

VERSION 6.0

# EXAM CONTENT MANUAL PREVIEW

# CPIM

CERTIFIED IN PRODUCTION AND INVENTORY MANAGEMENT

The APICS logo features the word "APICS" in a white, sans-serif font. A white, curved line arches over the letters "A" and "P", starting from the top of the "A" and ending at the top of the "P".

APICS Certified in Production and Inventory Management  
CPIM Part 1 (Previously known as Basics of Supply Chain Management)  
Preview of **CPIM Exam Content Manual Version 6.0**

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.

No portion of this document may be reproduced under any circumstances. CPIM is a registered trademark of APICS.

# APICS CPIM Part 1 Exam: CPIM ECM Version 6.0 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 including: supply chain fundamentals, operating environments, financial fundamentals, enterprise resources planning, lean, quality fundamentals, and theory of constraints.

- A. *Supply Chain Fundamentals:*** The concept of a global network used to deliver products and services from raw materials to end consumers through a structured flow of information, physical distribution, and cash. It includes managing conflicts that occur within the supply chain. Businesses are also called upon to demonstrate social responsibility in operating their supply chains.
- B. *Operating Environments:*** Global, domestic, environmental, and stakeholder influences affect the key competitive factors, customer needs, culture, and philosophy of a 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.

## 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 (MPS).

## 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:** This section includes 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:** Includes 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.

## IV. Supply

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

- A. **Inventory:** The 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.

