

SSM 69 - APPLIED LOGISTICS MANAGEMENT

Applying Logistics Management in real life entails: evaluating procedures, eliminating wasteful activities/costs, avoiding those internal problems that limit performance, change and improve working methods, obtaining added value for money and improving customer service.

Warehouses and stores are often under-rated operations in organizations, yet they are essential in providing customer service and knowledge of Inventory Management is critical for the effective management of procurement and the supply chain; however it is commonly not understood. Therefore too high levels of inventory are held with attendant increases to costs, product obsolescence etc.

This course aims to show how to implement all of the essential tools for the effective management of warehousing and stores and inventory. It provides the practical skills to take back to the workplace so that all those internal problems that limit performance are avoided. Delegates will be able to understand and implement the "world class" tools for managing warehouse and stores and inventory

WHO SHOULD ATTEND?

- Those new to managing warehouses, stores and stock and inventory
- Those people who need to gain an awareness of the issues and key drivers of operations
- Inventory, Stock, Supply Chain, Logistics, Warehouse and Distribution Professionals

PROGRAMME CONTENTS

PART 1 - WAREHOUSE, STORES & STOCK CONTROL MANAGEMENT

Day 1 - The Role of the Warehouse

An introduction to why we need a warehouse, what functions do they cover, how do they fit into the supply chain including:

- The balance between sorting and storing
- 12 initial questions to ask about warehousing activity

Product Classification

It is important to establish key characteristics of the products handled as this have implications for all the warehouse operations. Such characteristics include:

- Supply /demand variables
- ABC Analysis or the 80/20 rule
- Determining product handling groups
- Throughputs and product formats

Day 2 - Layout options

In examining all the operations undertaken, the balance has to be found between maximising space usage whilst minimising the time taken to carry out the operations. This involves looking at:

- Receiving options
- Storage options
- Picking/assembly options
- Despatching options
- Using the floor and the height space
- Organising for flow

Methods and Equipment

Here we specifically look at the lifting, storing and moving equipment available for specific layout options, including:

- Warehouse structures
- Loading bays
- Selecting fork lift trucks
- Selecting racking
- Implications for warehouse layouts
- Operational timings and planning

Day 3 - Health and Safety

Warehouses are potentially dangerous areas in which to work, and an overview of the appropriate legalisation will be looked at, including:

- Duty of care, Inspections and risk assessments-task analysis
- Equipment maintenance and care
- Recognising health and safety risks
- Raising people's awareness

Security and Loss

This session looks at minimising internal and external theft, recognising that, generally internal theft is the major problem. Preventative measures will be briefly discussed

Day 4 - Productivity and Costs

To make operations efficient and effective, then cost control and productivity need to be managed. This session will therefore look at:

- Fixed and variable costs
- Typical costs involved
- A model for understanding the roles of productivity, utilisation, and performance
- Setting productivity and cost targets
- The importance of having measurements and key indications of performance

Service levels

As Warehouses are a link in the total process of satisfying customers, this session will therefore look at:

- Internal and external customers
- The three key customer service measures
- Customer service sampling
- Effects of substandard service
- Minimising errors

Day 5 - Summary

Finally, in linking together all the sessions, we put forward simple overviews and a clear summary, including:

- The 7 step model for better warehouse management
- The top 20 warehousing ideals for continuous improvement

PART 2 - INVENTORY MANAGEMENT TECHNIQUES

Day 6 - Inventory in the Supply chain

- An introduction to the driving forces that determine how much and where stock is held in the supply/demand chain
- Definitions
- History and development
- Key aspects
- Benefits of supply chain approach
- Integrating the supply chain
- Lead-times
- Customer service and Adding value
- Tradeoffs
- Power of information
- Sharing and collaboration in the supply chain

Day 7 - Product Classification

To control costs, stocks and service levels effectively there is much information to collate. Therefore we will examine:

- Supply /demand variables
- Dependant and independent demand
- Patterns of demand
- ABC Analysis or the 80/20 rule
- Product coding
- Why hold stock?
- Inventory costs
- Service levels from inventory
- Cost/service trade offs
- Understanding Lead time
- Lead time variability and uncertainty
- Inventory and statistics

Day 8 - How much stock should be held?

Deciding how much stock to hold depends on the dynamic relationships of many variables. These are fully examined so that optimum decisions can be made:

- Stock time curve
- Determining the Reorder level
- Determining the Reorder point
- Carrying safety stock
- Fixed and variable time periods
- Fixed and variable order quantities

Replenishment methods for independent demand

- When to order
- How much to order
- Economic order quantities
- Two bin methods
- Minimum - maximum methods
- Comparing continuous review and periodic review methods

Other Replenishment methods

- When to order for dependant demand
- How much to order for dependant demand
- Materials planning (MRP and MRPII)
- For spare parts

Demand Forecasting

- Sales forecasts
- Statistical forecasts
- When forecasting is easier
- When forecasting is harder

Day 9 - Stock Coding

The method by which stock is coded is important in the overall management process, this session will examine:

- Different methods
- Understanding of all involved
- Checklists to help on deciding the best option

Stock Recording

This session looks at stock recording, a critical aspect of stock control and if done incorrectly is the source of many subsequent errors

- Separation of powers
- Legal issues
- How do we get inaccuracies?

Day 10 - Stock Checking

Much time can be spent on this activity, but there are methods to both minimise the time and at the same time increase checking accuracy. This session examines such aspects:

- Roles and Responsibility
- Requirements
- Job Descriptions
- Authority levels
- Tolerances and approvals
- The programme
- Options
- Reconciliations / discrepancies

Model for planning inventory

We summarize the course with an easy to understand checklists to enable practical applications in the work place:

- Managing inventory by value and by volume
- Questions to ask about inventory
- Model for inventory planning