ul style="list-style-type: none"> <li>• Master the business strategy and management policies of the organization</li> <li>• Master the supply chain structure and function of the organization</li> <li>• Understand the advantages, disadvantages, risks, etc. of employing third party logistics services, such as: <ul style="list-style-type: none"> <li>○ Making full use of the resources and business flexibility</li> <li>○ Minimizing costs</li> <li>○ Leaking company information</li> </ul> </li> <li>• Master various skills of market analysis and research, e.g.: <ul style="list-style-type: none"> <li>○ SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis</li> <li>○ Service Quality Model (SERVQUAL)</li> </ul> </li> <li>• Master the skills in monitoring contractors management</li> </ul> <p>2. Manage third party logistics services</p> <ul style="list-style-type: none"> <li>• Identify services in the supply chain work flow that can be outsourced so as to use the organization's resources more effectively <ul style="list-style-type: none"> <li>○ Advantages, disadvantages and risks of outsourcing services</li> <li>○ Ordinances related to the regulation of outsourced services</li> </ul> </li> <li>• Set criteria and procedures for employing third party logistics services <ul style="list-style-type: none"> <li>○ Procedures and standards for screening service providers</li> <li>○ Negotiate and enter into a contract</li> <li>○ Tendering procedures</li> <li>○ Scope of service</li> <li>○ Service performance requirements and standards</li> <li>○ Monitoring procedures</li> <li>○ Reporting procedures</li> </ul> </li> <li>• Select and appoint service provider <ul style="list-style-type: none"> <li>○ Implement tendering procedures according to the organization's guidelines</li> <li>○ Appraise service providers according to established standards</li> <li>○ Select an appropriate outsourced logistics service provider</li> <li>○ Sign a contract with the outsourced logistics service provider</li> </ul> </li> <li>• Establish a sound communication mechanism to maintain close communication with the outsourced logistics service providers to ensure a smooth operation of the outsourced services</li> <li>• Monitor and regularly appraise the performance of the outsourced logistics service providers according to the service standards stated in the contract</li> </ul> <p>3. Exhibit professionalism</p> <ul style="list-style-type: none"> <li>• Prevent any abuse of power or malpractice when managing third party logistics services</li> </ul>

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Assessment Criteria	The integrated outcome requirements of this UoC are the abilities to: <ul style="list-style-type: none"><li>• Identify services in the supply chain work flow that can be outsourced;</li><li>• Formulate contractor screening criteria and procedures to identify outsourced service providers that meet the requirements of the organization, and enter into a contract with terms in both sides' interests; and</li><li>• Monitor and appraise the performance of the outsourced service providers regularly to ensure they provide quality services according to the contract terms.</li></ul>
Remark	