



## **SQA Advanced Unit Specification**

### **General information for centres**

**Unit title:** Supply Chain Logistics: An Introduction

**Unit code:** HP5T 47

**Superclass:** VC

**Publication date:** August 2017

**Source:** Scottish Qualifications Authority

**Version:** 01

### **Unit purpose**

This Unit has been designed to give learners an understanding of how logistics is integrated to the successful management of the supply chain. Learners should also be able to demonstrate the role played by the organisation in designing the logistics to meet customer needs, as well as the importance of managing the supply chain operations to provide value to the organisation.

It is primarily intended for learners who aspire to take up a management position in any type of organisation where the supply chain will play a major role. It would also be appropriate for those involved in the various functions associated with service, retail, public and manufacturing organisations, including inventory, stores, production, distribution planning, demand management and purchasing to provide an understanding of supply chain logistics.

### **Outcomes**

On completion of the Unit the learner should be able to:

- 1 Identify the competitive advantages that can be obtained through the application of logistics.
- 2 Describe the role of the organisation in determining how the logistics are organised to meet the customer needs.
- 3 Explain how logistic costs can be managed to provide value to the stakeholders.

## SQA Advanced Unit Specification

### Credit points and level

1 SQA Credit at SCQF level 7: (8 SCQF credit points at SCQF level 7\*)

*\*SCQF credit points are used to allocate credit to qualifications in the Scottish Credit and Qualifications Framework (SCQF). Each qualification in the Framework is allocated a number of SCQF credit points at an SCQF level. There are 12 SCQF levels, ranging from National 1 to Doctorates.*

### Recommended entry to the Unit

Access to this Unit is at the discretion of the centre. However, learners are expected to have work experience relevant to the activities of the supply chain. It is not necessary that learners hold a team leader, supervisory or management position.

Learners are also expected to have competency in numeracy and communication skills to at least SCQF level 5. This may be evidenced by possession of the Core Skills Units in *Numeracy* and *Communication* or similar qualifications or experience.

### Core Skills

Opportunities to develop aspects of Core Skills are highlighted in the Support Notes for this Unit specification.

There is no automatic certification of Core Skills or Core Skill components in this Unit.

### Context for delivery

If this Unit is delivered as part of a Group Award, it is recommended that it should be taught and assessed within the subject area of the Group Award to which it contributes.

The Assessment Support Pack (ASP) for this Unit provides assessment and marking guidelines that exemplify the national standard for achievement. It is a valid, reliable and practicable Instrument of Assessment. Centres wishing to develop their own assessments should refer to the ASP to ensure a comparable standard. A list of existing ASPs is available to download from SQA's website.

### Equality and inclusion

This Unit specification has been designed to ensure that there are no unnecessary barriers to learning or assessment. The individual needs of learners should be taken into account when planning learning experiences, selecting assessment methods or considering alternative evidence.

Further advice can be found on our website [www.sqa.org.uk/assessmentarrangements](http://www.sqa.org.uk/assessmentarrangements).

### Unit specification: statement of standards

**Unit title:** Supply Chain Logistics: An Introduction

Acceptable performance in this Unit will be the satisfactory achievement of the standards set out in this part of the Unit specification. All sections of the statement of standards are mandatory and cannot be altered without reference to SQA.

#### Outcome 1

Identify the competitive advantages that can be obtained through the application of logistics.

#### Knowledge and/or Skills

- ◆ Definition, structure and purpose of a supply chain
- ◆ Relationships in a supply chain
- ◆ Customer needs
- ◆ Definition of logistics
- ◆ Logistics strategy
- ◆ Performance objectives
- ◆ Competitiveness

#### Evidence Requirements

Learners will need evidence to demonstrate all aspects of their Knowledge and/or Skills in this Outcome by identifying the competitive advantages that can be obtained through the application of logistics by showing that they can:

- ◆ define the term supply chain making reference to the structure and purpose of a supply chain
- ◆ identify relationships in a supply chain
- ◆ describe **three** typical customer needs from:
  - low cost
  - high quality
  - on time delivery
  - short lead time
  - correct quantities
  - adjustments to quantity and delivery times
  - wide product range
  - customised product
- ◆ define the term logistics and describe a logistics strategy for a specific organisation
- ◆ identify **two** performance objectives associated with the supply chain from:
  - speed
  - cost
  - dependability
  - flexibility
  - quality
- ◆ describe the competitiveness of the supply chain

## SQA Advanced Unit Specification

### Outcome 2

Describe the role of the organisation in determining how the logistics are organised to meet the customer needs.

