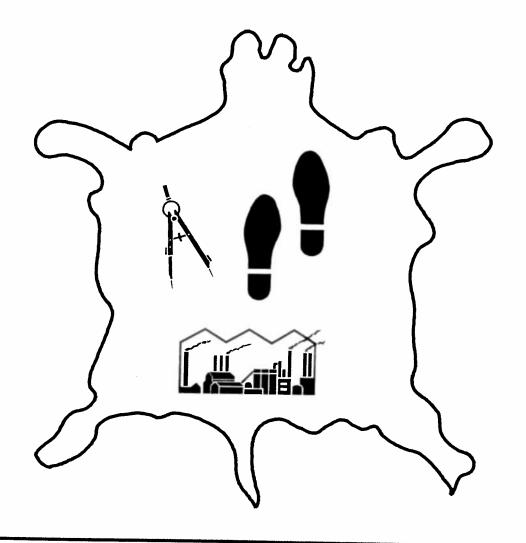
# SHOE INDUSTRY DIPLOMA COURSE



# MATERIAL PURCHASING & CONTROL\*



<sup>\*</sup>This document has been produced without formal editing

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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

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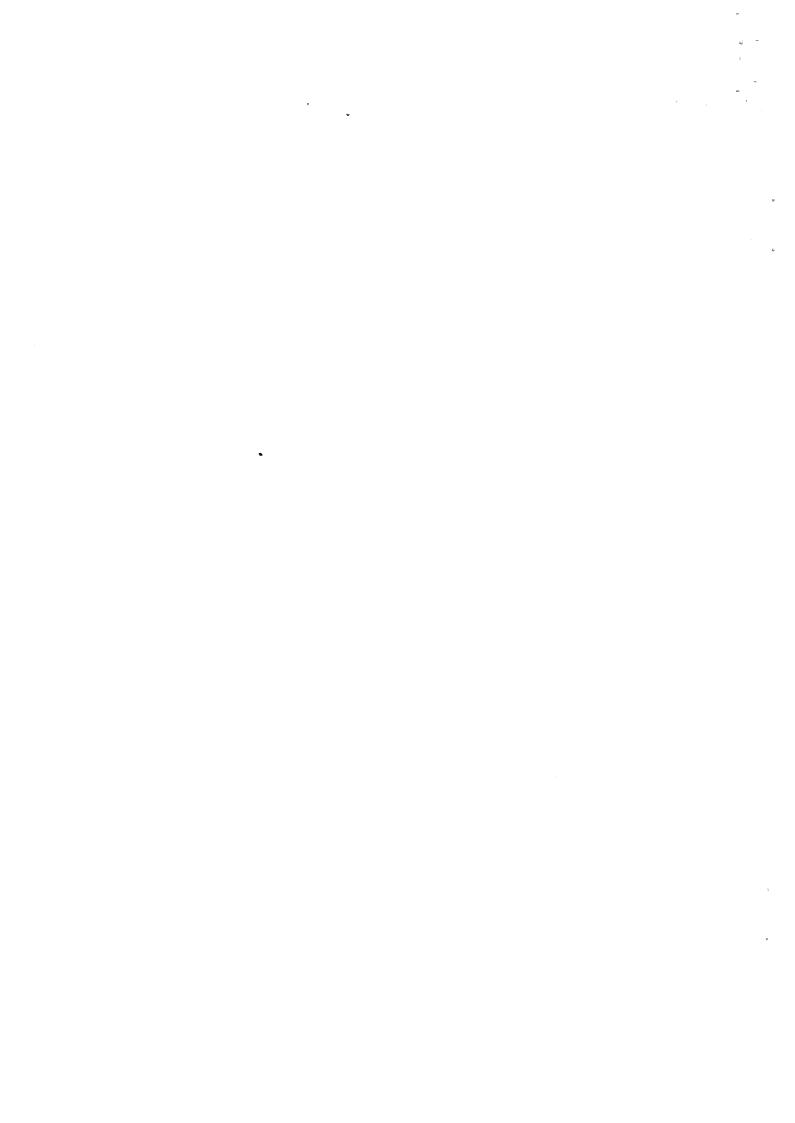
THE CFI CERTIFICATE COURSE CLEARLY DEFINED THE PRINCIPLES AND PROCEDURES OF THE MATERIAL PURCHASING AND CONTROL SYSTEM.

