



PD09

Retail Logistics

Standards

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Retail Logistics

Unit purpose and aim

The aim of this option unit is to formulate and apply principles and practices of supply chain management to retailing. It therefore builds upon and develops the content of the Supply Chain Management unit.

In order to appreciate these principles and practices, the unit will focus on retail logistics, nationally and globally. Key elements will be the ways in which changes in society, business organisation and retail structures have impacted upon logistics activity in retailing.

Elements

- PD09-1 Introduction to the Retail Market
- PD09-2 Retail Strategy and Networks
- PD09-3 Inventory and Warehouse Issues
- PD09-4 Globalisation and the Retail Supply Chain
- PD09-5 E-Retailing

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Element PD09-1

Introduction to the Retail Market

Learning Outcomes

The learner will:

1.1. Understand customer buying patterns both nationally and globally.

1.2. Understand the nature of the retail market and its current segmentation.

1.3. Know the determinants of change and retailer power in the supply chain.

1.4. Understand the impact of change on retail logistics.

Assessment Criteria

The learner can:

1.1.1. Analyse customer demand and consumer behaviour.

1.2.1. Analyse national, European and global markets.

1.3.1. Analyse the way in which the retail market is changing.

1.4.1. Assess the factors responsible for change in the retail market.

Indicative Content

Customer buying patterns	Consumer behaviour. Customer profiles. Changes in demand. Impact upon retail strategy.
Retail Market	Different retail formats. Mergers and acquisitions. Global, European and National market structures.
Retailer power in the supply chain	Market consolidation. Developments in technology. Own brands.
Impact of change	Decline in independents. Increase in foreign-owned retailers. Development of European, Asian and Global markets.

Element PD09-2

Retail Strategy and Networks

Learning Outcomes

The learner will:

2.1. Understand the underlying principles of retail strategies from a retailer and supplier perspective.

2.2. Understand the role of partnerships within retail logistics strategy.

2.3. Understand the basic principles and organisation of retail networks.

2.4. Understand the information systems suitable for retail network management.

Assessment Criteria

The learner can:

2.1.1. Assess the relevance of different retail strategies.

2.1.2. Plan the structure of a network for different types of retail operation.

2.2.1. Plan the implementation of a partnership agreement.

2.3.1. Analyse a retail network with a view to improving efficiency.

2.4.1. Plan information systems capable of managing a retail network.

Indicative Content

Underlying principles	Distribution strategy and the marketing mix; gap Analysis. Efficient Consumer Response (ECR): quick response systems; category management; product replenishment; collaborative partnerships; enabling technologies.
Retail networks	Basic principles. Location factors: strategic; operational. Organisation: product groups. Structure of network: consolidation centres; picking centres; cross-docking warehouses; reverse flows.
Information systems	Product and information flows. Advanced order shipments. Product visibility within the network.

Element PD09-3

Inventory and Warehouse Issues

Learning Outcomes

The learner will:

- 3.1. Understand the basic principles underpinning different inventory management systems.
- 3.2. Understand warehouse management systems (WMS).
- 3.3. Know the benefits and limitations of data detection, collection and transfer systems.

Assessment Criteria

The learner can:

- 3.1.1 Apply appropriate techniques to organise and manage the inventory of a retail operation.
- 3.2.1. Assess different warehouse management systems and their support requirements.
- 3.3.1. Analyse the effectiveness of information systems to support retail operations.

Indicative Content

Stock management systems	Vendor managed inventory; co-managed inventory; CPFR; managing promotions; the Retail Exchange. The amplification effect. Increasing complexity.
Warehousing systems	Functions of WMS. Types. System hierarchy. Comparison with ERP functionality. Links with LANS.
Data systems	Types: EPOS; AIDC; WMS; LANS; ERP; EDI. Information flows.

Element PD09-4

Globalisation and the Retail Supply Chain

Learning Outcomes

The learner will:

- 4.1. Understand the available sourcing solutions.
- 4.2. Know what is meant by globalisation in a retail market.
- 4.3. Understand the impact of globalisation on retail supply chains.

Assessment Criteria

The learner can:

- 4.1.1 Evaluate sourcing solutions to deliver optimal performance.
- 4.2.1. Assess the effect of globalisation on retail supply chains.
- 4.3.1. Assess the implications of global logistics on just-in-time objectives.

Indicative Content

Sourcing solutions

Retail globalisation. Drivers. Development of global markets. Corporate models. Global retail strategies. Market positioning and competitive advantage. Efficiencies from global sourcing. Constraints.

Globalisation of retail supply chains

Impact of globalisation on supply chains. Challenges. JIT objectives. Discount retailers. Market comparisons.

Element PD09-5

E-Retailing

Learning Outcomes The learner will:	Assessment Criteria The learner can:
5.1. Understand e-retailing strategies.	5.1.1 Identify logistics problems encountered by e-retailing organisations.
5.2. Understand the market trends and the problems faced in developing e-retailing channels.	5.2.1. Identify the optimum channel for a given example of e-retailing business.
5.3. Know the specific distribution requirements of e-retailing.	5.3.1. Determine the information and warehousing resources required to support e-retailing supply chains.
5.4. Know how to manage partnerships in e-retailing.	5.4.1. Implement the collection and analysis of transport related performance data.

Indicative Content

Strategies	Product and demand viability. Service requirements. Costs. Economies of scale. Market trends.
Channels	E-fulfilment challenges; limitations of traditional logistics models. Click and mortar v pure play e-retailers. Internet trade and supply chains. Supply chain pressures. E-fulfilment networks.
Distribution requirements	Batch picking: order profiles. Higher system functionality. Higher levels of automation. Integrated networks.
Partnerships	Communications. Lead times. Utilisation of resources. Joint ventures.