SUPPLY CHAIN TALKS

VCARE ACADEMY

CSSC

CERTIFIED STORES AND STOCK CONTROLLER

LEARNING OUTCOMES & EXAM CONTENT MANUAL

SCOPE OF SUBJECT MATTER

The aim of **Certified Stores and Stock Controller** training is to provide the foundation skills and knowledge in stores operations and stock control.

Certified Stores and Stock Controller is designed to help you develop an understanding of:

- Introduction to Stores and Stock Control
- Stores Safety and Security
- Store Operations
- Stock Identification and Stock Control
- Stock Movement

Exam Diagnostics

1	Introduction to Stores and Stock Control	10%
2	Stores Safety and Security	15%
3	Store Operations	25%
4	Stock Identification and Stock Control	20%
5	Stock Movement	30%

Program Outline

The following paragraphs provide an outline of the subject matter covered in the program. The learner should read through this material, keeping in mind the exam diagnostics in relation to the emphasis placed on each section.

LEARNING OUTCOMES AND EXAM CONTENT

MODULE 1
INTRODUCTION TO STORES AND STOCK CONTROL

Course Outline

1.1 Warehousing and Supply Chain Management
1.2 Roles, Responsibilities, and Relationships
1.3 Customer Service

Learning Outcomes

- List and describe the objectives of store operations; name the different types of warehouses;
- Name and give an explanation of the areas of responsibility assigned to a store;
- Describe the components of a warehouse management system and the operation of a warehouse management system [WMS].
- Describe a range of leadership styles: identify applications for each;
- Name and describe the principle duties of each job function in the store;
- Distinguish between a policy and a procedure; give examples of each in a store;
- Discuss the importance of providing a satisfactory level of customer service to both internal and external customers;

Exam Content

This module examines the role of warehousing in the supply chain and outlines the objectives and aims of good stores practices. Each component of the supply chain is examined along with the importance of viewing the supply chain as a value chain. The concept of stock control and a comparison between centralized and decentralized operations is examined. A description of the operation of a warehouse management system is outlined reviewing the components of a warehouse management system; A number of stores' performance measures are explored.

The Roles, Responsibilities, and Relationships that exist in a store are examined. Different leadership and leadership styles are compared and the role and duties of the team manager, team leader and team member examined. Particular emphasis is placed on the attributes and traits a store man must possess and exhibit. The purpose of policies and procedures is discussed and the relationships between the store and the other functional areas in a typical manufacturing company are outlined.

The importance of the customer and customer service is examined.

LEARNING OUTCOMES AND EXAM CONTENT

MODULE 2
STORE SAFETY AND SECURITY

Course Outline

2.1 Risk and Safety Management
2.2 Warehouse Safety and PPE
2.3 Emergency Situations and Precautions

Learning Outcomes

- Explain what a risk is; describe how risks can be identified and properly managed;
- Give a brief description of the Occupational Health and Safety Act as it applies to the operation of store activities;
- Identify areas in a warehouse where the potential for theft is evident; outline the actions to minimize those risks;
- Identify a number of potential accident situations; suggest ways to prevent their occurrence;
- Name the various categories of PPE [personal protective equipment]; give examples of the application of each.
- Discuss the roles and responsibilities of each role player in the event of an emergency;
- Explain the importance of maintaining discipline and clear-headedness during an emergency situation.

Exam Content

This module examines the purpose of Risk and Safety Management and explains the importance of risk and safety management in a stores' environment. The module outlines the components of the Occupational Health and Safety legislation, describing a number of accident situations, stressing the importance of effective safety training.

The factors that contribute to employee theft are examined, suggesting a number of preventive measures, and the importance of store security in protecting a company's assets.

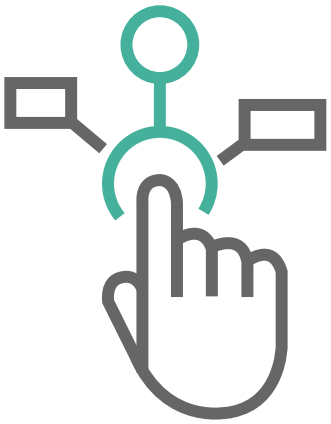
The role of Safety and PPE is examined and the importance of acting safely and responsibly in a store environment explored.