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.
- To obtain the specified materials at the most economic value.
- 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.
- 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
- 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
- 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.

1

## DOCUMENTS USED IN MATERIAL CONTROL PROCEDURES

						Appendix			
(Used	for	Produ	ıct	Design	develo	opmental	purp	oses	and
daily	inp	ut red	qui	rements	)		•		

	External order form	(Appendix	2)	Fgs.	12-13
or or s	Sales Advice Note	(Appendix	3)	Fgs.	14-15
4.	Delivery Note	(Appendix	4)	Fgs,	16-17

5.

Returns Note

6. Internal Material Control Document (Appendix 6) Pgs. 20-21 (The recording of output to the various production units. Used for Accountancy)

(Appendix 5) Pgs. 18-19

- 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

APPENDIX 1

DOCUMENTATIONS FOR INTERNAL ORDERS

PRODUCT DESIGN ORDER FORM ORDER NO.					
Please	order the follo	wing:			
ITEM	CODE NO.	DESCRIPTION	QUANTITY	PRICE	
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Advanta de la constitución de la					
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# REQUISITION

No. 174 28

# GRINDERY AND BOTTOM MATERIALS

Dept:

Date:

QUANTITY	UNIT	MATERIAL DESCRIPTION	MAT. CODE	UNIT PRICE		P
						-
					·	
and the state of t						
signed : FORMAN/CHARGEHAND						

\*\*

PURCHA	SING ORDER	• •	DATE:		R NO.
		LLOWING ITEMS:	er wisselden Geschiede deur eine Geschiede Stade in der S		
ITEM	CODE NO.	DESCRI	PTION	QUANTITY	PRICE
METHO	D OF DELIVERY				
DELIV	ERY DATE				
				NAME ADDRESS	
			PURCI	HASING MANAGER	3



# SALES ADVISORY DOCUMENTATION

SALES ADVICE N	NOTE	DATE:
1		
ADDRESS :		
	GOODS TO BE DELIVERED	
DESCRIPTION		
QUANTITY		
LOADING DATE		
DESTINATION		

#### DELIVERY DOCUMENTATION

NAME		DAT	E :	
DE:	LIVERY NOTE			
TO	:			
ADDRI	ESS:			
PLEAS	SE ACCEPT DELIVERY OF THE FOLLOWING ITEMS			
ITEM	DESCRIPTION	CODE NO.	QUANTITY	PRICE
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			Annumento annumento del mente del me	
s. and an analysis of the second		Source and the source	Дене на учет посела до посела д Стата до посела до посе	
METHO:	DS OF DELIVERY			
GOODS	RECEIVED BY (SIGNATURE)			



RETURN NO	ТЕ	DATE:
SUPPLIERS NAME :		
ADDRESS. :		
GOODS TO	) BE RETURNED	
DESCRIPTION		
QUANTITY		
SUPPLIERS CODE		
REASONS FOR RETURN		
DATE OF DELIVERY		
DATE OF RETURN		



# RECORDING OF OUTPUT FROM LEATHER STORES

(Stripping

LEATHER USED FOR:

(Development (Samples (Cutters Repairs

WEEK ENDING:

CODE	COLOUR	TANNER	F	EET	ISS	UED	Medical Control of the Control of th	FEET RETURNED	FEET	PRICE
•										
					1					-
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24/202										
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Karamatan Karamatan

#### 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.

	l No.					Earnings									
	Serial No.					Rate			ance	lowance					
		Leather:	Supplier:						Total Bulk Allowance	Total Cutters Allowance	Feet Used	; Saved	ıve		
		Te	Su			Total	-	Feet	Rtd. Tote	Tote	Feet	Feet	% Save		
						Allow T		Feet Iss.	H						REPRODUCTION OF THE PROPERTY O
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With the second	Factory	Cutter	Style	Size Ra	Ticket No.			NNS-Managham Adapta successor de						не и постанення выполня в постанення в постанення в постанення в постанення в постанення в постанення в постан	

