

Specification of Competency Standards
for the Retail Industry
Unit of Competency

Functional Area - Supply Chain Management

Title	Manage third party logistics services
Code	111325L6
Range	This unit of competency (UoC) is applicable to policy makers in the retail industry. Practitioners have the ability to identify the work flow of the outsourced logistics services and monitor the performance of contractors/service providers in order to improve the organisation's business efficiency.
Level	6
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Integrate and understand the knowledge of third party logistics services management</p> <ul style="list-style-type: none"> • Have expert knowledge of the business strategy and management policies of the organisation • Integrate the supply chain structure and function of the organisation • Integrate the advantages, disadvantages, risks, etc. of employing third party logistics services, such as: <ul style="list-style-type: none"> ○ Making full use of the resources and business flexibility ○ Minimising costs ○ Leaking company information • Have expert knowledge of various skills of market analysis and research, e.g.: <ul style="list-style-type: none"> ○ Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis ○ Service Quality Model (SERVQUAL) • Have expert knowledge of the skills in monitoring contractor management <p>2. Manage third party logistics services</p> <ul style="list-style-type: none"> • Identify services in the supply chain work flow that can be outsourced so as to use the organisation's resources more effectively <ul style="list-style-type: none"> ○ Advantages, disadvantages and risks of outsourcing services ○ Ordinances related to the regulation of outsourced services • Set criteria and procedures for employing third party logistics services <ul style="list-style-type: none"> ○ Procedures and standards for screening service providers ○ Negotiate and enter a contract ○ Tendering procedures ○ Scope of service ○ Service and standards ○ Monitoring procedures ○ Reporting procedures • Select and appoint service provider <ul style="list-style-type: none"> ○ Implement tendering procedures according to the organisation's guidelines ○ Appraise service providers according to established standards ○ Select an appropriate outsourced logistics service provider ○ Sign a contract with the outsourced logistics service provider • Establish a communication mechanism to maintain close communication with the outsourced logistics service providers to ensure a smooth operation of the outsourced services • Monitor and regularly appraise the performance of the outsourced logistics service providers according to the service standards stated in the contract

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	<p>3. Exhibit professionalism</p> <ul style="list-style-type: none">• Prevent any abuse of power or malpractice when managing third party logistics services
Assessment Criteria	<p>The integrated outcome requirements of this UoC are the abilities to:</p> <ul style="list-style-type: none">• Identify services in the supply chain work flow that can be outsourced;• Formulate contractor screening criteria and procedures to identify outsourced service providers that meet the requirements of the organisation, and enter a contract with terms in both sides' interests; and• Monitor and appraise the performance of the outsourced service providers regularly to ensure they provide quality services according to the contract terms.
Remark	<p>This UoC is adopted from 104998L6.</p>