The module examines the consequences of an accident; identifying a number of potential accident situations, suggesting ways to prevent their occurrence. The role and importance of personal protective equipment [PPE] in a store is explored

The module discusses Emergency Situations and Precautions and explains the procedures to be adopted in the event of an emergency, whilst highlighting the roles and responsibilities of designated individuals during an emergency situation. A number of emergency situations that are likely to be encountered in the 21st Century are outlined, along with the precautions that need to be taken in the event of an emergency occurring.

LEARNING OUTCOMES AND EXAM CONTENT

MODULE 3
STORE OPERATIONS



Course Outline

3.1 Stores Layout
3.2 Stores Productivity and Continuous Improvement
3.3 Materials Handling and Storage Equipment
3.4 Transportation

Learning Outcomes

- Explain the importance of allocating sufficient space for both the present and future needs to each warehousing activity;
- Explain the need to integrate the materials handling system into the store layout;
- Compare and contrast the various storage methods; give practical examples of the application of each;
- Define the term productivity; give examples of how productivity in the store can be increased;
- Describe the role of ergonomics in improving productivity;
- Name the classes of function-oriented materials handling systems; suggest an application for each;
- Compare and contrast the categories of materials transport systems; give an example from each category.

Exam Content

This module examines the purpose of Store Layout, Productivity and Continuous Improvement examining the factors to be taken into account - including the integration of the materials handling system - when designing a store facility. A number of alternate storage methods are reviewed, highlighting the advantages and disadvantages of each. Cross-docking as an alternative to a more conventional store is reviewed.

Productivity, ergonomics and the need for a continuous improvement initiative in enhancing store operations is discussed.

The role of Materials Handling and Storage Equipment is examined, along with the principles and dimensions of materials handling.

A number of function-oriented transportation systems and the importance of safe operations is discussed. Storage equipment and order-picking systems are examined.

The role of transportation in stores and distribution is discussed with a distinction between for-hire and not-for-hire carriers. The advantages and disadvantages of the different modes of transport is described.

LEARNING OUTCOMES AND EXAM CONTENT

MODULE 4
STOCK IDENTIFICATION & STOCK CONTROL

Course Outline

4.1 Classifying and Coding Stock
4.2 Stock taking and Stock Audits

Learning Outcomes

- Name the primary purpose of classifying and coding stock in both a manufacturing and distribution environment;
- Compare and contrast bar-coding technology with the use of radio frequency [RFID] identification technology;
- Give the advantages and disadvantages of a range of automated data collection techniques;
- Give the primary purpose of taking stock and reconciling the actual count with the book count;
- Explain how the ABC principle can be utilized in determining the frequency by which an item is counted;
- List the key steps to a stock reduction program; highlight the significance of each step.

Exam Content

This module examines the purpose of Classifying and Coding Stock explaining the process to be adopted. A distinction between manufacturing and non-manufacturing stock categories is made. The need to uniquely identify a stock item, and the process of stock identification is discussed. Meaningful codes and a non-meaningful codes are compared and a number of automated data collection techniques, outlining the benefits of using this technology is described.

The importance of Stocktaking and Stock Audits is examined with the reasons why a stocktake is undertaken. The three most popular approaches to conducting a stocktake are outlined and the process of stocktaking and stock reconciliation is discussed.

Where and when a stocktake should be conducted is reviewed, outlining the roles and responsibilities of those responsible. A number of do's and don'ts of stocktaking and a number of golden rules are suggested. The process, purpose, and benefits of reducing stock levels is discussed, and a review of a number of stock pricing methods suggested.

LEARNING OUTCOMES AND EXAM CONTENT

MODULE 5
STOCK MOVEMENT

Course Outline

5.1 Inbound Logistics
5.2 Stock Issues
5.3 Stock Returns
5.4 Reverse Logistics
5.5 Distribution Management

Learning Outcomes

- With the aid of a flow diagram, describe each step in the receiving process;
- Explain the need to identify all incoming goods prior to them being placed into storage.
- With the aid of a flow diagram, give an explanation of each step in the issuing process;
- Name the types of issues; give an explanation of where each would be appropriate;
- Give an explanation of the various ways in which picking can be carried out; give the advantages of each method;
- Explain the importance of reverse logistics both from an economic and an environmental perspective;
- With the use of examples, differentiate between the different types of recovery options.

