



IOM Level 3 Certificate in Logistics and Transport

Standards

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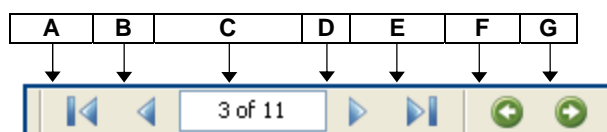
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Navigating this Document

There are many ways to navigate:

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Guidance Notes

Introduction

This document defines the standards of the new IOM Level 3 qualification that will supersede the IOM Level 3 Certificate as of 01 September 2010.

The new Level 3 will be accredited in the Qualification Credit Framework, and is therefore a unit based qualification – meaning that units can be studied independently, with credits awarded per unit, which can be accumulated within the framework.

Structure of the Qualification:

To achieve the new Level 3 qualification, it is proposed that candidates must study and pass three mandatory units and one option unit. A summary of the units is as follows and full details are provided later in this document:

Code	Title	Status
M1-L3	External Operating Environment	Mandatory
M2-L3	Internal Organisation	Mandatory
M3-L3	Performance Measurement	Mandatory
O1-L3		Option
O2-L3		Option
O3-L3		Option
O4-L3		Option

Entry

The qualification is open access and there is no mandatory requirement for any candidate to have had previous logistic experience. However it is recommended that individuals should be involved in operations management.

Duration of Study

The qualification must be completed within three years of registration.

Assessment Requirements and Options

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Standards for the IOM Level 3 Certificate in Logistics and Transport

Mandatory Units

M1-L3 External Operating Environment

M2-L3 Internal Organisation

M3-L3 Performance Measurement

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M1-

L3

External Operating Environment

Unit purpose and aim

This unit is designed to provide a brief overview of the world in which a business has to operate in the 21st century. Why does the business exist? What is the purpose? What are the factors that influence the operation of the business? Are there legal requirements and standards to which the business should operate? How does the business communicate what it is aiming to achieve? How is the globalisation of recent years going to influence the operation of the business? The unit sets the scene for the management of business operations.

Elements

- M1-1** **Purpose and Aim of the Business**
- M1-2** **The Business Environment**
- M1-3** **Legislation and Standards**
- M1-4** **External Communications**
- M1-5** **Corporate Social Responsibility, CSR & Sustainability**
- M1-6** **Globalisation**

Element M1-1

Purpose and Aim of The Business

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
1.1. Explain the rationale for the business	1.1.1. Describe the reasons why the business exists and what it is aiming to achieve
1.2. Describe the concept of creating value for stakeholders	1.2.1. Summarise examples of organisations delivering value to stakeholders
1.3. Differentiate between profit and not-for-profit organisations	1.3.1. Describe the differences between various types of organisation and business
1.4. Recognise the operations management model – inputs, processes and outputs	1.4.1. Define the operations management model, in terms of inputs, processes and outputs 1.4.2. Apply the model to organisations in the commercial, public and voluntary sectors
1.5. Recognise the need for SMART objectives	1.5.1. Explain the benefits of setting SMART objectives at the strategic and operational levels 1.5.2. For a typical organisation, develop a set of SMART operational objectives

Indicative Content

Element M1-2

The Business Environment

Learning Outcomes

The learner will:

- 2.1. Explain the macro-economic impacts of the worldwide environment upon the business
- 2.2. Specify a mechanism by which these factors may be summarised: e.g STEEPLE
- 2.3. Recognise that the geographical impacts can be local, national, regional (e.g. European) and global
- 2.4. Explain the importance of demand and supply in the environment in which the business operates
- 2.5. Differentiate between various styles of trading relationships
- 2.6. Explain the nature of competitive advantage
- 2.7. Explain the features of Porter's 5 forces model

Assessment Outcomes

The learner can:

- 2.1.1. Summarise the influence of the worldwide environment in which the business has to operate
- 2.2.1. Classify the major influences upon an organisation
- 2.3.1. Review the various geographical factors that can impact upon a business, from the local to the worldwide perspective
- 2.4.1. Evaluate the relevant demand and supply issues
- 2.4.2. Summarise how these factors may influence elements of business strategy
- 2.5.1. Review the evolution of trading relationships
- 2.6.1. Identify the various factors that may be considered when evaluating the impact of competitors
- 2.6.2. Evaluate the organisational capabilities in relation to the external environment
- 2.7.1. Evaluate the impact of the 5 forces upon the organisation

Indicative Content

Element M1-3

Legislation and Standards

Learning Outcomes

The learner will:

3.1. Evaluate the role of legislation and regulation, in relation to businesses and other organisations

3.2. Clarify the main areas of legislation relating to organisations

3.3. Review the functions of regulatory authorities

Assessment Outcomes

The learner can:

3.1.1 Explain how legislation and regulation influence and constrain organisational activities

3.2.1. Summarise the key requirements of existing and forthcoming EU and National legislation relating to:

Environment

Transport

Health and Safety

Employment

Contract

Competition

Product Liability

3.3.1. Specify the main regulatory authorities applying to businesses and other organisations

3.3.2. Classify the main areas of regulatory activity

3.3.3. Specify types of penalties for non-compliance

Indicative Content

Element M1-4

External Communications

Learning Outcomes

The learner will:

4.1. Explain why organisations need to communicate with external parties

4.2. Evaluate the features of communication methods used for different external groups

4.3. Summarise the purpose and nature of public relations communications

4.4. Clarify the role of technology in facilitating external communications

Assessment Outcomes

The learner can:

4.1.1 Summarise the reasons for external communications

4.1.2 Specify the objectives of communications with different external groups

4.2.1. Distinguish between communications needs of external groups, including stakeholders

4.2.2. Classify types and content of communication for key groups: business partners, customers, the public, regulators and other organisations

4.2.3. Specify suitable communications media

4.3.1. Explain the role of public relations in developing and maintaining a corporate image

4.3.2. Classify the main forms of communication to be provided by PR

4.3.3. Explain the requirements for successful PR

4.4.1. Review the applications of technology to support external communications

Indicative Content

Element M1-5

Corporate Social Responsibility, CSR and Sustainability

Learning Outcomes

The learner will:

5.1 Describe the nature and purpose of CSR

5.2 Justify the need for recognising a range of stakeholder interests

5.3 Evaluate the term 'sustainability'

5.4 Evaluate the need for longer term planning to build a sustainable organisation

5.5 Explain that projects need to be managed to the benefit of all stakeholders

5.6 Specify the elements to be included in a CSR framework

5.7 Summarise the need for performance measures to ensure improving added value for stakeholders

Assessment Outcomes

The learner can:

5.1.1 Summarise the benefits of implementing a CSR policy

5.2.1 Assess the risk and opportunity that various stakeholders represent

5.3.1 Differentiate between business and environmental sustainability

5.3.2 Specify the main negative impacts of operations on the natural environment

5.4.1 Evaluate the long term strategic decisions that are required to create a sustainable organisation

5.4.2 Estimate the long term consequences of failing to plan

5.5.1 Review the CSR factors that need to be included in the definition of projects

5.6.1 Summarise the elements to be included in a CSR framework

5.7.1 Classify the tangibles and intangibles that need to be measured to ensure CSR achievement

Indicative Content

Element M1-6

Globalisation

Learning Outcomes

The learner will:

- 6.1 Explain the key features of globalisation
- 6.2 Explain the factors that have contributed to the development of global markets
- 6.3 Evaluate the impacts of globalisation upon the organisation and the macro economic environment
- 6.4 Appreciate the main economic flows that characterise globalisation – goods and services, labour/people, information, capital and technology

Assessment Outcomes

The learner can:

- 6.1.1 Define globalisation
- 6.2.1 Summarise the features of global markets
- 6.3.1 Explain the implications for an organisation working in a global environment
- 6.4.1 Explain the impact of globalisation upon the resources used by an organisation

Indicative Content

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M2-L3

Internal Organisation

Unit purpose and aim

Elements

- M2-1** **Strategy awareness**
- M2-2** **Organisational Culture**
- M2-3** **Sales and Marketing**
- M2-4** **Supply**
- M2-5** **Resource Planning and Management**
- M2-6** **Finance**
- M2-7** **Organisational Structures**
- M2-8** **Technology**

Element M2-1

Strategy Awareness

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
1.1. Explain the purpose of corporate strategy	1.1.1. Differentiate between a strategic aim and strategic objectives 1.1.2. Explain the function of a Mission Statement 1.1.3. Use relevant examples to illustrate a typical Mission Statement
1.2. Analyse the composition of a corporate strategy	1.2.1. Specify the levels of strategy: Corporate, Business and Operational 1.2.2. Classify the functional elements of a corporate strategy
1.3. Explain the key strategic objectives of a supply chain	1.3.1. Define the objectives and principles of supply chain management 1.3.2. Differentiate the variables of a typical supply chain: demand, supply, resources, operations, cost and information 1.3.3. Evaluate the requirement for integration and collaboration in the supply chain
1.4. Explain the determinants of competitive advantage	1.4.1. Specify the main areas of competitive knowledge 1.4.2. Evaluate the competitive strategies of cost-leadership and product differentiation 1.4.3. Differentiate the features of price, quality, reliability, delivery, service, flexibility, in relation to order winners and order qualifiers
1.5. Explain the key components of a marketing and sales strategy	1.5.1. Specify the main features of a typical marketing policy, plan and objectives 1.5.2. Explain the use of sales targets and performance indicators
1.6. Explain the key components of a product and services strategy	1.6.1. Clarify the problems and challenges of variety management 1.6.2. Compare the advantages and disadvantages of standardisation,

