



CPIM

CERTIFIED IN PRODUCTION AND INVENTORY MANAGEMENT

White Paper

Revealing CPIM's Impact on Supply Chain Planning and Performance

APICS

ASCM
ASSOCIATION FOR
SUPPLY CHAIN MANAGEMENT

Introduction



The supply chain is a strategic discipline that drives company and industry growth. No other discipline has been impacted by technological advances, market and global uncertainty, and globalization in such a short period.

Constantly in flux, the industry faces challenges that one could not dream of 10, 20, or 50 years ago. These challenges are only intensified by the fast-paced, data-driven era we live in, with companies that embrace digital transformation becoming both more flexible and adept at responding to changing customer demands.

This means today's supply chains require players who are constantly adapting – to curveballs, to shifting tides, to major events. The success of a company and the industry itself are entirely dependent on the people who run it. Talented, knowledgeable, supply chain professionals are the backbone of successful businesses in this era of on-demand order fulfillment and cut-throat competition among suppliers. That also means the supply chain management leaders of tomorrow are currently in the field and are hungry to learn more so they can grow their careers.

For these future leaders, notably those involved in planning, purchasing, inventory management, or scheduling products and services, pursuing a Certification in Production and Inventory Management (CPIM) has a tangible, long-term impact on their career path and their organization.

When it comes to the impact on business metrics – like customer satisfaction and company profit – the results from companies with CPIM-certified employees speak for themselves.

For example, Weir Manufacturing LLC, a featured company in this paper, achieved the following:

- 45% reduction in lead time for one business unit, 20% reduced inventory in another
- 67% increase in orders year-over-year from 2016 to 2017 for Weir's Oil and Gas division
- On-time delivery for 98% of orders for the Salt Lake City business, which previously had on-time delivery in the single digits
- An increase in demand and a gain in market share for their businesses overall ¹

The CPIM is built on the APICS body of knowledge, providing supply chain management professionals with the foundation they need to tackle the real-world challenges facing global economies and industries today, establishing the knowledge base they need to step up and make a real impact.

This impact also extends beyond the individual to their organization, as it builds a more knowledgeable workforce, gives employees a more holistic view of their organization, creates a common language among employees, maximizes ROI on systems and technology, and increases customer satisfaction and company profit.

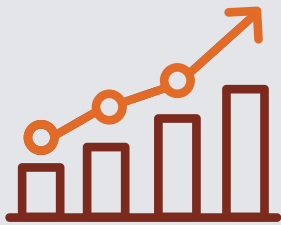
This report focuses on how an individual – or group of individuals – earning a CPIM certification impacts a business' overall performance, as it equips the leaders of tomorrow with the operational know-how and holistic understanding needed to bring their organization to the next level.

5 Ways Earning a CPIM Positively Impacts an Organization

An individual earning a CPIM certification yields positive benefits for their organization and their industry as a whole. The decision to pursue a CPIM certification empowers future leaders and produces a workforce with the knowledge and understanding to improve processes and systems within their organization. Additionally, CPIM generates positive benefits in the form of company revenue and customer satisfaction. In this report, we identify five main ways the CPIM positively impacts an organization.



1. Breeds a more knowledgeable, efficient, and productive workforce



This increase is allowing Weir to make changes in how businesses operate, manage their supply chains and manage inventory.

The world changes by the day, which is why organizations need employees with the knowledge to adapt to shifting situations and challenges. The CPIM teaches candidates the concepts and best practices – built from the foundational APICS body of knowledge – necessary to elevate their job performance, empowering them to drive efficiency in planning and operations and ultimately benefit the organization's overall bottom line.

Global engineering and equipment manufacturing company Weir Group PLC sought to develop its people and enhance their performance so executives identified CPIM certification as the means to increase their employees' operational knowledge and help build a more productive and efficient workforce.¹ Weir's leaders immediately saw the impact of CPIM on their people, their organization and their business.

Mark Duncan, value chain excellence lead, Americas says, "Through APICS education, Weir has been able to increase the capability of our people and organization. This increase is allowing Weir to make changes in how businesses operate, manage their supply chains and manage inventory. Weir will continue to support APICS education because it provides our employees with a broad body of knowledge, which can be applied to their particular business situation. In turn, improvements at the local business level will improve the overall performance of the Weir Group."¹ The end result of Weir Group's employees' new knowledge set? An optimized supply chain and efficient organization across the board.

¹ Rennie, Elizabeth. "APICS Education Advances People and Performance at Weir." *SCM Now*, ascm.org. Jan. 2019.

2. Break the Silo: Employees gain a more holistic view of the functions in their organization

The separate functions of an organization often exist in silos. In reality, each department and function within an organization impacts the other, with each area valuable to the overall viability of the organization.

For supply chain professionals, gaining insight into how the various functions of the supply chain interplay with one another helps them understand how to work cohesively with different functions and departments to optimize the organization's overall performance.

CPIM empowers individuals with the knowledge to think critically about potential issues facing both the supply chain and the organization as a whole and drive toward integrated solutions.

Load King Manufacturing, a full-service turn-key package provider, provided employees with the opportunity to earn their CPIM Certification. With CPIM-certified

employees, the company's leadership immediately noticed how different departments and functions started to work better together.