Exam Content

This module examines Inbound Logistics and explains the role of inbound logistics in the supply chain; highlight the importance of maintaining standard practices during the inbound logistics processes, and distinguishes between quality and correctness. The documentation used during inbound logistics is examined; and the role of labeling and packaging in the supply chain reviewed. Emphasis on the importance of clearly identifying incoming goods and materials at the time they are first received is highlighted; outlining the international symbols as specified in ISO 7000: 2012.

The purpose of Stores Issues and the policies and procedures with respect to the issuing of material from the store is examined. The importance of correct authorization; the issuing process, and a description of the documents used is made. The concept of lead-time and the importance of timing-issues, along with the different types of issue is examined.

Stores Returns and Reverse Logistics is examined along with the process of managing the returns from customers is described. An outline of the process of stores returns from both internal and external customers is given.

The role of 3rd party logistics and 4th party logistics providers in a distribution environment is explored. A description of the distribution process, outlining the various distribution channels is reviewed.

KEY TERMS

Learners wishing to achieve the certification in "Stores and Stock Controller" should familiarize themselves with the following terms. The Glossary of Terms provides an explanation of each term.

1-10

1D Barcodes
2D Barcodes
3PL Logistics
4PL Logistics

A

ABC Classification
Abilities
Access control
Accident prevention
Accidents
Accident situations
Accident statistics
Accounts
Accounts department
Accuracy target
Activity
Airborne release
Air transportation
Allocations
Ancillary functions
Assemblies and kits
Attributes
Authorization
Authority
Autocratic leaders
Autodiscrimination
Automated data collection
Automated guided vehicle [AGV]
Automated sortation
Automated storage and retrieval system
Average cost

B

Backflushing
Barcodes
Barcode symbology
Batch picking
Best practices
Bin shelving
Body protection
Bomb threat
Building envelope
Bulk issues
Burns
Business environment

C

Carousels
Centralized distribution network
Centralized warehousing
Charge-coupled device
Chemical spill
Civil disturbances
Classification
Code
Code characteristics
Code distinctiveness
Code structure
Coding
Coding system
Collect-a-Can
Communications
Complete knock-down [CKD]
Consignment note
Consignment stock
Consumables/floor stock
Containers
Contaminated water
Contract carriers
Controlled issues
Control group method
Controlling
Conveyors
Conveyor safety
Core competencies
Correctness
Cost allocation
Courier services
Cranes
Crane safety
Criminal behaviour
Crisis
Cross-docking
Cross-docking operations
Customer
Customer needs
Customer relationship management [CRM]
Customer returns
Customer service
Cycle counting
Environmental disposal
Environmental policy
Equipment productivity
Ergonomics
Excesses
Excess inventories
Expansion productivity models
Explosions
External returns
External security services
Eye protection

F

Face protection
Factory nurse [or fist-aider]
Finished goods
Fire
Fire drill
Fire protection
First-in - first-out
First aid
First-aid treatment
Fixed-position scanners
Flooding
Floor space
Floor stock
Flow of material
Flow racks
Followers
Foot protection
For-hire carriers
Fork lift trucks
Free-reign leaders
Freight broker
Freight forwarders
Function-oriented systems
Future requirements

G

Gas leaks
General manager
Goods' received note

Goods' receiving process
Goods returns
Green logistics
Guidelines

H

Hand-held devices
Handling goods and materials
Hand protection
Hand tools
Hand trolleys
Hazard assessment
Hazardous
Hazardous goods
Health and safety policy
Head protection
Hearing protection
High visibility clothing
Hoists
Holding requirements
Housekeeping

I

Inactive stock
Inbound logistics
Identity theft
Incident
Incoming goods
Incoming inspection
Industrial trucks
Information systems
Injured on duty (IOD)
Injured person
Injury
Injury frequency rate (IFR)
Injury incident rate (IIR)
Internal packing note
Internal returns
Internal transfers
International standard
Inspection
Interdepartmental relationships
Internal controls
Inventory
Inventory integrity
Inventory management system [IMS]
ISO: 14001
Issue note
Issues
Issues on request
Issuing documents
Issuing of goods
Item
Item classification system
Item description
Item number
Item record
Inventory

J

Just-in-time [JIT]

