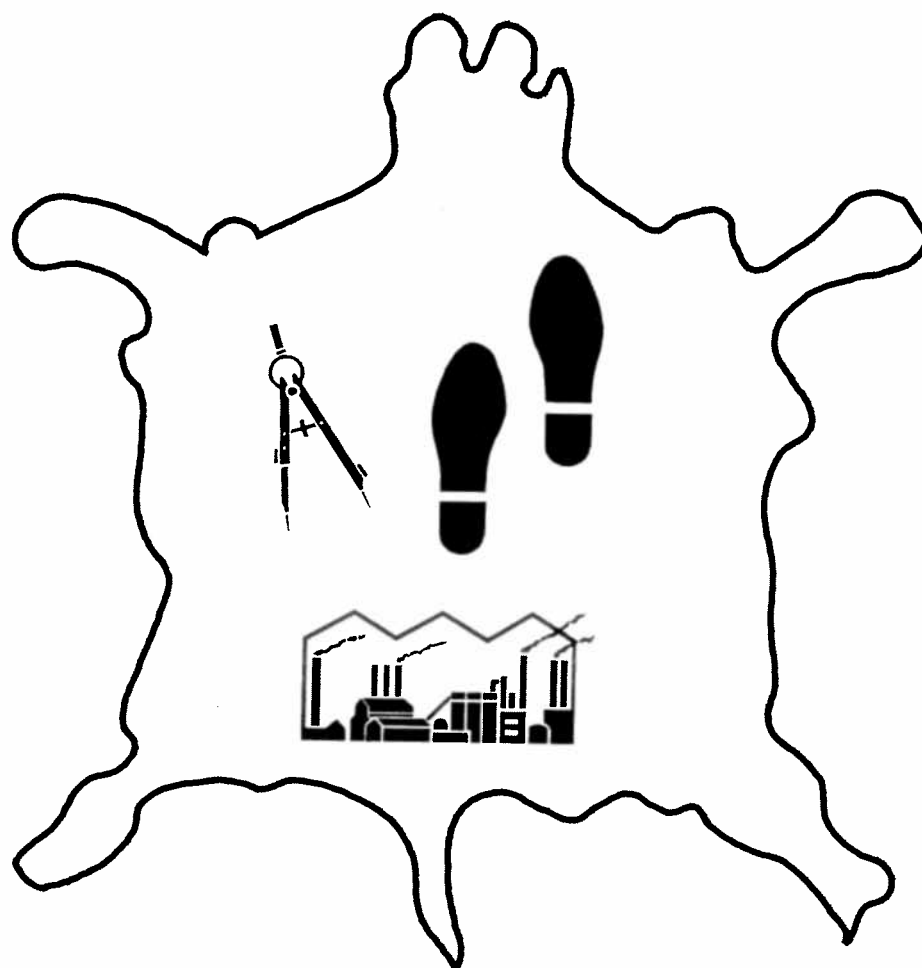


SHOE INDUSTRY DIPLOMA COURSE



MATERIAL PURCHASING & CONTROL*



*This document has been produced without formal editing



This learning element was developed by the UNIDO Leather Unit's staff, its experts and the consultants of the Clothing and Footwear Institute (UK) for the project US/PHI/85/109 and is a part of a complete Footwear Industry Certificate/Diploma Course. The material is made available to other UNIDO projects and may be used by UNIDO experts as training aid and given, fully or partly, as hand-out for students and trainees.

