

How the CPIM Helps Improve Day-to-Day Operations

Today's supply chains are more complex than ever before. This complexity arises from several factors, some that have existed throughout time and some that are unique to this era. From extreme weather to a global health crisis – today's market is perpetually subject to volatility. This is only compounded by shifting consumer expectations and demands, with one-day delivery and personalized offers becoming the norm for many suppliers.

Technological advances make it easier for suppliers to satisfy this shifting demand but can also be challenging for those who struggle to keep up with the times. The key to success in this digital era? An understanding of the systems, methodologies, and concepts that are connected to on-demand order fulfillment, near-instant delivery, and increased demand.

A CPIM education provides a framework and tools for synchronizing, optimizing, and continuously improving an organization's end-to-end supply chain. It is a key prerequisite to embarking on an enterprise resource planning (ERP) system implementation.

With a CPIM education, supply chain professionals master Lean, Six Sigma, Theory of Constraints, and project management concepts. They also study many components of the Manufacturing Planning and Control hierarchy of demand and supply planning and execution, all combined to provide enhanced visibility and control. CPIM stresses the value of a consistent use of terms, as defined by APICS, the global standard for the entire Supply Chain Body of Knowledge. The certification is a key to individual and enterprise success through excellence in supply chain management.

A better grasp of ERP systems

If run properly, ERP systems can generate major benefits and provide valuable insights for inventory management and production teams. The CPIM provides supply chain professionals with a greater understanding of ERP systems, enabling them to optimize their organization's systems to reap maximum benefits.

Just take Jensen Precast for example. Previously operating under a decentralized ERP system, Jensen Precast struggled under the weight of siloed plant operations. This resulted in less-than-optimal processes and a lack of visibility across the organization. Jeff Friedman, chief operations officer at Jensen Precast says, "We made a commitment to our owners, employees, and customers to improve our business by adopting ASCM best practices and APICS education."

Using their newfound knowledge, Jensen Precast employees identified constrained work centers in the production environment and calculated the ERP system to identify the limiting factors at play. Now, Jensen Precast enjoys a nearly 50% decrease in slow-moving inventory and a record rise in production and sales levels. Plus, employees can now use the ERP system to its full capacity with a renewed sense of visibility.

Strategies that improve visibility and control

While ERP systems help supply chain professionals optimize inventory management and production processes, many workers still need to adopt the right strategy for using the system to its full potential. One of these strategies is Kanban. As a tried and true pull system, Kanban has been a foundational practice many supply chain professionals have relied on throughout decades of changes in the industry.

Kanban optimizes production and inventory management cycles for efficiency and cost savings by ensuring an organization only has the supplies and resources on hand needed to fulfill an immediate task or order. Infused with a strategy known as just-in-time inventory, Kanban's principles often rest on ordering what's needed when it's needed. That way, a company doesn't hold safety stock and operates continuously at low inventory levels, ultimately lowering carrying costs and increasing efficiency. Kanban, and therefore the CPIM, equates to ROI.

Data-driven decision-making

Another tool in a CPIM student's box is the ability to make data-driven decisions. The APICS body of knowledge equips individuals with the principles and models necessary to take a critical approach to data. Using this data, individuals determine value and improve processes, which is particularly crucial in an increasingly uncertain global landscape.

While some things will always be uncertain, one thing is for sure – inventory is determined by demand. One way to increase agility is to look critically at the factors determining inventory and production and find a way to anticipate them. “Demand” in-and-of-itself doesn't tell us much. CPIM urges supply chain professionals to look closer. How many items will sell without promotional or seasonal surges and ebbs? How many units will sell with promotional discounts? In an era where e-commerce eclipses traditional commerce, how many returns can be expected?

All of these elements factor into an organization's inventory management. CPIM won't tell individuals *what* the number of returns will be or how many people will buy what they're selling. CPIM can, however, equip individuals with the knowledge to determine *how* these factors are calculated and *why* it matters. Having this understanding makes it easier to approach day-to-day operations critically and forecast inventory management more accurately.

Revolutionizing the day-to-day

With the CPIM providing supply chain professionals with a better understanding of systems, methodologies, and concepts, day-to-day operations become no-brainers and efficiency becomes the norm. This rings particularly vital as the supply chain industry faces unprecedented levels of uncertainty and unforeseen changes each day. By returning to the



foundational knowledge that stems from a CPIM education, individuals can not only face challenges head-on but redefine what a successful operation looks like.

Want to jump-start your CPIM certification process and start making a real impact in day-to-day operations? **Get started** today. https://apicstc.org/CPIM_Certification