K

Kanban

L

Label
Labeling
Labour productivity
Layout and design phase
Leaders
Leadership
Leadership styles
Lead-time discrepancies
Lift malfunction
Loading dock safety
Loan issues
Logistics
Logistics network
Loss
Lost in plant [LIP]

M

Maintenance
Major emergency
Manual materials handling equipment
Manual lifting
Manufacturer
Manufacturing company
Manufacturing environment
Manufacturing excellence
Manufacturing facilities
Manufacturing process
Manufacturing stock
Marketing
Marshalling area
Materials
Materials handling
Materials handling equipment
Materials management
Materials planning
Materials requisition
Materials recycling
Materials transport equipment
Mezzanine
Milk runs
Miniload [AS/RS] storage and retrieval system
Minor emergency
Mishandling of materials
Mobile storage drawers
Mobile storage system
Modes of transportation
Monorails
MRO

N

Narrow aisle trucks
Non-disabling accidents

O

Obsolescence
Obsolete stock
Occupational Health and Safety
Occupational Health and Safety Act
Open-access warehouse
Open order status
Operations
Optical character recognition
Order confirmation
Order cycle
Order picking
Order picking bays
Order picking systems
Order picking vehicles
Order qualifier
Orders billed correctly
Orders filled accurately
Orders received complete
Orders received damage free
Orders received on time
Order winner
Organizing
Outbound logistics
Outbound shipment
Outsourcing

P

Packaging
Packaging material
Packing areas
Pallet jack
Pallets
Pallet stackers
Part-to-picker systems
Periodic stocktaking
Personal protective equipment [PPE]
Physical security
Picker-to-part systems
Picking list
Pick-to-light technology
Pilferage
Pipelines
Pipeline stock
Planning

Plant engineer
Point-of-use storage
Point-of-use warehouse
Policies
Policy manual
Position statement
Power outages
PQRST mnemonic
Private [not-for-hire] carriers
Procedures
Procurement
Product recovery management [PRM]
Production
Production materials
Production planning
Productivity
Productivity decreases
Productivity increases
Products
Protective packaging
Purchase order
Purchase requisition
Purchasing

Q

Quality
Quality control
Quality control and inspection

R

Radiation spills
Radio frequency identification [RFID]
Raw materials
Real-time locator system
Receipts
Receiving
Receiving area
Receiving documents
Recycling
Reduction productivity models
Refurbishing
Relationships
Re-manufacturing
Repairs
Replacement issues
Rescue breathing
Responsibilities
Responsible person
Retrieval equipment
Returned goods
Returns process
Returns processing
Reverse/active storage
Reverse logistics
Risk management
Risk control
Road transportation
Robbing
Roles
Routes
Rules of safety

S

Safety
Safety checklist
Safety committee
Safety education
Safety policy
Safety programs
Safety rules
Safety stock
Safety training [risk] officer
Sales orders
Scheduled issues
Scheduled service routes
Schedule of charges
Sectional picking
Scissor lifts
Security
Security measures
Security system
Separated picking
Service provider
Services
Severe weather
Shipment
Shipping
Shipping area
Shortages
Skills-mix
Source control
Source inspection
Space requirements
Speech-based technology
Staff sales
Stakeholders
Standard costing
Standard operating procedures
Static productivity models
Stock control
Stock controller
Stock counts
Stock discrepancies
Stocking point
Stock item
Stock keeping unit [SKU]
Stockouts
Stock reconciliation
Stock reduction program
Stock rotation
Stocks
Stock traceability
Stock valuation methods
Storage
Storage facility
Storage location
Storage methods
Storage space
Store
Storekeeping
Surplus stock
Surplus to requirements
Suppliers
Supply chain
Supply chain management
Symbology
Symbols

T

Target
Team
Team leader
Team manager
Team members
Theft
Theft and pilferage
Theft deterrent
Tornados
Transportation
Transportation decisions
Transportation goods
Traveling picking

U

Unique code
Unitizing equipment
Unit load access
Unplanned issues
Unplanned receipts
Unsafe act
Unsafe condition
User groups

V

Vehicle accidents
Vehicle-mounted devices
Vehicle tracking system
Vendor managed inventory
Vendor owned inventory
Video surveillance
Violence
Violent behaviour
Voice activated device

