



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **TLIA2807C Assess and monitor optimum stock levels**

**Release: 1**

## **TLIA2807C Assess and monitor optimum stock levels**

### **Modification History**

Not applicable.

### **Unit Descriptor**

This unit involves the skills and knowledge required to assess and monitor optimum stock levels in accordance with workplace requirements including assessing projected demand, assessing variables that impact upon optimum stock levels, determining optimum inventory levels, and monitoring optimum inventory levels.

### **Application of the Unit**

Work must be carried out in compliance with the relevant regulations and workplace requirements concerning stock control operations.

Work is performed under general guidance on progress and outcomes of work. It requires the exercise of discretion and judgement for self and others in planning and using resources, services and processes to achieve required outcomes within organisational policy and procedures. A range of opportunities may be used to develop the work area and to support the development of work systems and innovative strategies to deal with contingencies and to encourage the achievement of the organisations goals and key performance objectives. Work involves the application of product knowledge and an understanding of relevant workplace procedures and regulatory requirements when assessing and monitoring optimum stock levels as part of work activities in the warehousing, distribution and/or storage industries.

### **Licensing/Regulatory Information**

Not applicable.

### **Pre-Requisites**

Not applicable.

### **Employability Skills Information**

The required outcomes described in this unit of competency contain applicable facets of Employability Skills. The Employability Skills Summary of the qualification in which this competency is packaged will assist in identifying employability skill requirements.

## Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.

Performance criteria describe the required performance needed to demonstrate achievement of the element. Assessment of performance is to be consistent with the evidence guide.

## Elements and Performance Criteria

### Elements and Performance Criteria

Element	Performance Criteria
<b>1 Assess projected demand</b>	1.1 Information/data from sales plan or stock movement is analysed
	1.2 Projected high and low volume periods are determined from the analysis of sales plan and/or stock movement data
	1.3 Seasonal nature of stock demand is determined from the analysis of sales plan and/or stock movement data
	1.4 Required inventory levels at different production and sales cycle stages are determined from the analysis of sales plan and/or stock movement data
<b>2 Assess variables that impact upon optimum stock levels</b>	2.1 Stock manufacturing/supply and consignment delivery lead times are determined
	2.2 Internal processing and distribution times are determined
	2.3 Spoilage and obsolescence times are calculated (where applicable)
	2.4 Maximum stock carrying capacity is assessed
	2.5 Physical and human resources are assessed in relation to projected required stock levels
	2.6 Contingencies are developed for abnormal distribution stoppages/slow-downs to supply chain
<b>3 Determine optimum inventory levels</b>	3.1 Production and sales cycle stages are correlated to stock manufacturing supply and distribution lead times
	3.2 Safety stock levels are calculated

- 3.3 Optimum inventory levels are identified
- 4 **Monitor optimum inventory levels**
  - 4.1 Inventory benchmarks are continually compared to current and known future sales turnover/production requirements
  - 4.2 Adjustments to inventory levels are undertaken in accordance with reassessed sales turnover/production requirements, workplace procurement processes and within scope of authority
  - 4.3 Changes and/or requests for adjustments to inventory levels are documented in accordance with workplace policies
  - 4.4 Resources are assembled in accordance with identified optimum inventory levels

## **Required Skills and Knowledge**

### **REQUIRED KNOWLEDGE AND SKILLS**

This describes the essential knowledge and skills and their level required for this unit.

#### **Required knowledge:**

Australian codes and regulations relevant to the optimisation of stock levels

Relevant OH&S and environmental protection procedures and guidelines

Workplace procedures and policies for the assessment and monitoring of optimum stock levels

Focus of operation of supply arrangements, resources, management and workplace operating systems

Purpose and use of key information required when optimising stock levels, including supply requirements, supplier information, enterprise contract procedures, sales plan, and distribution times

Workplace business policies and plans including procedures for maintenance of confidentiality

Computer records/documentation requirements when assessing and monitoring optimum stock levels

Problems that may occur when assessing and monitoring optimum stock levels and appropriate action that can be taken to resolve the problems

Worksite layout and organisational structure

#### **Required skills:**

Communicate effectively with others when assessing and monitoring optimum stock levels