	<p>rationalisation and innovation strategies</p> <p>1.6.3. Summarise the main requirements relating to product liability</p> <p>1.6.4. Use relevant examples to illustrate the strategic applications of quality standards</p>
1.7. Explain the key components of a finance strategy	<p>1.7.1. Summarise the role of a financial strategy in optimising the use of organisational resources</p> <p>1.7.2. Specify the main features of a typical corporate financial plan, objectives and targets</p>
1.8. Explain the key components of an operations strategy	<p>1.8.1 Specify the role of an operations strategy in achieving corporate objectives</p> <p>1.8.2 Summarise the main elements of an operations strategy</p> <p>1.8.3 Compare the advantages and disadvantages of 'make or buy' strategies</p>

Indicative Content

The role and functions of corporate strategy	<p>Strategic aims and objectives</p> <p>Purpose of the Mission Statement</p> <p>Types of Mission Statements</p>
Levels of strategy	<p>Corporate, business and operational strategies</p> <p>Function elements of corporate strategy</p>
Supply chain concepts	<p>Supply chain objectives and principles</p> <p>Supply chain variables: demand, supply, resources, operations, cost and information</p> <p>Collaboration and integration in the supply chain</p>
Determinants of competitive advantage	<p>Requirements for Cost-leadership and Differentiation strategies</p> <p>Features of Order-Winners and Order-Qualifiers: price, quality, reliability, delivery, service, flexibility</p>
Elements of a marketing and sales strategy	<p>Marketing policy, planning, goals and objectives</p> <p>The role of sales targets and performance</p>

	indicators
Elements of a product and services strategy	<p>Managing variety</p> <p>Implementing standardisation, rationalisation and innovation strategies</p> <p>Strategic aspects of product liability</p> <p>Strategic use of quality standards</p>
Elements of a financial strategy	<p>The purpose of a financial strategy</p> <p>Resource optimisation and planning</p> <p>Key elements: objectives, targets, revenue, and expenditure budgets</p>
Elements of an operations strategy	<p>Relationship of the operations strategy to corporate objectives</p> <p>Key elements of procurement, production and transport strategies:</p> <p>Local/international/global sourcing</p> <p>Production effectiveness and flexibility</p> <p>Transport requirements</p> <p>In-house or outsourced production</p>

Element M2-2

Organisational Culture

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
2.1. Explain the term 'organisational culture'	2.1.1. Define 'organisational culture' 2.1.2. Specify the main types of organisational culture 2.1.3. Explain the term 'cultural fit'
2.2. Explain how culture develops in different types of organisations	2.2.1. Summarise the factors influencing the development of organisational culture 2.2.2. Clarify the role of ethics and values in determining organisational culture
2.3. Assess how organisational culture may influence managers' decisions on ethical issues	2.3.1. Illustrate the types of ethical issues which operational managers face 2.3.2. Explain how cultural factors influence managers' response to ethical issues
2.4. Explain how organisational culture affects the development of leadership styles	2.4.1. Classify the main leadership styles 2.4.2. Summarise the effects of different types of cultures on leadership styles
2.5. Review the impact of organisational culture on quality and customer service	2.5.1. Illustrate how the management of quality may vary in different organisational cultures 2.5.2. Specify the cultural features required for a total quality management approach
2.6. Clarify the role of culture in managing organisational change	2.6.1. Summarise the cultural features that may encourage or retrain change
2.7. Explain how culture affects the development of risk-taking or risk-avoidance management behaviour	2.6.2. Define different types of risk 2.6.3. Summarise the cultural features that could result in risk-taking or risk-avoiding behaviour

