What is the APICS CPIM?

- The APICS Certified in Production and Inventory Management (CPIM) certification program is recognized globally as the standard of professional competence in production and inventory control.
- It focuses primarily on manufacturing, and provides an in-depth view of materials management, master scheduling, production planning, forecasting and quality improvement within the operation.
- Over 100,000 professionals have earned the APICS CPIM since the program was developed in 1973.
- It is recognized or required by thousands of employers worldwide.
What is included on the exam?

- The APICS CPIM program is divided into five process-oriented exam topic areas, or modules, to provide you with the best possible educational assessment and knowledge base.
Who earns APICS CPIM designation?

APICS CPIM is beneficial for professionals working in:

- Production and inventory management
- Operations
- Supply chain management
- Procurement
- Materials management
- Purchasing
- Finance and cost accounting
- Manufacturing information systems
HOW THE APICS CPIM PROGRAM MODULES RELATE

APICS CPIM Modules
APICS CPIM Modules

- The APICS CPIM is organized into five modules.
- The diagram shows how these modules relate to each other and how they will help you manage your business resources.
APICS CPIM Modules

- Basics of Supply Chain Management
  Entry Module
  - Covers the basic concepts used in managing the complete flow of materials in a supply chain, from suppliers to customers
  - Introduces supply chain concepts and emphasizes basic terminology and relationships among activities in the supply chain
  - Knowledge of the material in this module is assumed as a prerequisite for the other APICS CPIM modules, which cover similar topics but in much greater depth
APICS CPIM Modules

- **Master Planning of Resources**
  - Core Competency Module
  - Examines demand management, sales and operations planning, and master scheduling in-depth
  - Discusses supply and demand planning for both mid- to long-term independent demand
  - Addresses priority planning and capacity planning issues
APICS CPIM Modules

- Detailed Scheduling and Planning
  Core Competency Module
  - The subject matter of this module includes inventory management, material requirements planning, capacity requirements planning, procurement and supplier relationships
APICS CPIM Modules

- **Execution and Control of Operations**
  - Core Competency Module
  - Covers the principles, approaches and techniques needed to schedule, control, measure and evaluate the effectiveness of production operations
  - Reviews a broad range of production operations, including project, batch, line, continuous and remanufacturing environments
APICS CPIM Modules

- **Strategic Management of Resources Capstone Module**
  - Covers strategic planning and implementation
  - Describes how market requirements drive the resources and processes of an organization
  - Helps you explore the relationship among existing and emerging processes and technologies to manufacturing strategy and supply chain-related functions
APICS CPIM preparation options

- Classroom review courses
  - Experienced instructors lead you through interactive discussions, case studies and strategic problem-solving exercises.

- Online review courses
  - Prepare for exams from the convenience of your home in an instructor-facilitated or independent study online format.

- Self-study
  - Extensive self-study resources will help you uncover testing insights, improve your performance and strengthen your knowledge base.

What’s YOUR preferred way to study? Personalize your APICS CPIM curriculum by matching these methods to your learning style.
A peek inside an APICS CPIM course

Views of the Supply Chain

External View of the Supply Chain

Visual 1-38 is a conceptual diagram of a generic supply chain, showing the manufacturer as the so-called anchor of the supply chain. We will refer to this as a manufacturer’s view of the external supply chain. Even then, it is only one type of a supply chain—a business-to-consumer supply chain in which its products are passed to the consumer without further physical transformation. Another type of supply chain is a business-to-business supply chain in which its products become components of other products.

The basic elements of the external supply chain are as follows:
- suppliers
- producers or manufacturers
- distributors
- retailers
- consumers
- flow of information, cash, and goods and services

The visual shows that the manufacturer is only one link in the supply chain and is not necessarily the most influential. To succeed, it must coordinate its operations as effectively as possible with upstream suppliers and downstream distributors and retailers, both of whom add to the price of the final product. It must convert its relationship in the supply chain from a horizontal link to horizontal integration. It would be hard to find a manufacturer that owns not only the raw materials but also the manufacturing and distribution operations.
A peek inside an APICS CPIM course

- Participant Workbooks contain:
  - Detailed information for each course session
  - Definitions, descriptions and more

Views of the Supply Chain

Exernal View of the Supply Chain

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A peek inside an APICS CPIM course

- Participant Workbooks contain:
  - Snapshots of each slide next to the relevant course
  - A section from the APICS CPIM Exam Content Manual for that specific module
A peek inside an APICS CPIM course

Conflicts in Conventional Supply Systems

<table>
<thead>
<tr>
<th>Conventional objective</th>
<th>Marketing</th>
<th>Operations</th>
<th>Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase revenue and satisfy customers</td>
<td>Increase profit and cash flow, reduce investment</td>
<td>Reduce manufacturing cost</td>
<td></td>
</tr>
</tbody>
</table>

Customer service: 1, 4, 7
Production efficiency: 2, 5, 8
Inventory investment: 3, 6, 9

Supply Chain Organizational Issues

Inherent Supply Chain Conflicts

As mentioned earlier, conventional supply chains often do not properly resolve conflicts or balance the interests of different supply chain functions or departments. This is due to inherent conflicts of interest among various functions in the following areas:

- Production efficiency in manufacturing and finance
- High levels of customer service in marketing and finance
- Low inventory investment within finance

These conflicts never go away. They affect decisions made at every stage of the manufacturing planning and control (MPC) process that will be introduced in the next section. Note that the conflicts do not always occur between different functions, and sometimes happen within the same function—as in the case of finance.

These conflicts affect every supply chain—even well-managed, cross-functional supply chains. They are summarized below.

