

<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, demonstrate knowledge of: 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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## Guidance Information

### 1 Definitions

*Characteristics* (of modes of transportation) may refer to: [cost of transport](#), [reliability and regularity of service](#), [safety](#), [characteristics of goods](#), [budget](#), [timescale](#), [flexibility](#).

*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.

*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.

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

*Workplace procedures* refer to applicable procedures found in the following: workplace performance guidelines and standards; manufacturer's procedures and specifications; Government and local body legislation.

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

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## Outcomes and performance criteria

### Outcome 1

Demonstrate knowledge of distribution operations in a distribution facility.

#### Performance criteria

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 in accordance with workplace procedures.

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 workplace procedures.

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

### Outcome 2

Demonstrate knowledge of the purpose and function of distribution facilities and equipment.

Range categories of distribution facilities may 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 may 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.

#### Performance criteria

2.1 Categories of distribution facilities are identified and their characteristics are presented in accordance with workplace procedures.

Range evidence for six is required.

2.2 The storage requirements of different categories of goods are identified in accordance with workplace procedures.

Range evidence for four categories of goods is required.

2.3 The purpose and function of goods handling equipment are shown in accordance with workplace procedures.

Range may include but is not limited to – conveyors, fork-lifts, fork hoists, hoists, pneumatic systems, pumps, hoses, valves; evidence for four categories equipment is required.

2.4 Procedures for the safe use of equipment or machinery are shown in accordance with workplace procedures and manufacturer's instructions.

Range evidence for three types of equipment 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

Demonstrate knowledge of the processing of inwards goods in a distribution facility.

#### Performance criteria

3.1 Procedure for checking of goods received against carrier's consignment notes is explained in accordance with workplace procedures.

3.2 Purpose of documentation for processing inwards goods is explained in accordance with workplace procedures.

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 in accordance with workplace procedures.

3.4 Procedures for handling irregularities in processing of inwards goods are identified and explained in accordance with workplace procedures.

Range may include but is not limited to – shortages, damage, delivery problems.

**Outcome 4**

Demonstrate knowledge of the picking and issue of orders in a distribution facility.

**Performance criteria**

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

**Outcome 5**

Demonstrate knowledge of dispatch of orders from a distribution facility.

**Performance criteria**

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

**Outcome 6**

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

**Performance criteria**

- 6.1 Systems used to control distribution operations are shown and their advantages and disadvantages explained in accordance with workplace procedures.
- Range manual system, computerised inventory management system.

6.2 The applications of EDI in a distribution facility are explained in accordance with workplace procedures.

6.3 The benefits of an EDI in a distribution facility operation are explained in accordance with workplace procedures.

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 2027
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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	31 December 2024
Review	3	2 March 2023	N/A

<b>Consent and Moderation Requirements (CMR) reference</b>	0112
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.

#### Comments on this unit standard

Please contact Ringa Hora Services Workforce Development Council [qualifications@ringahora.nz](mailto:qualifications@ringahora.nz) if you wish to suggest changes to the content of this unit standard.