

Version 5.0

# CPIM

CERTIFIED IN PRODUCTION AND INVENTORY MANAGEMENT

EXAM CONTENT MANUAL

# PREVIEW



APICS Certified in Production and Inventory Management  
Basics of Supply Chain Management (BSCM)  
Preview of **CPIM Exam Content Manual Version 5.0**

Please be aware, this is not the full APICS Certified in Production and Inventory Management (CPIM) Exam Content Manual (ECM). The full version is available for purchase at [apics.org/shop](http://apics.org/shop). This abbreviated version is provided to give candidates an overview of what is contained on the exams on a very high level. For exam preparation, use of the current APICS CPIM ECM is strongly recommended.

Each participant guide also includes the section of the APICS CPIM ECM related to the particular module. Also available is APICS CPIM Study Tools. This comprehensive, online component to the APICS CPIM program is an online learning environment designed to help you master the core concepts in each APICS CPIM module. APICS CPIM Study Tools contains presentation slides and assessments to complement your APICS CPIM learning experience. Each APICS CPIM participant guide gives you access to APICS CPIM Study Tools.

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# Basics of Supply Chain Management Exam: CPIM ECM Version 5.0 Preview

## Abbreviated Exam Content

The following table identifies the four main topics of the exam. The relative importance of these topics varies among industries, but the figures show the percentage designated for each section of the exam.

Diagnostic part	Main topic	Percentage of exam
I	Business-wide Concepts	25%
II	Demand Management	25%
III	Transformation of Demand into Supply	25%
IV	Supply	25%

## Content Outline

### I. Business-Wide Concepts

In this section, common management concepts and techniques—supply chain fundamentals, operating environments, financial fundamentals, enterprise resources planning, lean, quality fundamentals, and theory of constraints—are presented.

- A. **Supply Chain Fundamentals:** The concept of a global network used to deliver products and services from raw materials to end consumers through an engineered flow of information, physical distribution, and cash. It includes managing conflicts that occur within the supply chain. Businesses are also called upon to voluntarily demonstrate social responsibility in operating their supply chains.
- B. **Operating Environments:** The global, domestic, environmental, and stakeholder influences that affect the key competitive factors, customer needs, culture, and philosophy of each individual company. This environment becomes the framework in which business strategy is developed and implemented.
- C. **Financial Fundamentals:** Basic financial statements define the financial reporting common to most businesses. Underlying costs and analysis terms provide further understanding of statement information and often serve as the basis for management decisions.
- D. **Enterprise Resources Planning (ERP):** ERP is a framework for organizing, defining, and standardizing the business processes necessary to effectively plan and control an organization so that it can use its internal knowledge to seek external advantage. The objective for using ERP is the cross-functional integration of planning, executing, controlling, and measuring functions required to effectively operate a business organization to meet customer expectations.

- E. **Lean:** Lean is a philosophy that emphasizes the minimization of the amount of all the resources (including time) used in the various activities of the enterprise.
- F. **Quality Fundamentals:** Quality management focuses on customer needs using a variety of tools and techniques. The objective of quality management is to increase profitability and customer satisfaction. It incorporates concepts such as: quality control tools, quality costs, quality function deployment, employee involvement and empowerment, continuous process improvement, six sigma, variation, process capability and control, and benchmarking.
- G. **Theory of Constraints (TOC):** A philosophy that focuses the resources of an organization on managing throughput and financial performance. Key characteristics and techniques include product flow analysis; throughput accounting; constraints management; and continuous improvement.

## II. Demand Management

This section covers sources of demand for goods and services, including a basic understanding of markets, voice of the customer and an overview of demand planning.

- A. **Market Driven:** Consumer needs, competitive sources, economic conditions and government regulations determine the demand experienced by suppliers.
- B. **Voice of the Customer:** Actual customer word descriptions of the functions and features that customers desire for goods and services.
- C. **Demand Management:** Demand management is the function of recognizing all demands for goods and services to support the marketplace. Demand management serves as a key input into the sales and operations plan and master production schedule.

## III. Transformation of Demand into Supply

This section includes the design of products and services, capacity management, planning, execution and control, and performance measurements.

- A. **Product and Process Design:** Design affects product and process; the resulting framework of planning system parameters; and the requirement for data appropriate in source, content, and accuracy. Collaboration with customers and suppliers will improve product and process design.
- B. **Capacity Management:** The function of establishing, measuring, monitoring, and adjusting limits or levels of capacity to execute all schedules. Capacity management encompasses resource requirements planning, rough-cut capacity planning, capacity requirements planning, input/output controls, and constraints management.
- C. **Planning:** The process of setting goals for the organization and choosing how to use the organization's resources to achieve them. These different planning techniques vary depending on traditional, lean, or theory of constraints operating environments.

- D. **Execution and Control:** The interrelationships between production activity control techniques (input/output control, kanban, constraints management) and planning schedules are synchronized to meet customer service requirements.
- E. **Performance Measurements:** Key performance indicators are metrics used to assess organizational performance against strategic and tactical goals.

#### IV. Supply

This section includes the actual or planned provision of a product, component or service and its sustainability.

- A. **Inventory:** Those stocks or items used to support production (raw materials and work-in-process items), supporting activities (maintenance, repair and operating supplies) and customer service (finished goods and service parts).
- B. **Purchasing Cycle:** The function and responsibility for understanding demand; sourcing, procuring materials, supplies, or services; receiving goods; and approving invoices for payment.
- C. **Distribution:** The activities associated with the movement of material between the supplier, manufacturer, and customer. These activities encompass the functions of transportation, warehousing, inventory control, material handling, order administration, site and location analysis, industrial packaging, data processing, and the communications network necessary for effective management. It includes all activities related to physical distribution, as well as the return of goods to the manufacturer.



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