If marketing sets an objective to increase revenue, then it will require:

- High customer service
- Low production efficiency, or the ability to interrupt production schedules, short runs, and so on
- High inventories in order for products to always be in stock

If production sets an objective to reduce manufacturing costs, then it will require:

- High production efficiency—including long production runs, few products, and few setups, which will result in (1) less flexibility to meet the needs for other products and (2) lower customer service
- High inventory of raw materials and finished goods to eliminate production interruptions

If finance sets a goal to increase profit, increase cash flow, and reduce investment, it will require:

- High customer service to maximize profit
- High production efficiency to minimize costs
- Low inventory to minimize investment

Resolving Conflicts

Supply chain management has the ability to evolve and to apply certain processes for dealing with these conflicts. These processes include:

- Sales and operations planning to balance inventory, customer service, and production efficiency during the production planning process
- Clear responsibility for the materials management function that facilitates planning and manages the day-to-day tradeoffs that are sometimes necessary
- Application of productivity systems such as lean, quality systems, and theory of constraints to speed up processes and reduce waste to offset the effects of the conflicts.
APICS CPIM Online Study Tools

- APICS CPIM Online Study Tools is a complement to any course or self-study preparation method.
- With APICS CPIM Online Study Tools, you can:
  - Register for classes, view class details and check your progress
  - Complete a pre-assessment before you begin studying
  - Simulate the exam experience with a timed post-assessment using retired APICS CPIM exam questions (an untimed format is also available)
APICS CPIM Online Study Tools: My classes

APICS CPIM Student Dashboard

Student Dashboard

Welcome to your student dashboard. In this section, you may view your current classes and print a letter detailing the professional development points you've earned.

To view class information, click the "Go" button adjacent to the class you wish to select.

2014 Updated Materials

- BSCM v4.2 PDF v4.2 Updated Visual 9-10

My Classes

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<th>Course</th>
<th>Training partner</th>
<th>Dates</th>
<th>Status</th>
<th>Final</th>
<th>Maintenance Letter</th>
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<tr>
<td>2106</td>
<td>BSCM v4.2 2014 Release</td>
<td>APICS The Association for Operations Management</td>
<td>01/01/2014 - 12/31/2015</td>
<td>In-Progress</td>
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</tr>
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</table>

Questions? Contact APICS Customer Service at cpmhelp@apics.org or 1-800-444-2742 or +1-773-867-1777 from 8:00 a.m.–5:00 p.m. CT. You also may use the online form.
8. The portion of inventory and planned production that can be committed to customer orders typically is referred to as the:

- a. available-to.promise quantity.
- b. excess quantity.
- c. projected available balance.
- d. on-hand balance.
ECM Diagnostic III

Answer A is correct. Available-to-promise inventory is the uncommitted portion of a company’s inventory and planned production maintained in the master schedule to support customer orders. Answer B is incorrect because the inventory is not considered an excess quantity, which exceeds the minimum amount necessary to achieve the desired throughput rate at a constraint, or exceeds the minimum amount necessary to achieve the desired due date performance. Answer C is incorrect because the portion of inventory and planned production that can be committed to customers is not a projected available balance, which is an inventory balance projected into the future. Answer D is incorrect because the on-hand balance does not include planned production.
16. Calculate the days of supply based on the following information.

Annual Cost of Goods Sold = €480,000
Annual Usage = 12,000 each
On Hand = 7,150 each
Working days = 240

a. 30  
b. 143  
c. 218  
d. 358
APICS CPIM self-study resources

- **APICS CPIM Study Notes**
  - Study notes are concise and detailed in an easy-to-understand, conversational format.

- **Datachem Study Aids**
  - These products can help you prepare for the certification exams with practice questions and answers and technical explanations of production and inventory management topics.

- **MGI Home Study Course**
  - These home study correspondence courses provide you with a solid, professional-level understanding of the manufacturing field.
Additional study resources

- **APICS CPIM Exam Content Manual**
  - A must-have for every CPIM exam candidate. *APICS CPIM Exam Content Manual* provides an overview of each module, an outline of its body of knowledge and references.

- **APICS Dictionary**
  - The *APICS Dictionary* is a primary reference for all five APICS CPIM modules and the standard for defining terms used in the supply chain and operations management field. You will turn to this resource again and again.

- **Supply Chain Channel**
  - Find a study group or start a discussion with other members of the APICS community at apics.org.
GET STARTED TOWARD EARNING YOUR APICS CPIM DESIGNATION

Next steps
Why should I earn the APICS CPIM?

An APICS CPIM designation will help you:

- Increase your career opportunities and enhance your earning potential
- Gain a competitive edge in hiring decisions
- Achieve greater confidence and industry recognition
- Earn college credit
- Discover the tools to effectively manage global supply chain activities
What are the benefits to my employer?

An APICS CPIM benefits employers by helping employees:

- Reduce organizational costs
- Increase customer satisfaction
- Gain proven learning and organizational skills to strategically streamline operations
- Enhance abilities to interact with existing resources and ERP implementation to increase efficiency of the workplace environment
Take the next step toward earning your APICS CPIM today!

1. Choose your exam preparation method
2. Study for each exam
3. Request an Authorization to Test (apics.org/att)
4. Schedule your exam
5. Take all 5 CPIM modules within the suggested time frame of 1 year

Start today at apics.org/cpim
Thank you

You have completed the APICS CPIM demo. We hope you have a better understanding of the program that gives you the tools to improve your company’s operations.

For more information, visit apics.org/cpim or call APICS Customer Service at 1-800-444-2742 or +1-773-867-1777.

“Going through the training for the CPIM certification was the very best move I have ever made in my professional life. Ten years later and I still recommend it to everyone. I am very happy I made the right choice and continue to learn by belonging to APICS.”

—APICS CPIM Designee