The complete Certificate/Diploma Course includes the following learning elements:

Certificate course

- Feet and last
- Basic design
- Pattern cutting
- Upper clicking
- Closing
- Making
- Textiles and synthetic materials
- Elastomers and plastomers
- Purchasing and storing
- Quality determination and control
- Elements of physics
- General management
- Production management
- Industrial Law
- Industrial accountancy
- Electricity and applied mechanics
- Economics
- SI metric system of measurement
- Marketing
- Mathematics
- Elements of chemistry

Certificate/Diploma course

- Closing
- Collection building
- Advanced technology
- Work study
- The role of the production manager
- Production planning
- Material purchasing & control
- Quality control
- Material and related science
- Adhesives
- Pattern making and engineering
- Shoe costing
- Grading

THE CFI CERTIFICATE COURSE CLEARLY DEFINED THE PRINCIPLES
AND PROCEDURES OF THE MATERIAL PURCHASING AND CONTROL SYSTEM.

THE CFI DIPLOMA COURSE PRESENTS A PRACTICAL DEMONSTRATION OF
THE PROCEDURES IN RELATION TO THE LEATHERGOODS AND FOOTWEAR
INDUSTRY.

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OBJECTIVES OF THE MATERIAL CONTROL DEPARTMENT

1. To formulate purchasing policies.
2. To obtain the specified materials at the most economic value.
3. To seek out and develop new sources of supplies in relation to new product requirements.
4. To control the delivery of materials.
5. To maintain stocks of materials at the correct level and value. Continuity of materials is of the utmost significance.
6. To create a good relationship with suppliers.
7. To obtain the necessary information in relation to future material availability and prices.
8. To reduce company costs and to increase profitability by ensuring that the purchasing procedures are efficient and professional. This is extremely important in relation to deliveries, price, quality and performance.

INFORMATION REQUIRED FOR THE MAINTENANCE OF RECORDS

1. Current prices for all materials and components are required. (See Appendix) 11 Pgs. 33 & 34
2. Stock cards will be available for every item. (See Appendix) 8 Pgs. 25-27
3. Specification for each style and product are necessary. (See Appendix 9 Pgs. 28-30)
4. Information in relation to the progression of all orders will be a requirement. (The information can be detailed on the stock card) (See Appendix) 8 Pgs. 28-30
5. Monitoring of all orders will be necessary and each suppliers performance can be clearly defined.

SYSTEMS OF MAINTAINING RECORDS

1. Computer System
2. Ledger Book System
3. Stock Card System

REQUIRED INFORMATION FOR CONTROL PURPOSES

1. Price of material or component
2. Maximum and minimum quantities
3. Re-Order Point
4. Amount to be re-ordered

REQUIRED INFORMATION FOR MATERIAL MOVEMENT

1. Date
2. Amount ordered
3. Authorization for entry (order number)
4. Quantity received or quantity withdrawn

INFORMATION REQUIRED FOR IDENTIFICATION PURPOSES

1. Name of material or components
2. Description of specification (required for ordering purposes)
3. Stock code identification
4. Bin location
5. Unit and amount

PROCEDURES INVOLVED IN A "COLLECTION CYCLE PERIOD"

1. The initial material and component requirements for samples are ordered in advance of the preparation of the "Collection Range". The materials are requested by the Product Designer. Initial specification forms are issued to the Material Control Department.
2. On range completion, the Sales Manager issues a forecast of 50% of final sales.
3. Final specifications are issued by the Product Design Department to the Material Control Section.
4. In the initial stages, material orders are placed for 25% of the total amount.
5. When the selling period occurs, the Production Controller issues weekly to the Material Control Section, details of the previous weeks sales. The Material Controller orders materials and components accordingly, taking into account, the specified stock levels.
6. Materials and Components are issued to daily input requirements.
7. Grindery items are issued to departmental order requirements.