W

Warehouse
Warehouseman
Warehouse management
Warehouse management system [WMS]
Warehouse performance measures
Warehouse productivity
Warehouse safety
Warehouse team
Warehouse security program
Warehouse tidiness
Warehousing
Warning signs
Waste
Waste management
Water transportation
Wearable systems
Workflow requirements
Workplace
Work styles

XYZ

Zero inventories
Zone storage method
Zone storage

REFERENCES

Afrox Safety and Workplace Health Programme

Carter, RJ,. Stores Management and Related Operations (2nd ed) M&E Handbooks 1985

Currie RM., Work Study, (4th ed)., Pitman International 1986

Heizer, J., and B. Render. Operations Management (10th ed.). Upper Saddle River, N.J.: Prentice-Hall, 2010

Jessop D, and Morrison A, Storage and Supply of Materials (6th ed) Pitman Publishing

Ladew, Donald P,. How to Supervise People Career Press 1998

Mather Hal, How to Really Manage Inventories, McGraw-Hill 1984

Mentzer, J. "Seven Keys to Facility Location." Supply Chain Management Review 12, no. 5 (May 2008): 25

NOSA Questions and Answers on Industrial Safety

Schneider, W.H. "Principles of Production and Inventory Management" [16th ed.). Cape Town, SA: Supply Chain Publications, 2019

Vollman, T. E., W. L. Berry, D. C. Whybark, and F. R. Jacobs. Manufacturing Planning and Control for Supply Chain Management (5th ed.), Burr Ridge, IL.: Irwin/McGraw Hill, 2005

SAMPLE QUESTIONS

The sample questions included here are similar in format to the questions contained in the final exam.

These questions are included to enable you to become familiar with the approach to questions that you will encounter when you take the exam. Remember these are only sample questions and your score in this sample should not be interpreted as your potential for successfully achieving a pass in the final exam.

Select the most correct answer for each of the following multiple choice questions.

When answering multiple choice questions do the following: Read the question, read the question again underlining the key words and eliminating any definite wrong answers. Read the question again. Remember there is no negative marking, so if in doubt at least take your best shot.

Indicate your answer by circling the appropriate letter, a, b, c, or d.

Question No. 1

Which warehouse management system [WMS] module reserves dock time for incoming goods?

a. The scheduler.
b. Materials-handling supervisor.
c. Inventory locator.
d. Shelf-life supervisor.

Question No. 2

Which **BEST** describes a person's ability to "tell when something is wrong?"

a. Information ordering.
b. Problem sensitivity.
c. Deductive reasoning.
d. Inductive reasoning.

Question No. 3

The **FIRST** step to take to ensure a high level of warehouse security is:

a. Hire the right people.
b. Harden the target.
c. Practice management by walking around.
d. Take the appropriate disciplinary action.

Question No. 4

The areas of warehouse activity that are the **MOST** prone to accident situations are:

a. The rest room and storage area.
b. The shipping area and storage area.
c. The storage area and data collection area.
d. The receiving area and shipping area.

Question No. 5

The primary reason for assigning a code to an item is to:

a. Uniquely identify that item.
b. Avoid ambiguity between supplier and customer.
c. Determine the bin size to be used for storing the item.
d. Totally eliminate the need for a description of the item.

Question No. 6

Which type of picking mixes the order-picking and preparation area with the storage area?

a. Separated picking.
b. Integrated picking.
c. Reserve/active picking.
d. Each of the above.

Question No. 7

Which function-oriented materials handling systems are used to move goods from one location to another?

a. Conveyor systems and transportation systems.
b. Transportation systems and elevating systems.
c. Elevating systems and conveyor systems.
d. Conveyor systems, elevating systems, and transportation systems.

Question No. 8

Which of the following is a purpose of cycle counting?

a. To verify the accuracy of the stock records.
b. To verify the physical location of a stock item.
c. Both a and b above.
d. Neither a nor b above.

Question No. 9

Which would be taken into consideration when creating a priority picking system?

a. Type of order and size of order.
b. Order size and customer value.
c. Customer value and type of order.
d. Type of order, order size, and customer value.

Question No. 10

The transportation network that requires the LEAST amount of organizational effort is:

a. Direct shipment network.
b. Cross-docking operations.
c. Shipment through a centralized distribution network.
d. Direct shipment with milk runs.