Indicative Content

Organisational culture	<p>Definition, norms, values, beliefs, dominant patterns, sub-cultures</p> <p>Different types of organisational culture</p>
Development factors	<p>Historical, industry/sector, competitive environment</p>
Ethical issues	<p>Types of ethical issues and decisions in operational management: supply chain, logistical, commercial and environmental</p> <p>Cultural influence on objectives, priorities, authority and control, decision making</p>
Leadership and Organisational Culture	<p>Leadership styles: autocratic, democratic, 'laissez-faire';</p> <p>How organisational culture affects dominant style of leadership, power and authority</p>
Quality management	<p>How organisational culture affects managers perceptions of quality</p> <p>Cultural features required for implementing TQM</p>
Managing change	<p>Lewin's model of Driving and Restraining forces for change</p> <p>How organisational culture affects change implementation</p>
Risk	<p>Main types of risk: financial, commercial, safety, security, physical</p> <p>Types of organisational culture leading to risk-taking or risk-avoiding managerial behaviour</p>

Element M2-3

Sales and Marketing

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
3.1. Explain the role and function of a marketing plan	3.1.1. Specify the purpose of planning marketing activity 3.1.2. Define a range of marketing objectives for a given organisation
3.2. Analyse the elements of a marketing plan	3.2.1. Summarise the features of marketing '7 P's' 3.2.2. Apply the '7 P's' model to a marketing situation
3.3. Differentiate the marketing activities used for consumers and corporate buyers	3.3.1. Compare the features of B2B (Business to Business) and B2C (Business to Consumer) marketing
3.4. Explain the distribution channels in marketing and sales	3.4.1. Summarise the role and functions of a distribution channel 3.4.2. Differentiate between direct and indirect channels
3.5. Evaluate the use of communications in different marketing situations	3.5.1 Summarise the advantages and disadvantages of the main types of marketing communications: telesales; direct mail; promotions; advertising
3.6. Explain a basic sales process	3.6.1 Specify the stages of a standard sales process 3.6.2 Summarise the key features of each stage 3.6.3 Explain the development of a sales/demand plan 3.6.4 Differentiate between a sales/demand plan and a forecast
3.7. Explain the basis for planning sales tactics for a product or service	3.7.1 Illustrate the strengths and weaknesses of a product or service 3.7.2 Classify types of potential buyers
3.8. Analyse the requirements for managing a sales force	Compare the strengths and weaknesses of different types of sales management structures: line/staff/centralised/de-centralised/product-based

Indicative Content

The marketing plan	<p>Nature of marketing activity</p> <p>Role and function of planning</p> <p>Marketing goals and objectives for different types of service/product/sectors</p>
The '7 P's' model	<p>Product, Price, Promotion, Place, Process, People, Physical evidence</p>
Marketing to individual and corporate buyers	<p>Requirements for B2B and B2C marketing activities</p>
The role and function of marketing distribution channels	<p>Types of channels for different marketing needs</p> <p>Channel functions: information, promotion, contact, matching, negotiation, physical distribution, finance, risk</p> <p>Direct and indirect channels</p>
Marketing communications	<p>Using telesales and marketing techniques</p> <p>Direct mail</p> <p>Special promotions</p> <p>Advertising</p> <p>The internet</p>
The sales process	<p>Main stages: developing a plan, targeting the customer; identifying needs, presenting the product, demonstrating; propose the purchase; negotiating price; deal with problems; close</p>
Sales tactics	<p>Potential targets for product or service</p> <p>SWOT analysis for product or service and organisation</p>
Organising a sales force	<p>Advantages and disadvantages of different management structures for sales and marketing: line/staff/centralised/de-centralised/product-based</p>

Element M2-4

Supply

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
4.1. Differentiate between demand and supply	4.1.1. Clarify the difference between demand and supply 4.1.2. Illustrate how supply is created to satisfy demand 4.1.3. Explain the need to balance supply and demand
4.2. Discuss the differing strategies of supply to meet demand	4.2.1. Illustrate how the different strategies meet the demand, and the outcomes 4.2.2. Describe the chase, level and compromise strategies
4.3. Summarise the objectives and content of long term planning	4.3.1. Illustrate the objectives and content of a long term plan 4.3.2. Use the terminology associated with Business planning
4.4. Summarise the objectives and content of medium term planning	4.4.1. Explore the objectives and content of a medium term plan 4.4.2. Explain (executive) Sales and Operations Planning
4.5. Summarise the objectives and content of short term planning	4.5.1. Illustrate the objectives and content of a short term plan 4.5.2. Show how the medium term plan is expanded into a short term plan
4.6. Describe how the short term plan is executed to create product or deliver a service	4.6.1. Explore the issues associated with delivering the short term plan 4.6.2. Explain the performance measures necessary to control the plan 4.6.3. Discuss the importance of creating value for the customer

