

TLIA3016

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# Use inventory systems to organise stock control

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Learner guide

TLSA3016



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# Before you begin

This learner guide is based on the unit of competency *TLIA3016 Use inventory systems to organise stock control*, Release 1. Your trainer or training organisation must give you information about this unit of competency as part of your training program. You can access the unit of competency and assessment requirements at: [www.training.gov.au](http://www.training.gov.au).

## How to work through this learner guide

Your trainer will advise which parts of the learner guide you need to read, and which activities you need to complete. This learner guide will help you in your training.

Icon	Feature	How you can use each feature
	Learning content	Read each topic. Speak to your trainer if you need help.
	Activities	Activities give you the opportunity to put your skills and knowledge into action. Your trainer will tell you which activities to complete.
	Video clips	Where you see a QR code, you can use a smartphone or tablet to access video clips about the content. For information about how to download an app that will read the QR code, or for more help, visit our website: <a href="http://www.aspirelr.com.au/help">www.aspirelr.com.au/help</a>
	Workplace examples	Workplace examples at the end of each topic show how your learning applies in practice.
	Summaries	Key learning points are provided at the end of each topic.
	Words to remember	<p>As you read the learner guide, use the table at the back of the book to write down any words you need to remember. There is a space for you to write the word and a space for you to write down what the word means.</p> <p>You can also access a full glossary of terms via this QR code.</p>





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## Topic 1 | What you need to know about using inventory systems

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*An essential part of any logistics system is an accurate inventory system with inventory and stock control equipment, software and systems that suit organisational requirements.*

If all these things are in place, efficiency is improved and organisational activities can be streamlined. A critical role of warehouse staff is to follow the organisation's workplace procedures when handling stock.

**In this topic  
you will learn  
about:**

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**1A** Legislation

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**1B** Workplace  
procedures

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**1C** Inventory systems

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*Here are examples of codes, regulations and legislation that impact on inventory systems.*

### Quantity

Under section 536 of the Work Health and Safety (WHS) Regulations, the operator of a facility storing or handling Schedule 15 chemicals in quantities that may exceed 10% of the prescribed quantity must submit a notification to the appropriate state or territory body.

#### Regulation

Sections 347 and 348 of the WHS Regulations

The WHS Regulations can be accessed at:

- [www.safeworkaustralia.gov.au/sites/swa/about/publications/pages/model-whs-regulations](http://www.safeworkaustralia.gov.au/sites/swa/about/publications/pages/model-whs-regulations)

#### Impact on inventory systems

Inventory systems must indicate the amount of chemicals in storage to ensure stock is controlled and does not exceed the allowed quantities.

### Length of time

Under section 23 of the Code of Practice for the Storage and Handling of Dangerous Goods, transit storage must not exceed five consecutive days at a location where dangerous goods are held while it is being placed in storage.

#### Code of practice

Storage and Handling Workplace Dangerous Goods National Code of Practice

This can be accessed at:

- [www.safeworkaustralia.gov.au/sites/swa/about/publications/pages/cp2001storageandhandling](http://www.safeworkaustralia.gov.au/sites/swa/about/publications/pages/cp2001storageandhandling)

#### Impact on inventory systems

Inventory systems must ensure that goods are not required to await storage if delivery exceeds the five-day time frame.

### Food use-by date

The Australia New Zealand Food Standards Code outlines requirements for selling foods and prohibits foods to be sold after their use-by date.

#### Legislation

Standard 1.2.5-4 of the Australia New Zealand Food Standards Code

This can be accessed at:

- [www.foodstandards.gov.au/code/Pages/default.aspx](http://www.foodstandards.gov.au/code/Pages/default.aspx)

#### Impact on inventory systems

Inventory systems must ensure food products are not over-ordered, resulting in overstocking of perishable goods.



## Activity 1

### Question 1

List one code or regulation that applies to the amount of inventory that can be held in the warehouse.

### Question 2

Which of the following relates to housekeeping standards and procedures that apply to inventory systems? Tick all that apply.

