### SESSION PLAN

**COURSE:** ABE Level 5 Award in Operations Management

**ELEMENT:** Element 4 – Logistics Management

## **LEARNING OUTCOME 4**

1. **Analyse the role of logistics and logistics management.**

4.1 Discuss the meaning of logistics

4.2 Analyse organisational logistics management considerations

**NUMBER OF SESSIONS:** Seven - approximately 15-19 hours in total, plus self-study

**SESSION TOPICS:** Session 1: Definition of logistics and the logistics function

Session 2: The strategic importance of logistics and logistics strategy

Session 3: Transportation: logistics management consideration

Session 4: Warehousing: logistics management consideration

Session 5: Planning and forecasting, and demand management considerations

Session 6: Stock levels and just-in-time (JIT) logistics management considerations

Session 7: Stock turnover

**Note to tutors: this is the recommended session plan for learning outcome 4, element 4 of ABE Level 5 Operations Management. You should follow the plan, using the activities provided. It is important to enhance all sessions with local examples and case studies, involving the learners ACTIVELY wherever possible. Sessions can be joined together or separated out, as required, to suit your teaching needs.**

**SESSION 1: Definition of Logistics and the Logistics Function**

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| Approx. Duration | Topic | Tutor Activity | Slides | Learner Activity | Formative Assessment |
| 3 hours | Assessment criterion 4.1: Discuss the meaning of logistics  What is logistics?  Build the context by discussing the H&M case study at the beginning of Chapter 4 (refer to the study guide).  It is important to emphasise that logistics is one of the most important operations sub-functions without which the supply chain cannot function. | Use file: **5UOM Presentation E4**  Define logistics and explain its significance. Emphasise that logistics planning is as important as corporate planning and marketing planning. Highlight and briefly explain the core activities that comprise logistics.  Explain the logistics function and its key activities; discuss the importance of coordination between logistic and other organisational functions.  Explain logistics performance parameters. Identify various logistics costs and explain the notion of total logistics costs (refer the topic in the study guide) | 1-8  9-13  14 | Learners to make notes throughout the sessions, ask questions and join in the class discussion. |  |
|  | Activity 1: Coordination between logistics and other organisational functions  This activity requires thinking and is best completed as team work. | Introduce activity 1 at this stage. Divide the class into small groups. |  | Seek answers from the teams. List down the answers on classroom board / flipchart. | **5UOM E4 LO4 Activity 1 – Logistics and other functions** |

**SESSION 2: The Strategic Importance of Logistics and Logistics Strategy**

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| Approx. Duration | Topic | Tutor Activity | Slides | Learner Activity | Formative Assessment |
| 1-2 hours | Assessment criterion 4.1: Discuss the meaning of logistics  Strategic significance of logistics in organisational performance | Use file: **5UOM Presentation E4**  Explain the reasons for which logistics has acquired strategic significance. Discuss the total logistics costs.  Discuss the key trends in organisation of logistics. | 15-19  20 | Learners to join in the class discussion. |  |
|  | Logistics strategy | Explain how logistics strategy is put into action. Identify the key activities that require strategic focus.  The notion of logistics strategy should be reinforced by robust examples (refer to slide 23 of chapter 4 tutor presentation). | 21-24 | Learners to join in with ideas and examples. |  |

**SESSION 3: Transportation – Logistics Management Considerations**

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| Approx. Duration | Topic | Tutor Activity | Slides | Learner Activity | Formative Assessment |
| 2-3 hours | Assessment criterion 4.2: Analyse organisational logistics management considerations  Transportation logistics  The emphasis of this session should be to clearly establish the importance of transportation, its aims and the utilities it is able to create for business (refer slides 29 and 30). | Use file: **5UOM Presentation E4**  Define transportation management; discuss the three key utilities created by transportation.  Explain various transportation modes and make comparisons.  Explain the importance of transportation planning. Emphasise on the three key principles that underpin transportation planning.  Identify transportation risks and discuss transportation risk management.  At this stage teaching can take a participative tone by seeking examples of transportation risks from students. | 25-30  31-36  37  38-41 | Learners ask questions and join in the class discussion. Provide answers to tutor questions. |  |
|  | Activity 2: Four questions on transportation. | Introduce activity 2. Divide the class into small groups. |  | Each group attempts all questions in this activity as a team.  Groups present answers to at least one question allocated by the tutor after the activity is completed. | **5UOM E4 LO4 Activity 2 – Transportation** |