Indicative Content

Planning supply to meet demand	Clearly keep demand separate from supply Creating a supply plan to meet a demand plan The importance of balancing demand and supply What happens when there is imbalance
The recognized strategies of supply to meet demand	Chase strategy Level strategy Compromise Strategy The varying outcomes arising from each of the strategies
Long term planning	The business plan Revenue, Cost and Profit
Medium term planning	Executive Sales and Operations Planning The typical 5 stage process
Short term planning	Detailed planning of what to buy, what to make, and/or what services will be required Master scheduling, MRP, CRP, DRP
Executing the plans	How will the short term plans be delivered to meet customer demand What is required to control the execution of the well-laid plans What must be measured to achieve the necessary level of control

Element M2-5

Resource Planning and Management

Learning Outcomes

The learner will:

5.1 Justify the requirement for all plans to be achievable within the constraints of available resources

5.2 Summarise the resources to be considered

5.3 Assess the need to control the consumption of resources in the execution of the plans

Assessment Outcomes

The learner can:

5.1.1 Explain the requirement for all plans to be realistically achievable by the available resources

5.1.2 Apply this principle in the consideration of long, medium and short term plans

5.1.3 Explore which resources must be considered in each of these timeframes

5.2.1 Illustrate the resources to be considered in various environments

5.2.2 Explain the link between resources and the achievement of the long, medium and short term plans

5.3.1 Evaluate the need to control the use of resources when planning

5.3.2 Explain how resource consumption can be measured

5.3.3 Specify how resources should be planned

Indicative Content

All plans need to be realistic

Need to check we have sufficient resources to execute the plans

Long term in Business Planning

Medium term in Resource Planning, part of S&OP

Short term in Rough Cut Capacity Planning, and/or detailed material and capacity planning

Resources to be considered

People, labour, 'manpower'

Money

Assets, machines, tools

Materials, components

Control the use of resources

Measure how much resource consumed to deliver product or service

Compare to planned consumption

Improve planning of resources where necessary

Element M2-6

Finance

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
6.1 Develop the basic financial equations linking assets, capital and liabilities, and linking revenue, costs and profit	6.1.1 Explain the concepts of assets, capital, liabilities, revenue, cost and profit 6.1.2 Define what is included in assets and liabilities 6.1.3 Link the concept of value to profit
6.2 Specify the content of a budget	6.2.1 Illustrate the content of a budget 6.2.2 Describe the construction of a budget 6.2.3 Classify different types of budget
6.3 Explain the principles of costing	6.3.1 Distinguish between expected cost and actual cost 6.3.2 Illustrate which cost heads might be applicable in a particular organisation 6.3.3 Explain how expected costs are calculated 6.3.4 Explain how actual costs are collected
6.4 Describe the legal requirements for financial reporting in an organisation	6.4.1 Specify the basic elements of a profit and loss statement 6.4.2 Specify the relationship of the profit and loss statement to the Balance Sheet

Indicative Content

Finance	The money in the organisation has to be counted and managed
Basic financial equations	Assets = Capital + Liabilities Profit = Revenue – Cost
Budgets	Sources of revenue Costs incurred Profit forecast
Costs	Expected cost – e.g. Standard cost Actual cost Variances
Legal documents	Profit and loss statement Balance sheet

Element M2-7

Organisational Structures

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
7.1 Explain the role and functions of organisational structure	7.1.1 Define 'organisational structure' 7.1.2 Specify the role of organisational structure 7.1.3 Summarise the elements of roles and responsibilities at strategic, managerial and operational levels
7.2 Distinguish between 'tall' and 'flat' structures	7.2.1 Critically compare the features of tall and flat structures 7.2.2 Assess the suitability of tall and flat structures for different sizes and types of organisations
7.3 Review the features of a typical functional structure	7.3.1 Summarise the key elements of a functional structure 7.3.2 Explain the strengths and weaknesses of a functional structure 7.3.3 Evaluate the 'silo' problem in functional structures
7.4 Explain the purpose of a matrix structure	7.4.1 Specify the features of a matrix structure
7.5 Evaluate the use of project teams	7.5.1 Explain the principle of team structures 7.5.2 Summarise the benefits and costs of operating a team-based structure
7.6 Explain the process of communications in organisations	7.6.1 Specify the features of a communications system 7.6.2 Define 'noise' in communications 7.6.3 Assess the causes and effects of 'noise' 7.6.4 Illustrate the flow of communications in a typical function
7.7 Assess the requirements for successful	7.7.1 Summarise the causes of barriers to

communications in organisations	successful communications 7.7.2 Illustrate the actions required to overcome the barriers
7.8 Explain the requirement for organisation reporting	7.8.1 Classify the main reporting areas 7.8.2 Differentiate the type of communications which may be used in reports