#### Knowledge and/or Skills

- ◆ Customer service levels
- ◆ Marketing mix
- ◆ Order winners and qualifiers
- ◆ Logistics contribution to marketing
- ◆ Customer relationship management
- ◆ Customer retention

#### Evidence Requirements

Learners will need evidence to demonstrate all aspects of their Knowledge and/or Skills in this Outcome by showing that they can:

- ◆ describe the methods used to determine customer service levels
- ◆ explain the concept of the marketing mix
- ◆ describe how logistics can contribute to the success of marketing making reference to order winners and qualifiers
- ◆ explain the importance of customer relationship management in the retention of customers

### Outcome 3

Explain how logistics costs can be managed to provide value to the stakeholders.

#### Knowledge and/or Skills

- ◆ Return on assets
- ◆ Value added
- ◆ Standard costing
- ◆ Activity based costing (ABC)

#### Evidence Requirements

Learners will need evidence to demonstrate all aspects of their Knowledge and/or Skills in this Outcome by showing that they can:

- ◆ explain return on assets making reference to **three** of the following:
  - current assets
  - fixed assets
  - sales
  - profit margin
  - price
- ◆ describe the logistic activities that provide added value to the product, making reference to **three** of the following:
  - inbound logistics
  - operations
  - outbound logistics

## SQA Advanced Unit Specification

- sales and marketing
- service
- organisation infrastructure
- human resources
- technology development
- procurement
- ◆ compare and describe the advantages/disadvantages of standard and activity based costing (ABC) in relation to logistics

## SQA Advanced Unit Specification

### Unit specification: support notes

**Unit title:** Supply Chain Logistics: An Introduction

Unit Support Notes are offered as guidance and are not mandatory.

While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 40 hours.

### Guidance on the content and context for this Unit

This Unit is likely to form part of an SQA Advanced Supply Chain Management Group Award. It is designed to enable learners to understand the definitions and concepts of logistics in the context of managing the supply chain. Learners will be able to identify the competitive advantage and how logistics can be organised to meet customer requirements. They will also be able to explain how logistics are managed to provide value to stakeholders.

It is recommended that the learners should have experience of working in a supply chain or associated function.

There may be opportunities for learners who successfully achieve this Unit to gain exemptions from a number of professional bodies. Learners should contact the relevant professional bodies to ascertain their current exemption policies.

Outcome 1 covers the competitive advantages that can be obtained through the application of logistics.

- ◆ Definition, structure and purpose of a supply chain
- ◆ Relationships within a supply chain
- ◆ Typical customer needs:
  - low cost
  - high quality
  - on time delivery
  - short lead time
  - correct quantities
  - adjustments to quantity and delivery times
  - wide product range
  - customised product
- ◆ Definition of 'logistics'
- ◆ Logistics strategy for specific organisations
- ◆ Performance objectives associated with the supply chain:
  - speed
  - cost
  - dependability
  - flexibility
  - quality
- ◆ Competitiveness of the supply chain

Outcome 2 looks at the role of the customer in determining how the logistics are organised to meet the customer needs.

- ◆ Customer service levels
- ◆ Marketing mix

## SQA Advanced Unit Specification

- ◆ Order winners and qualifiers
- ◆ Logistics contribution to marketing
- ◆ Customer relationship management in the retention of customers

Outcome 3 is about how logistics costs can be managed to provide value to the stakeholders.

- ◆ Return on assets:
  - current assets
  - fixed assets
  - sales
  - profit margin
  - price
- ◆ Logistics activities that provide added value to the product:
  - inbound logistics
  - operations
  - outbound logistics
  - sales and marketing; service
  - organisation infrastructure
  - human resources
  - technology development
  - procurement

### Guidance on approaches to delivery of this Unit

Where this Unit is delivered as part of a Group Award, it is recommended that it be delivered as one of the first Units immediately before or after Supply Chain Operations: Fundamentals.

It is anticipated that this Unit may be delivered to a variety of learner groups and, wherever possible, teaching and research should be slanted towards their individual needs. The latest materials and examples from current and business practice should be used to highlight and illustrate the differences between organisations.

In addition to the classroom explanations and discussions that this Unit provides, learners should be encouraged to make use of relevant websites to gather information for themselves. Direction may be required on the location of useful information sources. However, learners should be encouraged to use their initiative to discover the other various sources of information available.

