

VERSION 7.0

EFFECTIVE DATE  
March 31, 2021

# EXAM CONTENT MANUAL PREVIEW

# CPIM

CERTIFIED IN PLANNING AND INVENTORY MANAGEMENT



APICS Certified in Planning and Inventory Management CPIM Part 1™  
Preview of **CPIM Exam Content Manual Version 7.0**

Please be aware, this is not the full APICS Certified in Planning and Inventory Management (CPIM™) Exam Content Manual (ECM). The full version is available for purchase at [apics.org/shop](http://apics.org/shop) or free for ASCM members on their member benefits page. 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.

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# APICS CPIM Part 1 Exam: CPIM ECM Version 7.0 Preview

## Abbreviated Exam Content

The following table identifies the six 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	Supply Chain Overview	17%
II	Fundamentals of Demand Management	10%
III	Plan Supply	10%
IV	Execute Supply Plan	24%
V	Inventory Management	30%
VI	Continuous Improvement / Quality Management and Technologies	9%

## Content Outline

### I. Supply Chain Overview

A supply chain is a global network used to deliver products and services, from raw materials to finished goods, to end consumers through a flow of information, physical distribution, and cash. A supply chain consists of retailers, distributors, warehouses, and suppliers participating in the production, delivery, and sale of a product or service to the consumer.

The supply chain satisfies the market strategy through a variety of business functions. Critical factors include product volume and variety, customer service level, lead times, customization, product life cycle, costs, and strategy.

- A. Operational Objectives to Meet Competitive Priorities
- B. Marketing Strategies
- C. Fundamentals of Sales and Operations Planning (S&OP)
- D. Manufacturing Strategies
- E. Manufacturing Processes and Layouts
- F. Product Costs
- G. Key Performance Indicators (KPIs) and Metrics
- H. Sustainable and Socially Responsible Supply Chains

## II. Fundamentals of Demand Management

Demand management is the function of recognizing and managing all demands for products or services. Demand management includes several major activities, all of which are primarily market-driven and include identifying all product and service demand in the defined markets. Demand management includes forecasting but also involves possible segmenting of markets, classifying customers, and identifying demand.

### A. Determine Customer Needs, Specifications, and Features and Create a Product Roadmap

### B. Product Management

The impact on product management of the operating environment depends on customer expectations, cumulative lead times, inventory, sustainability, product design, and product life cycles.

### C. Review Demand Types and Sources

### D. Forecast Demand

## III. Plan Supply

Master scheduling process creates a master production schedule (MPS) based on input from the sales and operation plan, the external environment, and the internal environment.

### A. Create master production schedule (MPS)

### B. Determine rough-cut capacity requirements

### C. Create material requirements plan

### D. Perform capacity requirements planning (CRP)

### E. Create final assembly schedule (FAS)

### F. Closing the loop

## IV. Execute Supply Plan

### A. Buy

Sourcing is the process of identifying a company that provides a needed good or service. These decisions normally are based on supplier cost and capability by comparison to producing the product in-house. These decisions include supplier selection, certification, agreements, and partnerships, including vendor-managed inventory (VMI). Total acquisition costs must be considered.

### B. Make

This activity is the function of routing and dispatching the work to be accomplished through the production facility.

## **V. Inventory Management**

Those stocks or items used to support production (raw materials and work in process (WIP) items), supporting activities (maintenance, repair, and operating supplies), customer service (finished goods and spare parts), and specialized inventory.

- A. Plan inventory investment and days of supply**
- B. Determine safety stock**
- C. Determine item segmentation (for example, ABC classification)**
- D. Determine order quantity and item replenishment method**
- E. Track in-transit inventory and monitor inventory location and quantities**
- F. Track inventory throughout the supply chain**
- G. Maintenance, repair, and operating (MRO) inventories**
- H. Manage returns, reworks, reclamation, recycle, reuse, remanufacture, and product disposition**
- I. Manage inventory accuracy audit program**
- J. Monitor inventory turns**
- K. Address inventory loss**
- L. Inventory loss strategies**
- M. Plan and manage distribution inventory**

## **VI. Continuous Improvement /Quality Management and Technologies**

- A. Continuous Improvement**
- B. Information, Process, and Emerging Technology**

APICS Certified in Planning and Inventory Management CPIM Part 2™  
Preview of **CPIM Exam Content Manual Version 7.0**

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## APICS CPIM Part 2 Exam: CPIM ECM Version 7.0 Preview

### Abbreviated Exam Content

The following table identifies the eight main topics of the exam and shows the percentage designated for each section 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	Align the Supply Chain to Support the Business Strategy	22%
II	Conduct Sales and Operations Planning (S&OP) to Support Strategy	10%
III	Plan and Manage Demand	9%
IV	Plan and Manage Supply	16%
V	Plan and Manage Inventory	14%
VI	Plan, Manage, and Execute Detailed Schedules	12%
VII	Plan and Manage Distribution	3%
VIII	Manage Quality, Continuous Improvement, and Technology	14%

### Content Outline

- I. **Align the Supply Chain to Support the Business Strategy**
  - A. Understand the business environment and develop corporate strategy
  - B. Develop, align, and implement functional and operational strategies
  - C. Design processes and layouts to align with strategic goals
  - D. Define and monitor key performance indicators (KPIs) to evaluate performance in relation to the organization's strategic goals
  - E. Identify and manage supply chain risks (examples include: supply disruption, financial, environmental, physical, political, cyber, intellectual property, and branding)
  - F. Manage capital equipment and facilities
  - G. Define and support sustainability goals (environmental, financial, social)
- II. **Conduct Sales and Operations Planning (S&OP) to Support Strategy**
  - A. Understand the role of the S&OP process in the organization

- B. Review aggregate demand plan
- C. Review aggregate supply plan
- D. Reconcile portfolio, demand, supply, and financial plans

### III. Plan and Manage Demand

- A. Determine customer needs and specifications
- B. Understand marketing and product management considerations
- C. Review sources of demand
- D. Generate demand forecast
- E. Monitor forecast performance and respond to demand variation or changes

### IV. Plan and Manage Supply

- A. Create the master schedule
- B. Perform rough-cut capacity planning (RCCP)
- C. Manage the material requirements plan (MRP)
- D. Create final assembly schedule (FAS)
- E. Create and manage supplier relationships
- F. Purchase/procure goods and services
- G. Monitor and manage product costs
- H. Manage changes and supply disruptions
- I. Conduct product life cycle management (PLM)

### V. Plan and Manage Inventory

- A. Inventory planning
- B. Inventory management
- C. Monitor and manage inventory costs
- D. Inventory control



E. Manage returns and product disposition

VI. Plan, Manage, and Execute Detailed Schedules

A. Plan detailed schedules

B. Create production schedules

C. Implement and manage detailed schedules

D. Schedule incoming materials

VII. Plan and Manage Distribution

A. Plan distribution

B. Manage customer orders

C. Manage reverse logistics

VIII. Manage Quality, Continuous Improvement, and Technology

A. Manage quality

B. Manage continuous improvement

C. Manage technology

### **About APICS and ASCM**

For more than 60 years, APICS certifications and training have demonstrated a commitment to global supply chain excellence – achieved one person at a time. APICS CPIM, CSCP and CLTD are now part of the Association for Supply Chain Management (ASCM), the largest non-profit association for supply chain professionals. ASCM is proud to offer the globally recognized certification programs you've come to trust.

