

Inventory, Logistics and Expediting (L2M5)

Target Audience: For anyone new to the profession, with little or no business experience and those aspiring to move into a career in procurement and supply. It is also ideal for managers in other professions and business leaders or entrepreneurs who need to understand how procurement should function and its overall impact on business success.

Hours: 32 Hours

Pre-requisite: This is the first entry level qualification, there are no formal entry requirements.

1.0 Know the key elements of effective inventory control

1.1 Identify the classifications of different types of inventory

- Opening stock, work in progress, safety stock and finished goods
- Obsolescent and redundant stock
- Direct and indirect supplies
- ABC classifications of stock that may apply
- Dependent demand and independent demand items of stock

1.2 Identify the direct and indirect costs of holding inventory

- Direct and indirect costs that are associated with holding inventories
- Options to reduce costs whilst mitigating any negative impact on service levels

1.3 Identify techniques associated with inventory control

- Re-order quantities
- Re-order levels
- MRP and MRPII
- ERP
- Just in Time
- Bar coding
- Subjective and objective forecasting

1.4 Identify the key aspects associated with the handling, packaging and storage of supplies

- The use of materials handling equipment and palletisation and unit loads, packing and packaging and the use of automation in warehousing

2.0 Understand the principles and processes associated with effective logistics control

2.1 Identify the key principles of stores and warehousing facilities

- The effective and efficient flows of inventory
- Reduction of life-cycle costs
- Space optimisation

2.2 Identify the strengths and weaknesses associated with modes of freight transportation

- Road
- Rail
- Air
- Sea
- Pipeline

2.3 Identify types of Incoterms in international logistics.

- E, F, C and D terms
- Incoterms rules and incorporation into the sales contract

2.4 Identify legislative regulations that affect international sourcing

- How to ensure compliance with legislation and regulations for supplies from international sources

2.5 Describe the documentation that is used in transportation of supplies

- The single administrative document
- Packing list, waybill, consignment notes, bill of lading
- Certificate of origin
- Letters of credit or other financial documentation

3.0 Know how effective expediting can be achieved in procurement and supply

3.1 Explain the assessment of costs of inventory and the cost of stock outs

- Monitor levels of inventories and take actions to mitigate over supply and minimise the risk of stock outs
- The use of forecasting to achieve timely delivery of supplies
- Track deliveries and documentation
- The use of forecasting, difficulties and techniques

3.2 Explain the planning process associated with expediting delivery

- Use of problem solving techniques
- Planning milestones and activities

3.3 Explain the significance of payment to suppliers and cash flow

- Track any deviations from planned payments and take remedial actions to mitigate disruptions that may be created through difficulties with cash flow