Industrial visits and input from guest speakers would be beneficial in the delivery of this Unit.

### Guidance on approaches to assessment of this Unit

Evidence can be generated using different types of Instruments of Assessment. The following are suggestions only. There may be other methods that would be more suitable to learners.

Centres are reminded that prior verification of centre-devised assessments would help to ensure that the national standard is being met. Where learners experience a range of assessment methods, this helps them to develop different skills that should be transferable to work or further and higher education.

The assessments for this Unit may be integrative and cover all three Outcomes of the Unit.

## SQA Advanced Unit Specification

Learners could be assessed by a report based on the learner's experiences of working within a supply chain related environment. The report could comprise of three sections — one for each Outcome. Where evidence is presented as a written report, it is recommended that each section be approximately 1,000 words in length. Diagrams may be included in the report.

The report should be submitted in stages so that the learner's progress can be monitored and errors corrected before progressing to the next stage. Reports can be supplemented by oral questioning to ensure all aspects of the Evidence Requirements are met. The reports may be presented in any suitable format.

Where learners have no industrial experience, they may be assessed using questions based on case study material. The questions must cover all of the specified Evidence Requirements.

The reports must include a description of how competitive advantages can be gained through logistics and an assessment of customer needs and the logistic strategy to meet those needs.

To achieve this Unit, learners must produce satisfactory assessment evidence that shows they have achieved all of the Unit Outcomes.

For re-assessment purposes, assessors should use different questions covering, for example in Outcome 1 different customers' needs and performance objectives.

### Opportunities for e-assessment

E-assessment may be appropriate for some assessments in this Unit. By e-assessment we mean assessment which is supported by Information and Communication Technology (ICT), such as e-testing or the use of e-portfolios or social software. Centres which wish to use e-assessment must ensure that the national standard is applied to all learner evidence and that conditions of assessment as specified in the Evidence Requirements are met, regardless of the mode of gathering evidence. The most up-to-date guidance on the use of e-assessment to support SQA's qualifications is available at [www.sqa.org.uk/e-assessment](http://www.sqa.org.uk/e-assessment).

### Opportunities for developing Core and other essential skills

There are no Core Skills embedded in this Unit. However, there are opportunities for developing the Written Communication component of the Core Skill of *Communication* at SCQF level 5.

#### **Communication — Written Communication at SCQF level 5**

All three Outcomes provide learners with the opportunity to develop their written communication skills.

Opportunities will occur where learners present written responses as part of their work throughout the Unit, but especially in the assessment which may be a written project or responses to questions based on a specific case study. Learners will, therefore have to analyse information and organise the content of their report/responses into a logical and effective structure.



## Administrative information

Version	Description of change	Date

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SQA acknowledges the valuable contribution that Scotland's colleges have made to the development of SQA Advanced Qualifications.

**FURTHER INFORMATION:** Call SQA's Customer Contact Centre on 44 (0) 141 500 5030 or 0345 279 1000. Alternatively, complete our [Centre Feedback Form](#).

### General information for learners

#### **Unit title:** Supply Chain Logistics: An Introduction

This section will help you decide whether this is the Unit for you by explaining what the Unit is about, what you should know or be able to do before you start, what you will need to do during the Unit and opportunities for further learning and employment.

This Unit introduces you to the basic concepts of logistics.

It can be studied as a standalone Unit if you simply wish to gain knowledge/skills of logistics.

There are three Outcomes in this Unit.

In Outcome 1, you will look at the competitive advantages which can be obtained through the application of logistics. This includes looking at customers' needs and performance objectives.

In Outcome 2, you will study ways in which logistics are organised to meet customer needs.

Outcome 3 focuses on how logistics costs can be managed to provide value to the stakeholders. You will look at the return on assets and logistics activities that provide added value to the product.

To achieve this Unit you must produce satisfactory assessment evidence that shows you have achieved all of the Unit Outcomes.

Where you have industrial experience in a supply chain environment you may be assessed by a report based on this experience. Each Outcome will be assessed separately although the report can be built up with the evidence for all three Outcomes.

Where you do not have the relevant industrial experience you may be assessed by case study material.

If you achieve this Unit there may be opportunities for you to gain exemption from a number of professional bodies. It will be your responsibility to ascertain from the professional body what is included in their current exemption policies.