Read and interpret instructions, procedures, policies, procedures and instructions relevant to the assessment and monitoring of optimum stock levels

Complete documentation related to the assessment and monitoring of optimum stock levels

Work collaboratively with others when assessing and monitoring optimum stock levels

Adapt appropriately to cultural differences in the workplace, including modes of behaviour and interactions with others

Promptly report and/or rectify any identified problems, faults or malfunctions when assessing and monitoring optimum stock levels in accordance with regulatory requirements

and workplace procedures

Plan and organise resource availability including the competencies of individuals in a team or group

Modify activities depending on differing operational contingencies, risk situations and environments

Work systematically with required attention to detail without injury to self or others, or damage to goods or equipment

Select and apply relevant technology, information systems and procedures when assessing and monitoring optimum stock levels

## **Evidence Guide**

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required knowledge and skills, the range statement and the assessment guidelines for this Training Package.

**Critical aspects for assessment and evidence required to demonstrate competency in this unit**

The evidence required to demonstrate competency in this unit must be relevant to and satisfy all of the requirements of the elements and performance criteria of this unit and include demonstration of applying:

- the underpinning knowledge and skills
- relevant legislation and workplace procedures
- other relevant aspects of the range statement

**Context of and specific resources for assessment**

Performance is demonstrated consistently over a period of time and in a suitable range of contexts

Resources for assessment include:

- a range of relevant exercises, case studies and other simulated practical and knowledge assessment, and/or

- access to an appropriate range of relevant operational situations in the workplace

In both real and simulated environments, access is required to:

- relevant and appropriate materials and/or equipment, and/or

- applicable documentation including workplace procedures, regulations, codes of practice and operation manuals

**Method of assessment**

Assessment of this unit must be undertaken by a registered training organisation

As a minimum, assessment of knowledge must be conducted through appropriate written/oral tests

Practical assessment must occur:

- through appropriately simulated activities at the registered training organisation, and/or

- in an appropriate range of situations in the workplace





## Range Statement

### RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance.

Work may involve:	twenty-four hour operation in a range of work environments by day or night
Customers may be:	internal or external
Workplaces may comprise:	large, medium or small worksites
Work may be conducted in:	limited or restricted spaces exposed conditions controlled or open environments
Work:	applies to predominantly manual operations does not include a total computer generated purchasing system operation
Inventory benchmarks may be:	periodic, monthly or annual
Lead times may vary in accordance with:	type of transport mode(s) processing time regulatory requirements freight disputations customs regulations scarcity of resource
Information used when assessing and monitoring optimum stock levels may include:	supply requirements supplier information workplace contract procedures sales plan distribution times
Consultative processes may involve:	other employees and supervisors suppliers, customers and clients relevant authorities and institutions management and union representatives

	industrial relations and OH&S specialists
	other maintenance, professional or technical staff
Communication in the work area may include:	phone
	electronic data interchange (EDI)
	fax
	email
	internet
	RF systems
	oral, aural or signed communications
Inventory systems may be:	automated
	manual
	paper-based
	computerised
	microfiche
Depending on the type of organisation concerned and the local terminology used, workplace procedures may include:	company procedures
	enterprise procedures
	organisational procedures
	established procedures
Information/documents may include:	relevant workplace quality specifications, policies and procedures
	Australian regulations and codes of practice relevant to stock management
	manufacturers specifications and/or suppliers handling and storage advice
	supplier and/or client instructions
	workplace business policies and plans including procedures for maintenance of confidentiality
	operations manuals, job specifications and induction documentation
	ADG Code and associated regulations
	material safety data sheets
	relevant Australian standards and certification requirements

Applicable regulations and legislation may include:

conditions of service, legislation and industrial agreements including award details, enterprise bargaining agreement, other industrial arrangements

emergency procedures

codes and regulations relevant to the optimisation of stock levels including the ADG Code

relevant state/territory OH&S and environmental protection legislation

licence, patent or copyright arrangements

water and road use and licence arrangements

export/import/quarantine/bond requirements

workplace relations regulations

workers compensation regulations

## **Unit Sector(s)**

Not applicable.

## **Competency Field**

A - Handling Cargo/Stock