- ☐ Keep inventory information updated
- ☐ Manage product overflow
- ☐ Track the movement of goods
- ☐ Monitor goods with use-by dates

# 1C | Inventory systems

*The size of the warehouse, type of stock it holds and type of customers it has will influence the stock control equipment, software and inventory systems that are used.*

Changes in technology and the habits of buyers have changed the way inventory systems, equipment and site operating systems are used to control different types of stock. For example, an inventory system for perishable goods will be different to an inventory system used for clothing.

## Principles and functions of inventory systems

*Inventory systems are designed to manage the demand for goods while keeping inventory as low as possible.*

The function of inventory systems is to keep track of goods and predict the demand for them. Inventory systems are based on the following principles of operation.

### Accuracy



An inventory system gives an accurate count of goods that are in stock. Systems count the number of units placed in inventory and subtract the number of units taken out of inventory.

### Security



Inventory systems control access to the warehouse to make sure inventory is not damaged.

# Complete reports

*The inventory manager may need to complete reports as part of workplace procedures.*

The type of goods handled, the purpose of the warehouse and the type of activities undertaken will impact on the reporting requirements of the inventory manager.



## Examples of reports

### Loss/damage report



Used to compile loss claim register showing inventory loss or damage.

### Notification of dangerous goods storage and handling



If dangerous goods exceed the legal limit, it must be reported to the appropriate state or territory authority within 14 days.

### Monthly inventory report



Physical count of inventory on hand.

### Dangerous goods incident report



Used to report any incident involving dangerous goods, including a theft or attempted theft.

# Correct minor discrepancies

*Corrective action will need to be taken to minimise the chance of discrepancies happening again.*

Here are examples of corrective actions that may be taken when minor discrepancies are noted.

Providing workers with additional training in inventory work practices



Marking storage areas clearly



Reviewing item codes



Replacing manual inventory methods with barcode readers



# Communicate effectively

## *When using inventory systems, communication skills are needed to work together.*

Communication between all team members using inventory systems is critical to maintaining and monitoring stock levels. All members of the inventory team need to understand the communication methods and how to use them appropriately to ensure information is shared and accurate. Good communication enables teams to work collaboratively to manage inventory effectively, safely and competently.

Here are examples of ways to communicate when using inventory systems to control stock.

### Face-to-face communication

Face-to-face communication may be used when a serious discrepancy needs to be reported to a supervisor or manager.

### Communication equipment

Communication equipment, such as two-way radios, mobile phones and pagers, may be used when information needs to take place between warehouse departments, such as receiving and despatch areas.

### Inventory management systems

Electronic communication can be used to communicate the status of deliveries and outgoing shipments, stock level of goods on hand and vacant storage areas. Inventory systems may use tracking systems and databases to communicate inventory information.

Watch this video [00m:47s] to learn about the different ways of communicating with others.





*Read the following workplace example to see how the concepts you have learned are applied in a real-life situation.*

## Workplace example for Topic 2

Tony works for Manufacturing Warehouse Supplies, a large goods distributor. One of Tony's key tasks is ensuring that all inventory and stock control equipment is in effective working order. This includes barcode printers, barcode label machines, scanners and accessories.

One of Tony's busiest times is just before the annual stocktake. Tony finds coordinating and conducting stocktake requires a lot of cooperation between management and store personnel. It also involves a high level of attention to detail, as stocktakes need to follow procedures for identifying discrepancies and, in some cases, investigation processes.

After doing the stocktake, Tony and his staff generate discrepancy and/or variance reports. These reports are used to reconcile what should be in the warehouse compared to what was ordered.



## Summary of Topic 2

1. Stocktake should be organised out of peak activity times to avoid disruption to workflow.
2. Cyclical stocktakes can occur at regular intervals, which may be on a fortnightly, monthly or six-monthly basis, or at the end of the financial year.
3. Accurate stocktake data depends on staff working systematically with attention to detail.
4. Communication between all workers using inventory systems is critical to maintain and monitor stock levels.
5. To maintain, monitor and manage inventory, clear directions regarding tasks and responsibilities need to be shared with all relevant workers.