DOCUMENTS USED IN MATERIAL CONTROL PROCEDURES

1. Internal order document (See Appendix 1) Pgs. 9-11
(Used for Product Design developmental purposes and daily input requirements)
2. External order form (Appendix 2) Pgs. 12-13
3. Sales Advice Note (Appendix 3) Pgs. 14-15
4. Delivery Note (Appendix 4) Pgs. 16-17
5. Returns Note (Appendix 5) Pgs. 18-19
6. Internal Material Control Document
(Appendix 6) Pgs. 20-21 (The recording of output to the various production units. Used for Accountancy)
7. Clicking Room and Component Document
(Appendix 7) Pgs. 22-24 (The recording of upper material and components output)
8. Stock Card (Appendix 8) Pgs. 25-27
9. Product Specifications (Temporary and Final)
(Appendix 9) Pgs. 28-30
10. Stock Taking Document (Appendix 10) Pgs. 31-32

A P P E N D I X 1

DOCUMENTATIONS FOR INTERNAL ORDERS

R E Q U I S I T I O N

No. 174 28

GRINDERY AND BOTTOM MATERIALS

Dept :

Date:

QUANTITY	UNIT	MATERIAL DESCRIPTION	MAT. CODE	UNIT PRICE		P
<p style="text-align: right;">SIGNED : _____ FORMAN/CHARGEHAND</p>						

PURCHASING ORDER

DATE: _____ ORDER NO. _____

TO: _____

PLEASE SUPPLY THE FOLLOWING ITEMS:

ITEM	CODE NO.	DESCRIPTION	QUANTITY	PRICE

METHOD OF DELIVERY

DELIVERY DATE

NAME

ADDRESS

PURCHASING MANAGER

SALES ADVISORY DOCUMENTATION

<p>SALES ADVICE NOTE DATE: _____</p>	
<p>CUSTOMER : _____</p>	
<p>ADDRESS : _____</p>	
<p>GOODS TO BE DELIVERED</p>	
<p>DESCRIPTION</p>	
<p>QUANTITY</p>	
<p>LOADING DATE</p>	
<p>DESTINATION</p>	

DELIVERY DOCUMENTATION

NAME	DATE :			
DELIVERY NOTE				
TO :				
ADDRESS :				
PLEASE ACCEPT DELIVERY OF THE FOLLOWING ITEMS				
ITEM	DESCRIPTION	CODE NO.	QUANTITY	PRICE
METHODS OF DELIVERY				
GOODS RECEIVED BY (SIGNATURE) _____				

RETURN NOTE		DATE:
SUPPLIERS NAME :		
ADDRESS :		
GOODS TO BE RETURNED		
DESCRIPTION		
QUANTITY		
SUPPLIERS CODE		
REASONS FOR RETURN		
DATE OF DELIVERY		
DATE OF RETURN		

MATERIAL CONTROL RECORDING DOCUMENT

RECORDING OF OUTPUT FROM LEATHER STORES

LEATHER USED FOR: (Stripping
(Development
(Samples
(Cutters Repairs

WEEK ENDING : _____

CODE	COLOUR	TANNER	FEET ISSUED				FEET RETURNED	FEET USED	PRICE

ISSUE AND CONTROL OF MATERIAL

The material control sheet has two functions. It serves as a control sheet for a Clicking Department that is using a scientific measuring system for assessing allowances and is operating on a leather bonus saving scheme. In such circumstances, the size of skins, the leather co-efficient, and the Tanners' discrepancies are areas that can affect the material savings. The material control sheet will be a useful document to use when the systems are introduced. In the current situation it can serve the useful purpose of determining the amount of material used. The facts that can be recorded are:

- (1) The name of the operative (cutter)
- (2) The name of the style
- (3) The ticket number
- (4) The type of leather
- (5) The Supplier
- (6) Total cutter's allowance
- (7) Number of square feet used
- (8) Number of square feet saved

This information will enable management to determine how much material has been issued and used. If material losses have occurred, the information is available to investigate the causes. It may be due to the inefficiency of the cutter, the poor quality of the material, or patterns that are not interlocking correctly.

