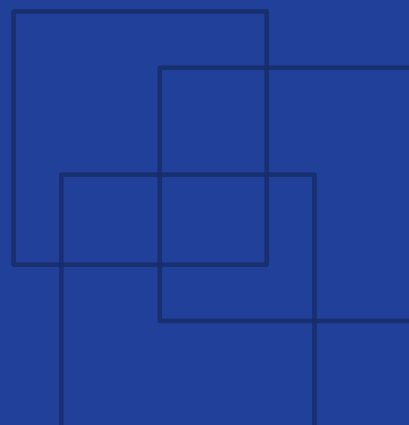




International
Labour
Organization

Issuing materials

Storeroom operations



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First published 2019

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ISBN: 9789220326275 (web pdf)

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Printed in Thailand

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Factory Improvement Toolset

The Factory Improvement Toolset (FIT) is an innovative self-facilitated, activity-based learning approach designed by the International Labour Organization (ILO) to create more decent and sustainable employment. FIT supports manufacturers in global supply chains to improve productivity, competitiveness and working conditions by upgrading production systems and factory practices.

FIT has been developed to be a sustainable, time- and cost-efficient option for supporting factories to enhance productivity through improved business practices and working conditions. FIT focuses on areas of production improvement and actions to be taken specific to each participating factory. It can be utilized as stand-alone learning tools or to complement other training programmes.

With each module lasting no more than 2.5 hours, FIT enables factories to train personnel, whilst minimizing interference with production realities. The easy-to-use methodology makes it possible to rapidly scale the implementation to reach a large cohort of trainees across multiple production facilities.

Working in small groups, participants review real-life situations and engage in discussions to determine improvements to be made in factory without an external trainer or specialist. This self-facilitated, activity-based and highly participatory learning approach positions participants as both student and teacher and makes the toolset self-tailored to the needs and interests of each group.

About this module

This FIT module on Issuing materials is a training for garment manufacturers to improve storeroom operations. Participants will work on receiving requisitions, issuing, and recording issued quantities. This module takes about 2 hours to complete.

Upon completion of the training, participants should have:

- Discussed and improved their issuing system, including for recording issued quantities.
- Learnt to use material requisition slips to requisition and issue materials.

The **Factory Improvement Toolset** of the **International Labour Organization (ILO)** are developed and provided by the ILO's **Enterprises Department**.

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Guidelines for successfully using the training tool

Read out-loud

The FIT tool is designed for participants to take turns reading the instructions in the modules out loud to the group. At least one member of the group should be selected in the beginning of the session to take this responsibility.

Work as a group

Always work in groups of 5-7 during a FIT session. The programme will not be successful if participants work independently or do not collaborate with each other.

Be active

Encourage everyone in the group to actively contribute to the discussion. Ensure that no group member dominates the discussion or does not participate at all.

Monitor the time

Select one member of the group to monitor the time for each activity and remind the group when it is time to move to the next exercise.

Complete the action plan

Complete the action plan at the end of the session. This will help ensure that FIT results in improvements in the factory. Review the plan a while after the session to make sure that actions in the plan has been completed accordingly.

Icons

A set of icons is used throughout the modules to provide easy to recognize reference points for different tasks within each session and activity.



Read out loud

One member of the group should read out loud to the rest of group.



Knowledge link

Knowledge and skills are linked to other FIT learning resources and support.



Time allotted

Indicates how much time each sessions and activity should take.



Supplies needed

Indicates that supplies may be necessary to complete the session.



Begin step-by-step instructions

Indicates that the step-by-step instructions for an activity are beginning.



Think about it

Indicates additional information for the participants to think about.

Measuring your performance

Measuring operational efficiency is a key aspect of running a productive factory. The box(es) below guides you in understanding which measurement indicator(s) can be used to measure and evaluate the performance of your factory in relation to the topics covered in the FIT series on storeroom operations.

Indicator 1	Space utilization (%)
Definition	The proportion of space (floor + shelf surface) that is occupied by materials and other items (carts, machines, etc.) in your storerooms.
Purpose	To understand how efficiently space is used in your storerooms, and identify how you could improve storage efficiency while ensuring employees' safety. Both very low and very high space utilization is inefficient. It should not go above 85%.
Calculation	$\left(\frac{\text{\# surface occupied in sqm}}{\text{total surface of the stores in sqm}} \right) \times 100\%$ <p>Surface occupied = floor surface + shelf surface occupied by materials or others Total surface = floor surface + shelf surface available in the stores Shelf surface: e.g. a 3sqm shelf with 4 levels counts for 12sqm!</p>
Frequency	Calculate every 6 months, or once a year.
Responsible	Storeroom manager

Indicator 2	Average material retrieval time (Mins)
Definition	The average time (in minutes) that it takes for a storeroom worker to find, retrieve and prepare materials from the stores for issuing.
Purpose	To understand how well-organized and orderly your stores are (or how good your storage system is), and begin to identify how you could further improve organization and make storeroom operations faster and more efficient.
Calculation	Time how long it takes for a worker to locate, retrieve and prepare all items for a specific requisition. Record this for each requisition (trims and fabric separately) and calculate the average weekly, then monthly.
Frequency	Calculate monthly.
Responsible	Storeroom manager



Session 1

Business case study

Goals

Preparing you for the type of discussions you will have with other group members throughout the learning module and understanding the benefits of being exposed to different perspectives.

Understanding better why issuing materials systematically is important in the factory.

Session 1

Overview



One member should read the full session out loud to the rest of group



15 minutes



Learning manual, pens, markers and poster paper

A business case study presents a real-life situation for learners to reflect on and discuss with other group members. By discussing the case, students learn from others' ideas and perspectives, and develop an understanding of the topic at hand within the workplace.