ANSWERS TO SAMPLE QUESTIONS

Question No. 1

Which warehouse management system [WMS] module reserves dock time for incoming goods?

a. **The scheduler.**
b. Materials-handling supervisor.
c. Inventory locator.
d. Shelf-life supervisor.

Explanation

The scheduler is a warehouse management system that is capable of reserving dock time for a trailer based upon four metrics: When the trailer will be available; When the trailer must arrive at its destination; When goods will be available for shipment; The amount of time required for the goods to be packaged, tagged [labeled], staged, and loaded.

The material-handling supervisor is another service operating within the warehouse management system that keeps track of the availability and location of the equipment required to move goods from one location in the warehouse to another.

The inventory locator is a module that allows the warehouseman to find stock items at various locations within the warehouse.

The shelf-life supervisor automatically routes goods from the appropriate staging areas, and forces bulk moves between staging areas depending upon the "use by date" of the goods.

Question No. 2

Which **BEST** describes a person's ability to "tell when something is wrong?"

a. Information ordering.
b. **Problem sensitivity.**
c. Deductive reasoning.
d. Inductive reasoning.

Explanation

Information ordering is the ability to arrange things or actions in a certain order or pattern according to a specific rule or set of rules. For example, patterns of numbers, letters, words, pictures, mathematical operators, and stock item placement.

Problem sensitivity is the ability to tell when something is wrong or is likely to go wrong in the near future. This attribute does not involve solving the problem, only recognizing that a problem does exist, and could develop into a situation if left unattended.

Deductive reasoning is the ability to apply general rules to specific problems to produce answers that make sense, and which eventually lead to the resolution of a situation.

Inductive reasoning is the ability to combine pieces of information to form general rules or conclusions - this includes finding a relationship among seemingly unrelated events such as warehouse theft and open windows; cycle counting mistakes and non-calibrated weighing equipment.

Question No. 3

The **FIRST** step to take to ensure a high level of warehouse security is:

a. **Hire the right people.**
b. Harden the target.
c. Practice management by walking around.
d. Take the appropriate disciplinary action.

Explanation

Warehouse security begins by ensuring the right caliber of person is chosen to work in the warehouse where large volumes of valuable stocks are being held. Hardening the target will act as a deterrent, and although this action may not totally protect the stock from theft, it will go a long way toward deterring the would-be thief.

When management pay surprise visits to the warehouse, and nobody is quite sure when this will happen, this has the effect of putting people on their guard. Nobody is likely to want to steal if they believe there is a chance of getting caught.

Question No. 4

The areas of warehouse activity that are the **MOST** prone to accident situations are:

a. The rest room and storage area.
b. The shipping area and storage area.
c. The storage area and data collection area.
d. **The receiving area and shipping area.**

Explanation

There is usually a great deal of materials handling equipment being used in these areas, and accidents involving a fork truck are certainly not uncommon in the warehouse.

However, accidents can happen anywhere in the warehouse, this includes the storage area, rest rooms, and the data capture areas. In the case of data capture, cut fingers from sharp paper edges is known to be a constant potential safety hazard.

The receiving area and shipping area are the most likely areas in the warehouse where an accident can occur. This is primarily due to the amount of activity that takes place in these areas - particularly in the field of lifting and carrying.

Question No. 5

The primary reason for assigning a code to an item is to:

a. **Uniquely identify that item.**
b. Avoid ambiguity between supplier and customer.
c. Determine the bin size to be used for storing the item.
d. Totally eliminate the need for a description of the item.

Explanation

The item code can contain information on the physical location in the warehouse for an item; this would assist in determining the best storage location for that item.

Suppliers and customers often use their own codes when supplying and selling items; care needs to be taken to ensure there is no confusion between a supplier or customer code and the code used by the company.

The primary reason for allocating a code to an item is to be able to uniquely identify that item from any other item - similar or dissimilar.

At times it is preferable to have a short description accompany the code to aid with the identification of the item. This is particularly useful when a non-significant code is being used.

Question No. 6

Which type of picking mixes the order-picking and preparation area with the storage area?

a. Separated picking.
b. Integrated picking.
c. Reserve/active picking.
d. Each of the above.