Total

#### STOCK CARD SYSTEM

The Stock Card includes the following information:

(1)	Supplier	* *	The tanner or agent involved
(2)	Price	W St	The price of the material when the style was costed.
(3)	Unit	<u>u</u>	Per sq. foot
(4)	Date	:	Date of ordering material Date of receiving material
(5)	Order No.	:	Order number
(6)	(Ordered) (Price/Quantity)	:	<ul><li>(a) The price of the material when ordered may be different to the costed price and will represent a gain or loss</li></ul>
			(b) The quantity ordered
(7)	(Received) (Quantity)	я Э	This represent the amount received on a specific order
(8)	Balance on order	n	This represents the amount outstanding on the order.
(9)	Stock	01 38	It represents the amount of this type of leather in the leather store.
(10)	Issued	12 60	It illustrates the amount issued each day during the week.
(11)	(Week ending) (Quantity)	Wi St	This represents the total quantity issued throughout the week.
(12)	Remarks	釜	Quality of leather, size of skins, colour.

٠	PRICE	UNIT		QUANTITY												en e										
				WEEK																						
			ISSUED	FRI.	_						_	-	-	_				<u> </u>								
			ISSI	THRU.																						
				WED.																						
				TUES.																						
				MON.																						
	o:											1	+				_					_		_		
CARD	SUPPLIER		<u>~</u>					$\perp$	-			+	+	+	-		+					+	1	1		
STOCK CARD	SUP		STOCK																							
ا <u>بر</u>			RECEIVED	QUANTITY									The state of the s											and the second s		
es de de la companya			BALANCE ON ORDER					THE THE PROPERTY OF THE PROPER							CONTROL OF THE PROPERTY OF THE		The state of the s				eri an mily se kind mily de Colventino de Minister que de poste a como e conquesta por e	A DOOL OO DOOL				•
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			ORDERED	PRICE																		Wellforne monte production of the second				
	IRKS			ORDER NO.																						
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APPENDIX 9 PRODUCT SPECIFICATIONS WK. PRICE DATE No. HOE NAME VAR DESIGN No. LAST FIT MAKE VP VAMP SIZE QTR QUARTER PAIRS APPI AP 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 BEADING BD SB TM 88 EL ET LC TX SOLE SL HL IS/PF BK BACKER

SF

SH

EG TK STIFF

FN

QUANTITY FOR	COMPONENTS	T			
12 PAIRS	COMPONENT	Material			
,c TAILL		Material			
	SQUARE FEET FOR	AMOUNT			
	12 PAIRS	APROUNT			
	VAMP				
	QUARTER				
	APRON				
	CAP				
	BAR				
	OUTSIDE BACKSTRAP				
	COLLAR				
***************************************	TRIMMING				
	PLATFORM COVER				
	HEEL COVER				
	INSOLE COVER STRIPPING	<del></del>			
	VAMP LINING				
	QUARTER LINING				
······································	BAR LINING				
	TONGUE LINING			1	
	SOCK			<b>-</b>	
	CLOSING THREADS				
***************************************	ZIP FASTENERS				
	BUTTONS				
	BUCKLES EYELETS				
	ELASTIC				
· · · · · · · · · · · · · · · · · · ·	BIRSTIC			<del> </del>	
12 PAIR	SOLE			<del> </del>	
12 PAIR	RUNNER/			-	
	MIDSOLE				
12 PAIR	INSOLE				
12 PAIR	BACKER				
12 PAIR	STIFFENER				
24	TOE BOX				
24	SHANK				
~					
24	HEEL				
indianosi, pare			1		
24	MAD DATE				
24	TOP-PIECE		1		
24	DOY				
24	BOX				
			T		

#### STOCK TAKING

DEPARTMENT :

NO.