Chad Grimm, Chief Operations Officer of Load King Manufacturing Company explains, "Learning how to integrate planning, scheduling, inventory, production, shipping and more into a unified system required a deep understanding of how all the parts integrate to create the whole manufacturing and shipping process. APICS helped with educating our team on how to bring order and properly defined organization to frequently conflicting functions and departments." ²

The CPIM empowered Load King employees to break the pattern of siloed thinking and see the bigger picture. This deep-level cross-functional, critical thinking smooths conflict, drives a cohesive team, and enables a more effective supply chain.

Shipping and
manufacturing
process



Planning



Scheduling

3. Creates a common language for employees to address challenges and opportunities

Communication is the key to success in any department in any organization. Supply chains can only thrive in their competitive markets if the parts of the supply chain – and the individuals composing the parts – communicate well together. A common vocabulary, framework, and set of practices garners greater communication between departments, individuals, and the organization as a whole – something the CPIM provides.

Having this kind of common language pays dividends in the long run, as exemplified with Load King Manufacturing's workforce. Ricky Regnier, Project Manager II at Load King Manufacturing, noticed an impact on his organization when members of his team completed the CPIM certification and were able to speak in common terms.

Regnier describes, "Whether I am discussing design and build methods with engineering or scheduling end due dates with manufacturing, being able to speak the same language and understand the unique challenges throughout the organization not only makes my job easier but also has helped me pass along the necessary information to other departments to help make their jobs easier."²

Every part of an organization runs more smoothly if departments and individuals are able to communicate more effectively. Learning a common language through CPIM is one way to foster better communication between individuals and departments, creating a stronger, unified team.

² Storelli, Jennifer. "APICS Education Yields People and Process Benefits." *SCM Now*, ascm.org, Oct. 2019.



Inventory



Production



Shipping

4. Maximizes ROI on systems and technology within the organization



When systems run properly and efficiently, organizations can reduce operational cuts and focus on what matters.

Teams that have a base understanding of how processes and systems should be working properly are better able to understand when technology within the organization is not being used to its full capacity. Those working in supply chain depend on the right technology to help streamline inventory, respond to customer demands, reduce costs, and so much more. So, when systems aren't optimized, companies can experience a negative impact in revenue, customer satisfaction, inventory surplus or shortage, production, and more. Conversely, when these systems run properly, they majorly move the needle on the bottom line.

Jensen Precast, a precast concrete manufacturing company, found themselves experiencing this exact shortfall with regards to their ERP system. Before Jensen Precast employees became CPIM-certified, their ERP system was decentralized. Each of their plants operated independently and capacity management, production planning, and scheduling processes were less than optimal.

Luckily, Jensen Precast employees learned about supply chain systems and the corresponding impact on inventory management and production via CPIM and used this understanding to increase the ROI on their systems.³ Employees leveraged their new insights to centralize their ERP system and develop a new production planning schedule based on sales demand and customer interactions.

Jeff Friedman, chief operating officer at Jensen Precast says, "Our employees responsible for operating this system did not understand the basic business logic. ASCM has helped explain how these tools are utilized to generate an accurate manufacturing schedule." Using an APICS body of knowledge to improve daily planning processes, Jensen Precast was able to cut slow-moving inventory by 50% and raise production and sales levels.³

When systems run properly and efficiently, organizations can reduce operational cuts and focus on what matters – quality of service and efficiency of delivery.

³ Rennie, Elizabeth. "Jensen Precast Molds Optimal Business Processes." *SCM Now*, ascm.org. July 2019.

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5. Increases customer satisfaction and company profit

CPIM-certified employees improve supply chain efficiencies, which ultimately results in increased customer satisfaction and company profits for the entire organization. In fact, research shows that 79% of companies with high-performing supply chains achieve revenue growth greater than average within their industries. ⁴

While the results speak for themselves, the logic is simple – when individuals elevate their thinking, they communicate better with their teams and improve otherwise stagnate processes and systems. This improves supply chains and empowers companies to effectively address customer demand.

⁴ O'Byrne, Rob. "8 Reasons Why Your Business' Success Depends Upon Your Supply Chain." Logistics Bureau, logisticsbureau.com. 4 Jan. 2020. <https://www.logisticsbureau.com/8-reasons-why-the-supply-chain-matters-to-business-success/>

Impact, Revealed

Organizations worldwide are realizing the positive impact of having CPIM-certified professionals managing their supply chains. The knowledge gained through a CPIM certification is a solid foundation for supply chain professionals to innovate, adapt, plan, and manage the risks presented by market disruptors and ambiguity in the global economy.

More than ever, the supply chain discipline needs ambitious, strategic, and knowledge-hungry professionals who are eager to grow and learn more – the game-changing leaders and innovators of tomorrow.

About ASCM

The Association for Supply Chain Management (ASCM) is the global leader in supply chain organizational transformation, innovation and leadership. As the largest nonprofit association for supply chain, ASCM is an unbiased partner, connecting companies around the world to the newest thought leadership on all aspects of supply chain. ASCM is built on a foundation of APICS certification and training spanning 60 years. Now, ASCM is driving innovation in the industry with new products, services and partnerships that enable companies to further optimize their supply chains, secure their competitive advantage and positively influence their bottom lines. For more information, visit [ascm.org](https://www.ascm.org).

Visit <https://www.apics.org/Partners/find-a-partner> and enroll in the CPIM through a partner today.

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