Indicative Content

The purpose of organisational structure Common elements of structures	The role of structure in enabling objectives to be achieved Aims of structure; fitness for purpose Mintzberg's 'Strategic Apex' model Typical functions, levels, roles and responsibilities
Tall and Flat structures Functional, Matrix and Team structures	Main features of a typical communications process. The role of sender and receiver; encoding and de-coding; The 'closed loop' and the need for feedback Directions of communication flows: vertical, horizontal, lateral and multi-directional
The nature and purpose of a communications system	Key features of a typical communications process. The role of sender and receiver; encoding and de-coding The 'closed loop' and the need for feedback Directions of communication flows: vertical, horizontal, lateral and multi-directional
The meaning of 'noise' in communications	How 'noise' causes communications to fail Different types of failure Problems arising from failure
Barriers to successful communications	Jargon, ambiguity, misinterpretation, poor presentation, incorrect selection of channel, perception and interpretation. Information 'drop-out'
Managing the barriers	Suitable presentation, choice of channel, clarity, checking for understanding, ensuring feedback is given
The role and function of reporting systems Types of communications used for management reporting	Key features of a reporting system Decision-making areas for reporting purposes. Main types of reports

Element M2-8

Internal Organisation

Learning Outcomes

The learner will:

8.1 Discuss various ways that technology may be used within an organisation

8.2 Discuss the use of modern computers and computer systems

8.3 Summarise the use of computers in communications

8.4 Review how computers have been applied to processes within organisations

Assessment Outcomes

The learner can:

8.1.1 Classify various technologies in use within organisations

8.2.1 Describe the elements of a computer, both hardware and software

8.2.2 Identify a number of computer applications in business and operations

8.2.3 Describe a typical computer system – again, hardware, software, or both?

8.3.1 Explain how IT systems can support communications

8.3.2 Describe how computer communications have evolved and the impact upon organisations

8.4.1 Explain how computers have been used to make processes more effective and more efficient

8.4.2 Identify specific processes in their own organisation that have been improved by the application of information and communications technology (computers)

Indicative Content

Application of technology	Computer hardware and software Communications Hand-held terminals Data collection Programmable logic controllers Controlled access Materials Machines
Computers	Evolution of hardware Mainframes Minicomputers Desktop computers, laptops
Computer Systems	Financial accounts Planning systems Execution, control systems Integrated systems Distribution systems
Communications	Electronic Data Interchange, EDI Internet E-mail Intranet Direct interfaces
Processes	Data collection Warehouse activities Shop floor activities Process mapping

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M3-L3

Performance Measurement

Unit purpose and aim

Elements

- M3-1** **Objectives and Standards**
- M3-2** **Process and Performance Improvement**
- M3-3** **Audit**

Element M2-1

Objectives and Standards

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
1.1. Explain the reasons why performance must be measured	1.1.1. Specify the reasons why performance must measure
1.2. Discuss the relevance of the Plan/Do/Check/Act loop to performance measurement	1.2.1. Review the process used to measure performance
1.3. Discuss the kinds of targets and indicators that are used to monitor performance	1.3.1. Summarise typical KPI's for typical areas of performance measurement
1.4. Review the business performance models that are available	1.4.1. Summarise a range of models used to measure performance
1.5. Discuss some of the performance standards that have been established by international organisations	1.5.1. Describe one or more of the accepted performance standards
1.6. Discuss the use of performance standards by organisations	1.6.5. Explain how organisations use these standards in practice

Indicative Content

Reasons why performance must be measured	<p>The objective must be to achieve the budget numbers</p> <p>The Plan, Do, Check, Act loop – the Deming cycle, the Shewart cycle</p> <p>Areas of poor performance must be identified</p> <p>Corrective actions need to be put in place</p>
Typical KPI's	<p>At company level – revenue, cost, profit, return on capital employed (ROCE), revenue per employee</p> <p>At department level – forecast accuracy, inventory record accuracy, schedule adherence, on-time in full delivery, labour cost against budget</p>
Business performance models	<p>Balanced Scorecard</p> <p>EFQM Business Excellence model</p> <p>Supply Chain Operations Reference (SCOR) model</p> <p>Oliver Wright ABCD Checklist for Business Excellence</p>
Performance standards	<p>ISO9000</p> <p>Investors in people</p> <p>ISO14000</p> <p>Good Manufacturing practice, GMP</p>