MATERIAL CONTROL SHEET

Date: _____				Serial No. _____			
Factory				Leather:			
Cutter				Supplier:			
Style							
Size Range							
Ticket No. _____							
			Allow Per Pair	Total		Rate	Earnings
			Feet Iss.	Feet Rtd.			
					Total Bulk Allowance		
					Total Cutters Allowance		
					Feet Used		
					Feet Saved		
					% Save		
Total				Week Ending:			

STOCK CARD PROCESS

STOCK CARD SYSTEM

The Stock Card includes the following information:

- | | | | |
|------|-------------------------------|---|---|
| (1) | Supplier | : | The tanner or agent involved |
| (2) | Price | : | The price of the material when the style was costed. |
| (3) | Unit | : | Per sq. foot |
| (4) | Date | : | Date of ordering material
Date of receiving material |
| (5) | Order No. | : | Order number |
| (6) | (Ordered)
(Price/Quantity) | : | (a) The price of the material when ordered may be different to the costed price and will represent a gain or loss

(b) The quantity ordered |
| (7) | (Received)
(Quantity) | : | This represent the amount received on a specific order |
| (8) | Balance on order | : | This represents the amount outstanding on the order. |
| (9) | Stock | : | It represents the amount of this type of leather in the leather store. |
| (10) | Issued | : | It illustrates the amount issued each day during the week. |
| (11) | (Week ending)
(Quantity) | : | This represents the total quantity issued throughout the week. |
| (12) | Remarks | : | Quality of leather, size of skins, colour. |

PRODUCT SPECIFICATIONS					PRICE	WK. No.	DATE
HOE NAME	VAR	DESIGN No.	LAST	FIT	MAKE	VP	VAMP
		SIZE				QTR	QUARTER
		PAIRS					
						AP	APPI
						TAB	TAB
						BAR	STRAP
						COL	COLLAR
						HC	HEEL COVER
						IN. COV	
						PF. COV	
						VL	VAMP LINING
						QL	QUARTER LINING
						IBS	
						IL	
						SY	
						SK	SOCK
						SS	
						WL	
						TH	
						BD	BEADING
						SB	
						TM	
						BB	
						EL	
						ET	
						LC	
						TX	
						SL	SOLE
						HL	
						IS/PF	
						BK	BACKER
						SF	STIFF
						SH	
						EG	FN
						TK	

Size Range
Make

Name
Input

QUANTITY FOR 12 PAIRS	COMPONENT	Material			
		AMOUNT			
	SQUARE FEET FOR 12 PAIRS				
	VAMP				
	QUARTER				
	APRON				
	CAP				
	BAR				
	OUTSIDE BACKSTRAP				
	COLLAR				
	TRIMMING				
	PLATFORM COVER				
	HEEL COVER				
	INSOLE COVER				
	STRIPPING				
	VAMP LINING				
	QUARTER LINING				
	BAR LINING				
	TONGUE LINING				
	SOCK				
	CLOSING THREADS				
	ZIP FASTENERS				
	BUTTONS				
	BUCKLES				
	EYELETS				
	ELASTIC				
12 PAIR	SOLE				
12 PAIR	RUNNER/ MIDSOLE				
12 PAIR	INSOLE				
12 PAIR	BACKER				
12 PAIR	STIFFENER				
24	TOE BOX				
24	SHANK				
24	HEEL				
24	TOP-PIECE				
24	BOX				

STOCK TAKING DOCUMENTATION

APPENDIX 10

STOCK TAKING

DEPARTMENT :

NO.

M A T E R I A L	CODE NO.	AMOUNT	PRICE	TOTAL

CURRENT PRICE LIST

(Nov. 1, 1987 to March 1, 1988)

MATERIAL	TANNER	CODE	UNIT PRICE
Black Calf	P. Bragan	200	31 Pesos per sq. ft.
Blue Calf	P. Bragan	201	31 Pesos "
Red Calf	P. Bragan	202	31 Pesos "
Blue Glace Kid	L. Pelen	203	38 Pesos "
Black Glace Kid	L. Pelen	204	38 Pesos "
White Glace Kid	L. Pelen	205	38 Pesos "
Black Suede	T. Sanden	206	24 Pesos "
Brown Suede	T. Sanden	207	24 Pesos "
Blue Suede	T. Sanden	208	24 Pesos "
L. GINN Purchasing Manager			

