

Higher National Unit Specification

General information for centres

Unit title: Supply Chain Economics: An Introduction

Unit code: DL5D 34

Unit purpose: This Unit introduces candidates to current issues impacting on the competitive position of the organisation. It will look at organisations in the private and public sectors and the number of external pressures which affect them. In an environment where change is the rule, especially as the global economy becomes more integrated, it is essential that those responsible for procurement within the Supply Chain are both aware of the changes and have the ability to respond positively to these changes. It is primarily intended for candidates who aspire to take up a management position within the procurement side of the Supply Chain. It would also be appropriate for those involved in the various functions associated with procurement - inventory management, stores, production, distribution planning, demand management and manufacturing.

On completion of the Unit the candidate should be able to:

1. Identify the threats and opportunities facing an organisation and explain the relationship between stakeholders and the influences they exert on the organisation.
2. Describe the competitive environment and identify issues that affect the effectiveness and efficiency of a business.
3. Explain corporate responsibility and its impact within the context of Supply Chain.

Credit points and level: 1 HN Credit at SCQF level 7: (8 SCQF credit points at SCQF level 7*)

**SCQF credit points are used to allocate credit to qualifications in the Scottish Credit and Qualifications Framework (SCQF). Each qualification in the Framework is allocated a number of SCQF credit points at an SCQF level. There are 12 SCQF levels, ranging from Access 1 to Doctorates.*

Recommended prior knowledge and skills: Access to this Unit is at the discretion of the centre. However, candidates are expected to have work experience relevant to the activities of the supply chain. It is not necessary that candidates hold a team leader, supervisory or management position.

Candidates are also expected to have competency in numeracy and communication skills to at least SCQF level 5. This may be evidenced by possession of the Core Skills Units in Numeracy and Communication or similar qualifications or experience.

General information for centres (cont)

Core skills: There is no automatic certification of Core Skills or Core Skills components although there may be an opportunity to gather evidence towards the Core Skills in Communication and Numeracy.

Context for delivery: This Unit is delivered as part of the HNC/D Supply Chain Management as an optional Unit. It is recommended that it should be taught and assessed within the subject area of Supply Chain Management. However if this Unit is delivered as part of a framework of an alternative Group Award it is recommended that it should be taught within the context of each award.

Assessment: There will be a separate assessment for each of the three Outcomes.

To achieve this Unit candidates must produce satisfactory assessment evidence that shows they have achieved all of the Unit Outcomes.

You will be required to produce 3 reports of approximately 1000 words each based on your own organisation or an appropriate case study. This will include appropriate diagrams.

The reports will be produced under open book conditions.

Higher National Unit specification: statement of standards

Unit title: Supply Chain Economics: An Introduction

Unit code: DL5D 34

The sections of the Unit stating the Outcomes, knowledge and/or skills, and evidence requirements are mandatory.

Where evidence for Outcomes is assessed on a sample basis, the whole of the content listed in the knowledge and/or skills section must be taught and available for assessment. Candidates should not know in advance the items on which they will be assessed and different items should be sampled on each assessment occasion. Sampling is appropriate in this Unit. Where sampling opportunities exist these are indicated by the italicised text in the evidence requirements section below.

Outcome 1

Identify the threats and opportunities facing an organisation and explain the relationship between stakeholders and the influences they exert on the organisation.

Knowledge and/or skills

- ◆ The purpose and objectives of organisations
- ◆ Stakeholders and the influences they exert on an organisation
- ◆ Approaches to resolving environmental threats and opportunities that can be identified and the difficulties in finding acceptable solutions to the threats.
- ◆ Organisational response to environmental threats and opportunities including the role of the procurement specialist

Evidence requirements

The candidate will need evidence to demonstrate his/her knowledge and/or skills by showing that he/she can:

- ◆ describe the purpose and objectives of organisations
 - *market share/leader*
 - *performance targets*
 - *expand the business*
 - *increase turnover*
 - *generate profits*
 - *meet environmental standards*
 - *cost reduction programme*
- ◆ identify and explain the influences that various stakeholders can exert on an organisation
 - *shareholders*
 - *directors*
 - *employees*
 - *customers*
 - *suppliers*

Higher National Unit specification: statement of standards (cont)

Unit title: Supply Chain Economics: An Introduction

- *inland revenue*
 - *local authorities*
 - *trades union*
 - *local traders*
 - *local community*
 - *local service groups*
 - *environmental protection groups*
- ◆ describe the different approaches that can be used to resolve environmental threats and opportunities that can be identified and explain the difficulties that can be encountered when trying to resolve the threats.

