LOGISTICS OPERATIONS
Plan distribution centre structure and equipment for a logistics operation

level: 5
credit: 8
planned review date: February 2004
sub-field: Logistics

purpose: People credited with this unit standard are able to: analyse strategic requirements of a distribution centre operation in a logistics operation; establish specifications for distribution centre structure and equipment in a logistics operation; assess current distribution centre operation of a logistics operation against identified requirements; and determine changes to a logistics operation distribution centre structure, equipment, and operations to meet identified requirements.

entry information: Open.

accreditation option: Evaluation of documentation and visit by NZQA and industry.

moderation option: A centrally established and directed national moderation system has been set up by the NZ Motor Industry Training Organisation (Incorporated).

special notes: 1 Definitions
Organisational procedures refer to formally documented instructions in the workplace which are available to candidates, providers, and assessors.
A *distribution centre* is a facility where customer orders are processed and normally includes the facility to store, although product does not necessarily go into storage. *Systems* includes procedural systems and information systems.

2 A logistics operation may form part of an organisation’s activities or it may constitute a complete organisation.

**Elements and Performance Criteria**

**element 1**

Analyse strategic requirements of a distribution centre operation in a logistics operation.

**performance criteria**

1.1 The objectives of a distribution centre operation are defined in terms of organisational requirements for long or short term storage, and business objectives.

1.2 Strategic requirements for a distribution centre operation are established in terms of the objective for the operation and business objectives.

Range: includes but is not limited to - market, location, product range, product characteristics, customer requirements, stock holdings, functions of distribution centre, expansion, method of receiving inwards goods, inventory record accuracy, rate of throughput of product.
1.3 Alternative methods for providing any or all of the identified distribution centre functions, either within and/or external to the organisation, are assessed against operational and business objectives.

**element 2**

Establish specifications for distribution centre structure and equipment in a logistics operation.

**performance criteria**

2.1 Alternative ways of meeting functional requirements are analysed in terms of labour, handling equipment, storage configuration, space, and time.

2.2 Specifications for distribution centre structure are developed in conjunction with distribution centre staff, managers, and building engineers, and include an analysis of costs and options.

2.3 Equipment specifications are consistent with nature and volume of products, and with specifications for distribution centre structure.

**element 3**

Assess current distribution centre operation of a logistics operation against identified requirements.

**performance criteria**

3.1 The current distribution centre operation is analysed in terms of component systems and activities, and evaluated against strategic requirements.

Range: supply and demand, stockholdings, distribution centre design, distribution centre operating systems, distribution centre equipment, product handling groups, product flow systems, inventory record accuracy, efficiency and effectiveness measures, costs.
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3.2 Current distribution centre equipment is reviewed for suitability and cost-effectiveness to meet strategic requirements.

Range: product handling costs, product handling time, space, serviceability, reliability, operating costs, overheads, safety of workers.

3.3 Existing building characteristics are documented in terms of physical constraints, non-warehousing activities, product flow (including any congestion), product handling and storage, safety and legal requirements, and maximum space potential.

**element 4**

Determine changes to a logistics operation distribution centre structure, equipment, and operations to meet identified requirements.

**performance criteria**

4.1 Changes to distribution centre structure meet specifications and maximise utilisation of the building layout, space, and equipment.

4.2 Changes in structure, equipment, and operations optimise total cost of operation measured by labour, space, and equipment costs.

4.3 Changes in structure, equipment, and operations minimise product handling operations.
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Comments to:

NZ Motor Industry Training Organisation (Incorporated)
Unit Standard Revision
PO Box 10803
Wellington 6143

by February 2004.

Please Note: Providers must be accredited by the Qualifications Authority before they can offer programmes of education and training assessed against unit standards.

Accredited providers assessing against unit standards must engage with the moderation system that applies to those unit standards. [Please refer to relevant Plan ref: 0092]