

<b>Title</b>	<b>Demonstrate technical knowledge of distribution facility operations</b>		
<b>Level</b>	<b>3</b>	<b>Credits</b>	<b>10</b>

<b>Purpose</b>	<p>This unit standard is for people working in a distribution facility.</p> <p>People credited with this unit standard are able to, in a distribution facility, explain: distribution operations; the purpose and function of distribution facilities and equipment; the processing of inwards goods; the picking and issue of orders; dispatch of orders; and the role of systems for controlling distribution operations.</p>
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<b>Classification</b>	Retail, Distribution, and Sales > Distribution
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<b>Available grade</b>	Achieved
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### Explanatory notes

#### 1 Definitions

*Distribution facility* refers to a workplace where the primary focus is on storage and distribution of stock.

*Electronic Data Interchange (EDI)* refers to systems where data is transferred electronically within or to other organisations outside of the distribution facility.

*Information Technology (IT)* refers to the use of computers to create, store, exchange, and use information in its various forms.

*FIFO* abbreviation for First In First Out

*FOB* abbreviation for Free on Board

*LCL* abbreviation for *Less than Container Load*

*LIFO* abbreviation for *Last in Last Out*

*Logistics* refer to the process of managing the movement and storage of goods and materials from their source to the point of ultimate consumption.

*POD* abbreviation for Port of Discharge

*Organisational procedures* referred to in this unit standard may include but are not limited to the applicable procedures found in the following: organisational performance guidelines and standards; manufacturer's procedures and specifications; Government and local body legislation.

*Supply chain* includes all activities from the purchase of raw materials to the delivery of finished goods to consumers.

#### 2 Any relevant Acts, regulations, and bylaws must be complied with during assessment against this standard

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## Outcomes and evidence requirements

### Outcome 1

Explain distribution operations in a distribution facility.

#### Evidence requirements

1.1 Distribution operations are presented and clarified in terms of their applications.

Range includes but is not limited to – purchasing, logistics, supply chain, transport, receipt of inwards goods, movement, storage, picking, issue, dispatch, labelling, record keeping, quarantine, returns, disposal, cataloguing;  
evidence for eight is required.

1.2 Technical terms used in the distribution industry are defined and their practical application explained.

Range may include but are not limited to – LIFO, FIFO, just in time, lead time, POD, FOB, outsourcing, LCL, manifest, consignor, consignee, vendor;  
evidence for six technical terms is required.

1.3 The importance of customer service is identified for both external and internal customers in accordance with organisational procedures.

1.4 The supply chain of a product is analysed and interpreted in accordance with organisational procedures.

### Outcome 2

Explain the purpose and function of distribution facilities and equipment.

Range categories of distribution facilities include but are not limited to – operations store, ancillary store, dispatch warehouse, retail distribution centre, seasonal store, wholesale store, dangerous goods store, bond store, quarantine store, distribution store, outsourced warehouse, government warehouse, public storage;  
categories of goods include but are not limited to – solid, liquid, gas, soft, rigid, heavy, high/low value, dangerous, perishable, edible, vulnerable, items of difficult shape, bond storage.

#### Evidence requirements

2.1 Categories of distribution facilities are identified and their characteristics are presented.

Range evidence for six is required.

- 2.2 The storage requirements of different categories of goods are identified in accordance with organisational procedures.
- Range evidence for four categories of goods is required.
- 2.3 The purpose and function of goods handling equipment are shown.
- Range may include but are not limited to – conveyors, forklifts, forkhoists, hoists, pneumatic systems, pumps, hoses, valves; evidence for four categories equipment is required.
- 2.4 Procedures for the safe use of equipment and/or machinery are shown in accordance with organisational procedures and manufacturer's instructions.
- Range evidence for three types of equipment and/or machinery is required.
- 2.5 Equipment used for the preparation of goods transport is shown in terms of modes of transport.
- Range modes of transport – land, sea, air; evidence for four categories of goods is required.

### Outcome 3

Explain the processing of inwards goods in a distribution facility in accordance with organisational procedures.

#### Evidence requirements

- 3.1 Procedure for checking of goods received against carrier's consignment notes is explained.
- 3.2 Purpose of documentation for processing inwards goods is explained.
- Range documents may include but are not limited to – purchase order, advice note, packing slip, delivery note, inwards goods report, daily receiving sheets, credit note, trade return docket, internal transfer note, stock records bin location data, invoice, return to supplier note, loading sheet, consignment note; evidence for seven document types is required.
- 3.3 Procedures for processing inwards goods are shown.
- 3.4 Procedures for handling irregularities in processing of inwards goods are identified and explained.
- Range may include but is not limited to – shortages, damage, delivery problems.

**Outcome 4**

Explain the picking and issue of orders in a distribution facility in accordance with organisational procedures.

**Evidence requirements**

- 4.1 Picking systems used in the distribution facility are shown.
- Range may include but are not limited to – manual, mechanical conveying system.
- 4.2 Documents relating to picking and issue of orders and their practical application are explained.

**Outcome 5**

Explain dispatch of orders from a distribution facility.

**Evidence requirements**

- 5.1 Critical stages in the dispatch process are identified and explained in accordance with organisational procedures.
- Range may include but is not limited to – marshalling, documentation, packing, identification, loading, delivery.
- 5.2 Documents relating to dispatch of orders are interpreted in accordance with organisational procedures.
- 5.3 Procedures for assembling, packaging, and labelling are shown in accordance with organisational procedures.
- 5.4 The characteristics of means of transportation for delivery of orders are described.
- Range may include but are not limited to – mail, courier, road, rail, shipping, airfreight, pipeline.

**Outcome 6**

Explain the role of systems for controlling distribution operations in a distribution facility.

**Evidence requirements**

- 6.1 Systems used to control distribution operations are shown and their advantages and disadvantages explained.
- Range manual system, computerised inventory management system.
- 6.2 The applications of Electronic Data Interchange (EDI) in a distribution facility are explained.

6.3 The benefits of an EDI in a distribution facility operation are explained.

Range may include but is not limited to – automated materials handling, paperless storage and order processing, reduced inventory levels, tracking of goods through the distribution chain.

<b>Replacement information</b>	This unit standard replaced unit standard 414 and unit standard 19580.
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<b>Planned review date</b>	31 December 2021
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#### Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	16 April 2015	31 December 2018
Review	2	8 December 2016	N/A

<b>Consent and Moderation Requirements (CMR) reference</b>	0225
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.

#### Please note

Providers must be granted consent to assess against standards (accredited) by NZQA, before they can report credits from assessment against unit standards or deliver courses of study leading to that assessment.

Industry Training Organisations must be granted consent to assess against standards by NZQA before they can register credits from assessment against unit standards.

Providers and Industry Training Organisations, which have been granted consent and which are assessing against unit standards must engage with the moderation system that applies to those standards.

Requirements for consent to assess and an outline of the moderation system that applies to this standard are outlined in the Consent and Moderation Requirements (CMR). The CMR also includes useful information about special requirements for organisations wishing to develop education and training programmes, such as minimum qualifications for tutors and assessors, and special resource requirements.

#### Comments on this unit standard

Please contact ServiceIQ [qualifications@ServiceIQ.org.nz](mailto:qualifications@ServiceIQ.org.nz) address if you wish to suggest changes to the content of this unit standard.