



# PD01

## Management in Logistics and Transport Standards

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# **Management in Logistics and Transport**

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Earlstrees Road

Corby

Northants

NN17 4AX

Tel: 01536 740100

Fax: 01536 740101

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## Unit purpose and aim

This core unit presents the fundamental management knowledge required of managers in logistics and the transport industry. It covers aspects of the internal and external structures of an organisation, the governance of the people within the organisation and those financial and other planning techniques necessary to maintain organisational health. It aims to deliver the understanding and competence of those key elements of management practice that are fundamental to both commercial and non-commercial organisations

## Elements

- PD01-1 Internal Organisation Dynamics
- PD01-2 External Organisation Dynamics
- PD01-3 People Management
- PD01-4 Business Planning

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# Element PD01-1

## Internal Organisation Dynamics

### Learning Outcomes

The learner will:

- 1.1. Understand the internal dynamics of organisations and the factors that determine them.
- 1.2. Understand how an organisation achieves its objectives.
- 1.3. Understand the importance of change and why it takes place.
- 1.4. Understand the information needed to meet corporate objectives.

### Assessment Criteria

The learner can:

- 1.1.1. Develop appropriate organisational control structures.
- 1.1.2. Critically analyse the performance of an organisation.
- 1.2.1. Demonstrate how to manage individual activities to meet corporate objectives.
- 1.2.2. Demonstrate how to manage team activities to meet corporate objectives.
- 1.3.1. Develop up a plan to implement an organisational change.
- 1.3.2. Demonstrate how to manage a process of change within an organisation.
- 1.4.1. Develop an appropriate information system for an organisation.

## Indicative Content

Internal dynamics	Definition, Structure
How an organisation works	Structures, dynamics, nature, culture, employment patterns and the flexible organisation
The dynamics of an organisation	Identification, influences, individual dynamics, control
Change and its importance	Key business principles, effects, identification, planning, implementation, control
Information	Information systems, structure, management, reviewing

# Element PD01-2

## External Organisation Dynamics

<b>Learning Outcomes</b> The learner will:	<b>Assessment Criteria</b> The learner can:
2.1. Understand what is meant by market orientation.	2.1.1. Analyse the position and role of an organisation in the market.
2.2. Know the importance of an appropriate marketing mix.	2.2.1. Identify and assess the logistics components of a marketing plan.
2.3. Understand the principles of supply, demand and price.	2.3.1. Analyse the effectiveness of supply arrangements to meet demand.
2.4. Understand the contribution to competitive advantage from effective logistics thinking.	2.4.1. Critically assess the role of existing logistics arrangements in meeting corporate objectives.
2.5. Understand the types and mechanics of trade-offs in logistics and transport.	2.5.1. Assess and implement trade-offs that will contribute to corporate objectives.
2.6. Understand the impact of local, national, EU and international legislation on logistics operations.	2.6.1. Demonstrate how to manage logistics operations to ensure compliance with legal requirements.
2.7. Know the importance of sustainability in logistics and transport.	2.7.1. Demonstrate how to manage logistics and transport operations to minimise their impact on the environment.

## Indicative Content

Market orientation	Identification, influence of external factors, market segmentation: consumer, spatial, behavioural, psychographic, benefit; marketing mix
The economics of supply and demand and the market	Supply, demand, equilibrium and consumer surplus, elasticity, substitutes and complements, market structures: free market; monopoly; oligopoly
Effective logistical thinking	Logistic concepts, competitive advantage
Trade-offs	Types, concepts, mechanics, trade-offs in logistics and transport.
Operational legislation	Levels: local, national, EU, international; effects on operations, impact on PESTLE
Sustainability	Definitions: Brundtland; UK government. Impact of operations on: environment; people; natural resources.



# Element PD01-3

## People Management

### Learning Outcomes

The learner will:

- 3.1. Know the principles for recruiting and selecting staff.
- 3.2. Understand the importance of and the process for developing and motivating people.
- 3.3. Understand the principles of team development and management.
- 3.4. Understand the key legal requirements for working with other people.

### Assessment Criteria

The learner can:

- 3.1.1 Implement an effective process for the recruitment and selection of staff.
- 3.2.1. Demonstrate how to motivate and develop him/herself.
- 3.2.2. Demonstrate how to motivate and develop other people.
- 3.3.1. Select a team from a group of individuals.
- 3.3.2. Illustrate how to plan, organise, direct and control the work of others to ensure that the desired outcomes are achieved.
- 3.3.3. Demonstrate how to communicate effectively with all levels in an organisation.
- 3.4.1. Illustrate how to ensure compliance with current employment, health and safety and discrimination laws

## Indicative Content

Recruiting and selecting staff	Principles and processes, key selection techniques, coordination of recruitment.
Developing people	Succession planning, performance appraisals, professional development, motivation concepts
Managing a team	Creating a team; multi-skilling and organisational redundancy: systemic, physical, functional; group/team building techniques; effective business communication: report writing, presentations, controlling meetings; management functions: planning, coordinating, directing, controlling
Regulatory and statutory requirements	Employment law, health & safety, discrimination.

# Element PD01-4

## Business Planning

<b>Learning Outcomes</b> The learner will:	<b>Assessment Criteria</b> The learner can:
4.1. Know the structure and use of a business case.	4.1.1 Demonstrate how to prepare a business case.
4.2. Understand the ownership of businesses, their internal structure and their sources of finance.	4.2.1. Critically assess the structure of a business. 4.2.2. Evaluate the alternative sources of finance.
4.3. Understand the use and management of budgets.	4.3.1. Create and manage a budget. 4.3.2. Demonstrate how to monitor costs against an operating plan.
4.4. Understand the principles of costing, pricing and the requirement for profit.	4.4.1. Perform a costing process. 4.4.2. Calculate prices against set criteria. 4.4.3. Analyse profit using financial data.
4.5. Understand the concepts of financial and non-financial performance appraisal.	4.5.1. Analyse a balance sheet and a profit and loss account 4.5.2. Use common financial ratios. 4.5.3. Demonstrate how to manage non-financial performance indicators to ensure outcomes are achieved.
4.6. Know how to appraise investments and minimise financial risk.	4.6.1. Demonstrate how to appraise financial risk. 4.6.2. Compare options for asset purchase and maintenance.

## Indicative Content

Business case	Structure, uses, preparation
Business ownership, structure and sources of finance	Ownership: sole trader, partnership, private limited company, public limited company. Structure: horizontal and vertical integration; Sources of finance: long-term, short-term, working capital management
Budgets	Types: historical cost, zero-based. Development process; Budgetary control system; Variance analysis.
Costing, pricing and profit requirement	Costs: direct/indirect; fixed/variable; joint/common; opportunity cost; economies of scale. Pricing: cost-plus; market price; marginal cost. Profit requirement: ROCE; CVP analysis and break-even.
Performance appraisal	Financial: balance sheet; profit and loss account. Common financial ratios: profitability; liquidity; use of assets. Non-financial performance indicators.
Asset purchase and maintenance	Whole-life costs, Options: buy; lease. Appraisal methods: pay-back; ARR; NPV. Valuation: depreciation; cascading; betterment.