Candidates should demonstrate their knowledge and/or skills by constructing a report on their organisation (or one that is well known to them) describing its current structure and how this has evolved over time and reflects its desire to remain competitive and effective within its current marketplace or through the use of a case study provided by the delivery centre. Part of this report will require the candidate to demonstrate their understanding of the theories which influence organisational design and how new developments have impacted on its current configuration.

Assessment guidelines

The assessment evidence for this Outcome requires the candidate to identify the threats and opportunities facing an organisation and explain the relationship between stakeholders and influences they exert on the organisation.

Sampling opportunities exist within the italicised items within the evidence requirements. For example for Outcome 1, the candidate would be expected to describe the purpose and objectives of an organisation and then, in addition, be required to cover a minimum of 4 italicised points.

The items in normal type are fundamental to an understanding of the roles and must be assessed. Different sets of questions based on the same information from the candidate's organisation, or from case study material can sample different areas of knowledge and skills, while at the same time, the same or similar questions might be used in conjunction with alternative information or case study materials. This gives the assessor a variety of materials which can be mixed and matched to allow for sampling and for reassessment.

The response for the assessment must cover all the specified evidence requirements. Candidates are required to cover a minimum of four italicised items from each evidence requirement. This assessment will be completed in open book conditions and should be approximately 1000 words in length and include suitable diagrams related to the supply chain and its associated functions.

Higher National Unit specification: statement of standards (cont)

Unit title: Supply Chain Economics: An Introduction

Outcome 2

Describe the competitive environment and identify issues that affect the effectiveness and efficiency of a business.

Knowledge and/or skills

- ◆ Supply and Demand diagrams for the analysis and evaluation of changes in the business environment
- ◆ Different types of market structure and their implication for the organisation
- ◆ Impact of entry/exit barriers to an industry/market
- ◆ The existing regulatory framework and its effect on the organisation
- ◆ Elements of global and local factors that affect the organisation
- ◆ The different dimensions of a business environment as identified by a PESTLE C analysis

Evidence requirements

The candidate will need evidence to demonstrate his/her knowledge and/or skills by showing that he/she can:

- ◆ produce Supply and Demand diagrams for the analysis and evaluation of changes in the business environment
- ◆ identify different types of market structure and explain their implication for the organisation
- ◆ explain the existing regulatory framework and its effect on the organisation
- ◆ describe elements of global and local factors and how they affect the organisation
- ◆ describe the different dimensions of a business environment as identified by a PESTLE C analysis

Assessment guidelines

The assessment evidence for this Outcome requires the candidate to describe the competitive environment and identify issues that affect the effectiveness and efficiency of a business.

The response for the assessment must cover all the specified evidence requirements. Candidates are required to produce a report. This assessment will be completed in open book conditions and should be approximately 1000 words in length and include suitable diagrams related to the supply chain and its associated functions.

Higher National Unit specification: statement of standards (cont)

Unit title: Supply Chain Economics: An Introduction

Outcome 3

Explain corporate responsibility and its impact on procurement within the context of the supply chain.

Knowledge and/or skills

- ◆ The context in which business ethics are determined
- ◆ Role of procurement and other links of the supply chain in dealing with environmental issues.
- ◆ Ethical issues relating to e-business transactions

Evidence requirements

The candidate will need evidence to demonstrate his/her knowledge and/or skills by showing that he/she can:

- ◆ identify the context in which business ethics are determined
- ◆ explain the role of procurement and other links of the supply chain in dealing with environmental issues
- ◆ describe the ethical issues that relate to e-business transactions

Assessment guidelines

The assessment evidence for this Outcome requires the candidate to explain corporate responsibility in relation to environmental issues.

The response for the assessment must cover all the specified evidence requirements. Candidates are required to produce a report. This assessment will be completed in open book conditions and should be approximately 1000 words in length and include suitable diagrams related to the supply chain and its associated functions.