DEIARTPEAT .				·
MATERIAL	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	SPECIFICATI	ON		
TYPE :	SANDAL	Last 401		Name	CODAUDO C
TITMAUQ	Y				
FOR		1.0 to 1.2 mtr.			
	SUBSTANCE	1.0 10 1.2 11111.			
	COMPONENT	BLUE CALF			
10		T 507			
IO PAIRS					
	COLLAGE EEET	10.4 sq. feet			
	SQUARE FEET - FOR 12 PAIRS				
6 sq. ft.	VAMP	T 507			
					,
ļ					
	0=0.=				
2 sq. ft.	STRAP	T 507			
2.4 sq. ft.	OUTSIDE STRAP	T 507			
15 mtrs.	STRIPS				
10 111115.	SERIES	T 701			
0.48sq.m	VAMP LINING	T 603			
0344sq	LINING	7 00.			
17730	LIMING	T 604			
0.39 sq. m;	COOK		*		Management of the second of th
24 mtrs.	SEAT SOCK	T 605			
01000 0	SEAT SULED	T 606			
0.10 sq. III.	FELT FILLER	<u>I 607</u>			
10 mtrs.	FOLDING TAGE	**************************************			
10 mtrs.	FOLDING TAPE TOPLINE TAPE	I 702			
TO RITES.	IOPLINE IAPE	T 703			
0.02 sq. m.	CTAV	T 000			
0.02.3Q.III	3181	T 608			
	CLOSING THREADS	L 500			
		L 50I			
24 mtrs.	BUCKLES	R 500			
<b> </b>					
	P1 + 0 = 1				
4 mtrs.	ELASTIC	P 501			
	LABEL	B200			
		ALLANDO	Tire-		

SHOE SPECIFICATION

PART II: MAKING

Name: QUADO Quantity for pair 3.6° \$ 500 SOLE 10 pair 3.6° S 501 INSOLE 10 pair BACKER 10 pair 10 pair | STIFF. SHANK 20 H 560 HEEL 20 20 E 506 вох 10

# MATERIAL EXPLOSION

STYLE PAIRS	QUADO 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
Т507	83.2 sq. ft.
Т701	120.0 meters
<b>T</b> 607	3.84 sq. mtrs.
<b>T</b> 604	2.752 sq. mtrs.
т605	3.12 sq. mtrs.
<b>T</b> 606	24.0 units
<b>T</b> 607	00.8 sq. mtrs.
<b>T</b> 702	80.00 meters
Т703	80.00 meters
T608	O.16 sq. mtrs.
R500	24.0 units
P501	32.0 meters
S500	28.8 sq. mtrs.
S501	27.2 sq. ft.
н560	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

MANUFACTURBRS	T. Teffs	T. Teffş	R. Banken	L. Lirter	
PRICE	P30.00/sq. ft.	£30.00/sq. ft.	P38.00/sq. ft.	P22.00/sq. ft.	
SUBSTANCE	.8 to 1.0mm	.8 to 1.0mm	.5 to .7mm	.4 to .6mm	
CODE	1500	Т501	T502	1503	
COLOUR	Black	Blue	Black	Beige	
MATERIAL	Calf	Calf	Glace Kid	Leather Lining	

SYNTHETIC MATERIAL SPECIFICATION LIST

MANUFACTURER	J. Darlon	J. Darlon	
PRICE	F12.00/sq. ft.	F10.00/sq. ft.	
DESCRIPTION	Fabric	Suedefit	
SUBSTANCE	.4 to .6mm	.4 to .66mm	
CODE	11600	T601	
COLOUR	Beige	White	
MATERIAL	Lining	Lining	

# GRINDERY SPECIFICATION LIST

MATERIAL	CODE	DESCRIPTION	PRICE	MANUFACTURER
Thread	L500	White Nylon <sup>T</sup> hread (60)	₱10.00/spl	T. Fendid
Elastic	P501	3/8" width Couble strength	P 2.00/mtr.	J. Sonto