Explanation

Separated picking makes provision for "separate" storage and order preparation areas. This configuration allows better access to the goods that have to be picked.

Integrated picking makes use of the general area approach, which mixes the order-picking and order preparation area with the storage area.

Reserve/active picking creates a "reserve/active" area where the warehouse is subdivided into two distinct areas: one is used for "reserve" storage, and the other for "active" or forward storage.

Question No. 7

Which function-oriented materials handling systems are used to move goods from one location to another?

a. Conveyor systems and transportation systems.
b. Transportation systems and elevating systems.
c. Elevating systems and conveyor systems.
d. Conveyor systems, elevating systems, and transportation systems.

Explanation

Materials handling equipment can be classified by the "function" it performs. Automated storage and retrieval systems, conveyor systems, elevating systems, self-loading and unloading systems, transferring systems, and transportation systems, are each an example of a function-oriented materials handling system.

Question No. 8

Which of the following is a purpose of cycle counting?

a. To verify the accuracy of the stock records.
b. To verify the physical location of a stock item.
c. Both a and b above.
d. Neither a nor b above.

Explanation

The purpose of carrying out a cycle count is to verify that what is in stock is the same as what is on the item record - and where it is being held.

Where discrepancies between the actual count and the book count are identified these need to be fully investigated, the root cause identified, with the necessary corrective actions initiated to ensure that the same [or similar] problems do not reoccur.

At times items are misallocated, and the second objective of a cycle count program is to confirm the physical location of each item held in inventory. Items found in the incorrect location can be relocated, with the records updated to reflect this stock movement.

Question No. 9

Which would be taken into consideration when creating a priority picking system?

a. Type of order and size of order.
b. Order size and customer value.
c. Customer value and type of order.
d. Type of order, order size, and customer value.

Explanation

Type of order: This relates to the purpose of the order and the customer. Normally external sales and materials requisitions from internal customers would take preference over inter-company transfers and other orders not requiring the same degree of urgency. These orders could be dealt with at a later time.

Order size: Small orders are easier and quicker to deal with. Applying this rule would enable the warehouse to complete more orders in a specific period of time. Apart from the psychological effect this may have, it is difficult to justify why this method should be used. But if it works, then use it.

Customer value: This method is based on current business, past loyalty, and expected future-spend from customers. Valued and trusted customers should - and do - expect their orders to be treated promptly.

Other factors that would be taken into consideration would include method of shipment requested, method of payment, status of the order, total extended Rand value, the date that the order was called in.

In addition each supply company would most likely have its own criteria for determining how each order should be treated. The aim would be to provide the best overall level of customer service to each of its customers. A company's reputation is built on customer service.

Question No. 10

The transportation network that requires the **LEAST** amount of organizational effort is:

a. Direct shipment network.
b. Cross-docking operations.
c. Shipment through a centralized distribution network.
d. Direct shipment with milk runs.

Explanation

Using the direct shipment network suppliers supply directly into the marketplace, mainly to the retailer, but sometimes directly to the customer or end user.

Cross-docking operations make use of a special type of warehouse. One where goods are delivered and collected with little, if any, goods actually being held at the warehouse itself. Organization of this type of facility revolves principally around the timing of receipts and the timing of the dispatch of vehicles.

When shipping through a central distribution network, goods are routed via distribution centres, warehouses, and retail outlets positioned vertically in the supply chain, before eventually being delivered to customers.

A distribution network is by far the most complex to design and economically operate.
Using direct shipment with milk runs, a truck is able to deliver goods from a single manufacturer, [supplier] to multiple retailers [customers].

With direct shipment with milk runs a fair degree of organization will be required in determining the most economic routes to follow, as well as the timing of the dispatch and choice of transport.

VCARE Academy was founded with the vision to become the world class leader in research and education in the field of value chain management. **VCARE Academy** is partnered with many International affiliates around the globe. This enables us to provide our clients with internationally recognized accredited qualifications and research opportunities in the ever-evolving field of value chain management. **VCARE Academy** in association with its international affiliates is able to offer a wide range of training and education programs to help you grow and excel in your career.

www.vcare.international
support@vcare.international

VCARE ACADEMY

SUPPLY CHAIN TALKS

Supply Chain Talks
W: www.supplychaintalks.net
E: info@supplychaintalks.net | T: +966 54 125 0697