SPECIFICATION

4 - 10
TYPE : SANDAL

Last 401

Name : QUADO

QUANTITY FOR 10 PAIRS	SUBSTANCE COMPONENT	1.0 to 1.2 mtr.					
		BLUE CALF T 507					
SQUARE FEET FOR 12 PAIRS		10.4 sq. feet					
6 sq. ft.	VAMP	T 507					
2 sq. ft.	STRAP	T 507					
2.4 sq. ft.	OUTSIDE STRAP	T 507					
15 mtrs.	STRIPS	T 701					
0.48sq.m.	VAMP LINING	T 603					
0.344sq.	LINING	T 604					
0.39sq.m.	SOCK	T 605					
24 mtrs.	SEAT SOCK	T 606					
0.10sq.m.	FELT FILLER	T 607					
10 mtrs.	FOLDING TAPE	T 702					
10 mtrs.	TOPLINE TAPE	T 703					
0.02sq.m.	STAY	T 608					
	CLOSING THREADS	L 500 L 501					
24 mtrs.	BUCKLES	R 500					
4 mtrs.	ELASTIC	P 501					
	LABEL	B 200					

Appendix 12

MATERIAL EXPLOSION

STYLE	QUADO
PAIRS	96 pairs
SHOE SIZE :	3 - $\frac{1}{2}$ - 4 - $\frac{1}{2}$ - 5 - $\frac{1}{2}$ - 6 - $\frac{1}{2}$ - 7 - $\frac{1}{2}$ - 8
AMOUNT :	8 8 8 8 11 11 10 8 8 8 8

ITEM	AMOUNT
T507	83.2 sq. ft.
T701	120.0 meters
T607	3.84 sq. mtrs.
T604	2.752 sq. mtrs.
T605	3.12 sq. mtrs.
T606	24.0 units
T607	00.8 sq. mtrs.
T702	80.00 meters
T703	80.00 meters
T608	0.16 sq. mtrs.
R500	24.0 units
P501	32.0 meters
S500	28.8 sq. mtrs.
S501	27.2 sq. ft.
H560	SHOE SIZE : 3 - $\frac{1}{2}$ - 4 - $\frac{1}{2}$ - 5 - $\frac{1}{2}$ - 6 - $\frac{1}{2}$ - 7 - $\frac{1}{2}$ - 8 8 - 8 - 8 - 8 - 11 - 11 - 10 - 8 - 8 - 8 - 8
E506	12 Units

MATERIAL SPECIFICATION LIST

MATERIAL	COLOUR	CODE	SUBSTANCE	PRICE	MANUFACTURERS
Calf	Black	T500	.8 to 1.0mm	P30.00/sq. ft.	T. Teffs
Calf	Blue	T501	.8 to 1.0mm	P30.00/sq. ft.	T. Teffs
Glace Kid	Black	T502	.5 to .7mm	P38.00/sq. ft.	R. Banken
Leather Lining	Beige	T503	.4 to .6mm	P22.00/sq. ft.	L. Lirter

SYNTHETIC MATERIAL SPECIFICATION LIST

MATERIAL	COLOUR	CODE	SUBSTANCE	DESCRIPTION	PRICE	MANUFACTURER
Lining	Beige	T600	.4 to .6mm	Fabric	F12.00/sq. ft.	J. Darlon
Lining	White	T601	.4 to .6mm	Suedefit	F10.00/sq. ft.	J. Darlon

GRINDERY SPECIFICATION LIST

MATERIAL	CODE	DESCRIPTION	PRICE	MANUFACTURER
Thread	L500	White Nylon Thread (60)	P10.00/spl	T. Fendid
Elastic	P501	3/8" width Couple strength	P 2.00/mtr.	J. Sonto