Element M3-2

Process and Performance Improvement

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
2.1. Discuss a range of problem solving tools to support performance improvement	2.1.1. Describe a number of tools for problem solving and continuous improvement 2.1.2. Differentiate between different types of improvement techniques
2.2. Review the use of Pareto Analysis and Cause and Effect tools	2.2.1. Explain the key features of Pareto analysis 2.2.2. Illustrate the use of Pareto Analysis for problem-solving by an example 2.2.3. Illustrate the use of Casue and Effect problem-solving by an example
2.3. Summarise the principles of waste reduction	2.3.1. Classify types of 'waste'
2.4. Explain the use of a Waste-Reduction programme for improving performance	2.4.1. Specify the key elements of a Waste-reduction programme 2.4.2. Illustrate by an example how a waste-reduction programme could be used to improve performance

Indicative Content

Tools for problem solving

Cause and Effect diagrams

The principles of waste-reduction

The '7 Wastes'

The purpose of a waste-reduction programme

Why waste-reduction improves performance
Main elements of a waste-reduction programme

Element M3-3

Audit

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
3.1. Discuss the need for an audit function	3.1.1. Explain why organisations need to be audited 3.1.2. Explain the purpose of the audit function
3.2. Discuss the steps in an audit process	3.2.1. Describe how an audit process is carried out 3.2.2. Specify the different types of evidence to be collected
3.3. Review the types of data that need to be audited	3.3.1. Summarise the types of function and data that need to be audited
3.4. Discuss the opportunities of benchmarking against like and dissimilar organisations	3.4.1. Explain the purpose and advantages of benchmarking

Indicative Content

The need for an audit function	To validate the numbers To satisfy legal requirements To ensure ethical behaviour and good practice
The audit process	Stages of the audit process
Types of data to be audited	Finance numbers Inventory record accuracy Operational e.g. FDA/GMP
Benchmarking	Benefits of benchmarking Stages of the benchmarking process Sources of benchmarking data and information

Standards for the IOM Level 3 Certificate in Logistics and Transport

Option Units

01-L3

02-L3

03-L3

04-L3

05-L3

06-L3

07-L3

08-L3

09-L3

10-L3

11-L3

Intentionally Blank

O1-L3

Unit purpose and aim

Elements

Element O1-1

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
1.1.	1.1.1.
1.2.	1.2.1.
1.3.	1.3.1.
1.4.	1.4.1.
1.5.	1.5.1.
1.6.	1.6.1

Indicative Content

Element 01-2

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
2.1.	2.1.1.
2.2.	2.2.1.
2.3.	2.3.1.
2.4.	2.4.1.
2.5.	2.5.1.
2.6.	2.6.1.

Indicative Content

Element 01-3

Learning Outcomes	Assessment Outcomes
The learner will:	The learner can:
3.1.	3.1.1.
3.2.	3.2.1.
3.3.	3.3.1.
3.4.	3.4.1.
3.5.	3.5.1.
3.6.	3.6.1

Indicative Content

O2-L3

Unit purpose and aim

Elements

Element 02-1

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
1.1.	1.1.1.
1.2.	1.2.1
1.3.	1.3.1
1.4.	1.4.1.
1.5.	1.5.1.
1.6.	1.6.1.

Indicative Content

Element 02-2

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
2.1.	2.1.1.
2.2.	2.2.1.
2.3.	2.3.1.
2.4.	2.4.1.
2.5.	2.5.1.

Indicative Content

Element 02-3

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
3.1.	3.1.1.
3.2.	3.2.1.
3.3.	3.3.1.
3.4.	3.4.1

Indicative Content

O3-L3

Unit purpose and aim

Elements

Element 03-1

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
1.1.	1.1.1.
1.2.	1.2.1.
1.3.	1.3.1.
1.4.	1.4.1.
1.5.	1.5.1.
1.6.	1.6.1.
1.7.	1.7.1.

Element 03-2

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
2.1.	2.1.1.
2.2.	2.2.1.
2.3.	2.3.1.
2.4.	2.4.1.

Indicative Content

Element O3-3

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
3.1.	3.1.1.
3.2.	3.2.1
3.3.	3.3.1.
3.4.	3.4.1.
3.5.	3.5.1.

Indicative Content

Element O3-4

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
4.1.	4.1.1.
4.2.	4.2.1.
4.3.	4.3.1.
4.4.	4.4.1.

Indicative Content

O4-L3

Unit purpose and aim

Elements

Element O4-1

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
1.1.	1.1.1.
1.2.	1.2.1.
1.3.	1.3.1.
1.4.	1.4.1.

Indicative Content

Element O4-2

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
2.1.	2.1.1.
2.2.	2.2.1.
2.3.	2.3.1.
2.4.	2.4.1.
2.5.	2.5.1.

Indicative Content

Element O4-3

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
3.1.	3.1.1.
3.2.	3.2.1.
3.3.	3.3.1.