**SESSION 4: Warehousing – Logistics Management Considerations**

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| Approx. Duration | Topic | Tutor Activity | Slides | Learner Activity | Formative Assessment |
| 2-3 hours | Assessment criterion 4.2: Analyse organisational logistics management considerations  Warehousing logistics  The session should emphasise the trends in warehousing and the strategic choices that have been created in warehousing logistics as a result of third party logistics (3PL). | Use file: **5UOM Presentation E4**  Define warehousing management; discuss its strategic importance; explain the meaning and significance of logistics postponement. Reinforce the notion of logistics postponement with suitable examples.  Discuss warehousing choices.  Explain the various functions performed by warehousing.  Discuss warehousing strategy considerations and costs. | 42-49  50-53  54-56 | Learners to ask questions and join in the class discussion. Share examples and experiences. |  |
|  | Activity 3: A simple question on third party logistics. | **I**ntroduce activity 3 at this stage. This is a classroom discussion. |  | Seek answers from the learners. If there is an indication of two viewpoints, divide the class into two groups to debate their viewpoint. | **5UOM E4 LO4 Activity 3 – Third Party Logistics** |

**SESSION 5: Planning, Forecasting and Demand Management**

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| Approx. Duration | Topic | Tutor Activity | Slides | Learner Activity | Formative Assessment |
| 1 hour | Assessment criterion 4.2: Analyse organisational logistics management considerations  Planning and forecasting | Use file: **5UOM Presentation E4**  Explain the importance of planning and forecasting; discuss various qualitative and quantitative forecasting techniques.  Explain the importance of demand forecasting; discuss the two methods – level capacity plan and chase demand plan approaches. | 57-60  61-66 | Learners to ask questions and join in the class discussion. Share ideas. |  |

**SESSION 6: Stock Levels and Just-in-Time (JIT)**

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| Approx. Duration | Topic | Tutor Activity | Slides | Learner Activity | Formative Assessment |
| 3 hours | Assessment criterion 4.2: Analyse organisational logistics management considerations  Stock levels and Just-in-time (JIT) approach to managing stock levels | Use file: **5UOM Presentation E4**  Identify the types and classification of stock; discuss the importance of stock; explain the costs associated with stock; identify the three key factors involved in reviewing stock levels. | 67-73 | Learners to offer suggestions, ask questions and join in the class discussion. |  |
|  | Reviewing stock levels: reorder decision | Discuss the volume decision with EOQ | 74-77 |  |  |
|  | Activity 4: A question on EOQ | Introduce activity 4 at this stage. Plan this is a classroom discussion. |  | Seek answers from learners. | **5UOM E4 LO4 Activity 4 – Economic Order Quantity** |
|  | Reviewing stock levels: reorder decision | Discuss the timing decision and its two approaches – the continuous review and periodic review. | 78-83 |  |  |
|  | Activity 5: The question on reorder timing. | Introduce activity 5 at this stage. This is planned as individual activity that involves a simple calculation. |  | Seek answers from learners. | **5UOM E4 LO4 Activity 5 – Re-order decision timing** |
|  | Reviewing stock levels: control decision | Discuss the ABC system for stock control. | 84-86 |  |  |
|  | Just-in-time (JIT)  Establish the context by discussing the case study on Nissan (refer to the study guide) | Discuss JIT with its merits and demerits. | 87-89 |  |  |

**SESSION 7: Stock Turnover**

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| Approx. Duration | Topic | Tutor Activity | Slides | Learner Activity | Formative Assessment |
| 3 hours (includes time for activities and conclusion) | Assessment criterion 4.2: Analyse organisational logistics management considerations  Stock turnover  This session has a few formulas and simple mathematics. | Use file: **5UOM Presentation E4**  Define stock turnover and explain its meaning.  Discuss rate of stock turnover and stock turnover period. | 90-92  93-94 | Learners to ask questions and join in the class discussion. |  |
|  | Conclude the session | Conclusion | 95-98 | Learners to share questions, comments and learning points on the subject-matter of Element 4. |  |
|  | Activity 6: Question on stock turnover and opening stock. | Introduce activity 6 at this stage. This is planned as individual activity that involves a simple calculation. |  | Seek answers from learners. | **5UOM E4 LO4 Activity 6 – Stock Turnover** |
|  | Activity 7: Two simple questions on stock turnover and stock turnover period. | Introduce activity 7 at this stage. It requires a bit of thinking and therefore should be completed as a guided activity through classroom discussion. |  | Seek answers from learners. | **5UOM E4 LO4 Activity 7 – Stock Turnover** |
|  | Activity 8 - essay | Hand out the Activity essay to students. Emphasise the importance of original work, citations and references. Set the submission deadline. |  | To be completed individually, not necessarily in the class. | Candidates complete **5UOM E4 LO4 Activity 8 – Logistics Trends in South Africa - essay** |