Administrative Information

Unit code:	DL5D 34
Unit title:	Supply Chain Economics: An Introduction
Superclass category:	EB
Date of publication:	February 2005
Version:	01
Source:	SQA

© Scottish Qualifications Authority 2005

This publication may be reproduced in whole or in part for educational purposes provided that no profit is derived from reproduction and that, if reproduced in part, the source is acknowledged.

SQA acknowledges the valuable contribution that Scotland's colleges have made to the development of Higher National qualifications.

Additional copies of this Unit specification can be purchased from the Scottish Qualifications Authority. Please contact the Customer Contact Centre for further details, telephone 0845 279 1000.

Higher National Unit specification: support notes

Unit title: Supply Chain Economics: An Introduction

This part of the Unit specification is offered as guidance. The support notes are not mandatory.

While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 40 hours.

Guidance on the content and context for this Unit

Those responsible for Procurement, Logistics and Manufacturing need to be aware of the implications of the business environment and the factors which will influence the overall efficiency and effectiveness of the business activities within the Supply Chain.

This Unit is an optional Unit within the framework of HNC/D Supply Chain Management. It is designed to enable candidates to understand the current issues impacting on the competitive position of the organisation. They will be able to identify the purpose and objectives of a business, with reference to the range of stakeholders exerting influence on the business and examining the threats and opportunities faced by business. Describe the competitive environment and the broader issues affecting the effectiveness and efficiency of a business. Discuss corporate responsibility and its impact on procurement within the context of the Supply Chain. Reviewing business ethics; corporate responsibility in dealing with natural environment issues and the ethical implications of developments in e-business.

It is recommended that the candidate should have experience of working in a supply chain or associated function.

There may be opportunities for candidates who successfully achieve this Unit to gain exemptions from a number of professional bodies. Candidates should contact the relevant professional bodies to ascertain their current exemption policies.

Guidance on the delivery and assessment of this Unit

It is anticipated that this Unit will be delivered as one of the Units in the HNC/D Supply Chain Management.

Each Outcome will be assessed by way of a report based on the candidates' organisation or from a case study provided by the centre.

It is anticipated that this Unit may be delivered to a variety of candidate groups and, wherever possible, teaching and research should be slanted towards their individual needs. The latest materials and examples from current and business practice should be used to highlight and illustrate the differences between organisations.

Higher National Unit specification: support notes (cont)

Unit title: Supply Chain Economics: An Introduction

In addition to the classroom explanations and discussions that this Unit provides, candidates should be encouraged to make use of relevant websites to gather information for themselves. Direction may be required on the location of useful information sources, however candidates should be encouraged to use their initiative to discover the other various sources of information available.

To achieve this Unit candidates must produce satisfactory assessment evidence that shows they have achieved all of the Unit Outcomes.

Open learning

This Unit could be delivered by distance learning. Centre devised supervision agreements should detail controlled conditions to ensure authenticity of evidence.

Candidates with additional support needs

This Unit specification is intended to ensure that there are no artificial barriers to learning or assessment. The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments or considering alternative Outcomes for Units. For information on these, please refer to the SQA document *Guidance on Special Assessment Arrangements for Candidates with Additional Support Needs* (www.sqa.org.uk).

General information for candidates

Unit title: Supply Chain Economics: An Introduction

This Unit introduces you to the current issues impacting on the competitive position of an organisation.

It can be studied as a stand-alone Unit if you simply wish to gain knowledge/skills of Supply Chain Management.

The assessment for this Unit consists of three separate open book format reports to cover all three Outcomes. These tasks cover the following:

- ◆ Identify the threats and opportunities facing an organisation and explain the relationship between stakeholders and influences they exert on the organisation.
- ◆ Describe the competitive environment and identify issues that affect the effectiveness and efficiency of a business.
- ◆ Explain corporate responsibility and its impact on procurement within the context of the Supply Chain. Review business ethics and corporate responsibility, in relation to environment issues and the ethical implications of developments in e-business.

To achieve this Unit candidates must produce satisfactory assessment evidence that shows you have achieved all of the Unit Outcomes.

You will be required to produce 3 reports of approximately 1000 words based on your own organisation or an appropriate case study. This will include appropriate diagrams.

The reports will be produced under open book conditions.

If you achieve this Unit there may be opportunities for you to gain exemption from a number of professional bodies. It will be your responsibility to ascertain from the Professional Body what is included in their current exemption policies.