Indicative Content

Element O4-4

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
4.1.	4.1.1.
4.2.	4.2.1.
4.3.	4.3.1.
4.4.	4.4.1.

Indicative Content

Element 04-5

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
5.1.	5.1.1.
5.2.	5.2.1.
5.3.	5.3.1.
5.4.	5.4.1.

Indicative Content

O5-L3

Unit purpose and aim

Elements

Element O5-1

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
1.1.	1.1.1.
1.2.	1.2.1.
1.3.	1.3.1.
1.4.	1.4.1.
1.5.	1.5.1

Indicative Content

Element 05-2

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
2.1.	2.1.1.
2.2.	2.2.1.
2.3.	2.3.1.
2.4.	2.4.1.

Indicative Content

Element 05-3

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
3.1.	3.1.1.
3.2.	3.2.1.
3.3.	3.3.1.
3.4.	3.4.1.

Indicative Content

Element O5-4

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
4.1.	4.1.1.
4.2.	4.2.1.
4.3.	4.3.1.
4.4.	4.4.1.

Indicative Content

O6-L3

Unit purpose and aim

Elements

Element O6-1

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
1.1.	1.1.1.
1.2.	1.2.1.
1.3.	1.3.1.
1.4.	1.4.1.
1.5.	1.5.1.
1.6.	1.5.2.

Indicative Content

Element 06-2

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
2.1.	2.1.1.
2.2.	2.2.1.
2.3.	2.3.1.
2.4.	2.4.1.

Indicative Content

Element 06-3

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
3.1.	3.1.1.
3.2.	3.2.1.
3.3.	3.3.1.
3.4.	3.4.1.
3.5.	3.5.1.
3.6.	3.5.2.

Indicative Content

07-L3

Unit purpose and aim

Elements

Element 07-1

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
1.1.	1.1.1.
1.2.	1.2.1.
1.3.	1.3.1.
1.4.	1.4.1.

Indicative Content

O8-L3

Unit purpose and aim

Elements

Element 08-1

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
1.1.	1.1.1.
1.2.	1.2.1.
1.3.	1.3.1.
1.4.	1.4.1.

Indicative Content

Element 08-2

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
2.1.	2.1.1.
2.2.	2.2.1.
2.3.	2.3.1.
2.4.	2.4.1.

Indicative Content

Element 08-3

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
3.1.	3.1.1.
3.2.	3.2.1.
3.3.	3.3.1.
3.4.	3.4.1.
3.5.	3.5.1

Indicative Content

Element O8- 4

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
4.1	4.2.1
4.2	4.2.2
4.3	4.3.1
4.4	4.4.1

Indicative Content

O9-L3

Unit purpose and aim

Elements

Element 09-1

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
1.1.	1.1.1.
1.2.	1.2.1.
1.3.	1.3.1.
1.4.	1.4.1.
1.5.	1.4.2.

Indicative Content

Element 09-2

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
2.1.	2.1.1.
2.2.	2.2.1.
2.3.	2.3.1.
2.4.	2.4.1.
2.5.	2.4.2.
2.6.	2.4.3.

Indicative Content

Element 09-3

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
3.1.	3.1.1.
3.2.	3.2.1.
3.3.	3.3.1.
3.4.	3.4.1.
3.5.	3.5.1
3.6.	3.6.1

Indicative Content

Element

09- 4

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
4.1	4.1.1
4.2	4.2.1
4.3	4.3.1
4.4	4.4.1
4.5	4.5.1
4.6	4.6.1

Indicative Content

10-L3

Unit purpose and aim

Elements

Element 10-1

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
1.1.	1.1.1.
1.2.	1.2.1.
1.3.	1.3.1.
1.4.	1.4.1.

Indicative Content

11-L3

Unit purpose and aim

Elements

Element 11-1

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
1.1.	1.1.1.
1.2.	1.2.1.
1.3.	1.3.1.
1.4.	1.4.1.
1.5.	1.5.1

Indicative Content

Element 11-2

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
2.1.	2.1.1.
2.2.	2.2.1.
2.3.	2.3.1.
2.4.	2.4.1.

Indicative Content

Element 11-3

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
3.1.	3.1.1.
3.2.	3.2.1.
3.3.	3.3.1.

Indicative Content

Element 11- 4

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
4.1	4.1.1
4.2	4.2.1
4.3	4.3.1
4.4	4.4.1

Indicative Content

Element 11-5

Learning Outcomes The learner will:	Assessment Outcomes The learner can:
5.1	5.1.1
5.2	5.2.1
5.3	5.3.1
5.4	5.4.1

Indicative Content