One group member reads the case study out loud



The whole group discusses the case study



Everyone develops a deeper understanding of the topic

Activities

Activity

1



15 minutes

Case study review and respond

The case study below presents a situation that could happen in real life.



Instructions:

- 1) As a group, listen to one member read the case study below while following along in your learning module.

Sita is a new storeroom manager at the HS garment factory. During her first week at the factory, Sita realizes that there is no proper issuing system in place in the storerooms. Workers from other departments just walk in and ask for materials or pick them off the shelves themselves. It is impossible to keep track of how much material goes where, and of how much is left in the stores. This makes it hard for merchandising to know when to order new materials, and it also causes damage to the materials, and injuries to the workers. Sometimes the factory does not have enough material in stock on time to reach their production goals.

Sita decides to make some changes. She introduces “material request notes”, which are used by production departments to ask the storerooms for materials. She then trains the office clerks to receive each note, verify that needed quantities are available, and approve the requisition. She also teaches them how to record issued quantities in bin cards after materials have been removed from storage areas and transferred to other departments.

Thanks to these changes, the stores are more orderly and safer. Merchandising can keep track of how much material goes where, and make sure that materials are re-purchased on time to avoid not having enough in stock. There are less production delays due to missing materials, and orders are shipped to buyers on time.

- 2) Together, discuss Sita’s situation by answering the three questions in table 1 on the next page.

Table 1. Questions about Sita's situation

1. What problems has Sita identified? What impact do these problems have on the factory and its workers?

2. What does Sita do or change in order to solve these problems?

3. What are the results of Sita's solutions for the factory and its workers?

This page has been intentionally left blank and can be used for note taking.



Session 2

Learning about the topic

Goals

Discussing and improving your material issuing process.

Discussing good practices for issuing materials efficiently and systematically.

Learning how to use material requisition slips to issue materials and how to record issued material quantities.

Session 2

Overview



One member should read the full session out loud to the rest of group



90 minutes



Learning manual, pens, and markers

This module aims to help you improve the way your storeroom operates by focusing on material issuing. Issuing is the process of moving raw materials to production areas. Issuing materials on time and with precision is important to make sure that other departments can complete work on time, and that production runs smoothly. Throughout this module, you will go through the three steps of issuing below.

Receiving material requisitions

Issuing materials

Recording issued quantities

First, you will discuss your own materials issuing process. Then, you will work on these three steps by learning how to use material requisition slips to request and issue materials and discussing best issuing practices. Finally, you will think about how to record issued quantities systematically and precisely.

Activities

Activity

2a



25 minutes

Issuing materials

Material issuing is the transfer of materials from your storeroom to production areas. In this activity, you will discuss your issuing system and think about how you can improve it.

Instructions:

- 1) Together, discuss the four questions in table 2. Then, based on your answers, fill in the diagram below to show who issues what and to who (to which departments).
- 2) Have a participant read aloud the list of steps involved in material issuing in table 3. Then, individually, draw or write down all the steps of your issuing process in the space provided.
- 3) Together, discuss your issuing process and if there is anything that you already know you could do to improve it?

Table 2. Issuing materials

<p>What? Who? When? How?</p>	<p>What materials do you issue from the storerooms? Who is responsible for or involved in issuing? Who do you issue to? When are materials issued? Is there any standardized issuing system in place in your factory?</p>
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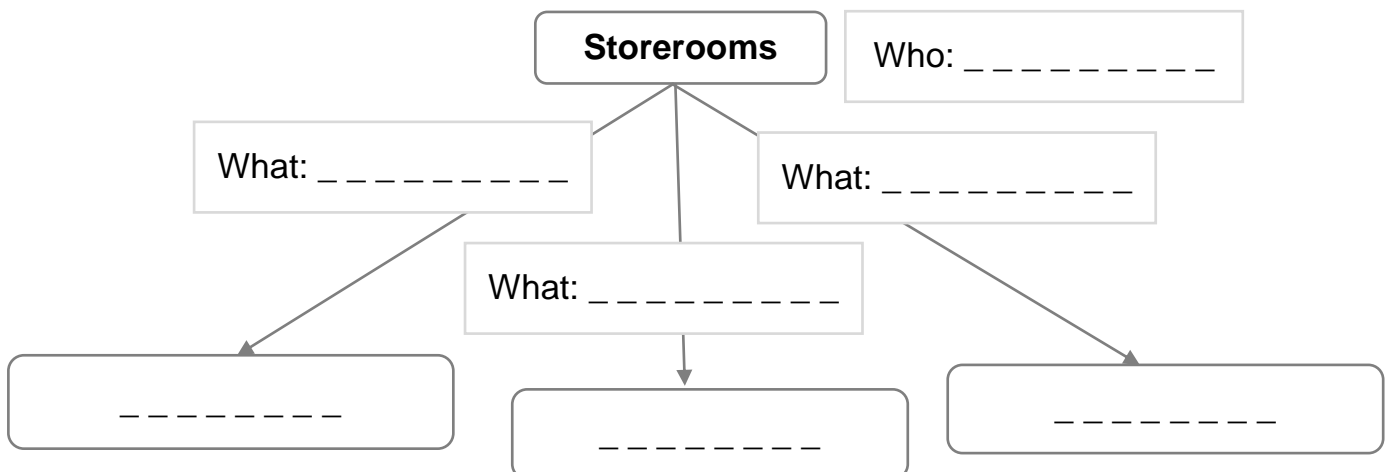
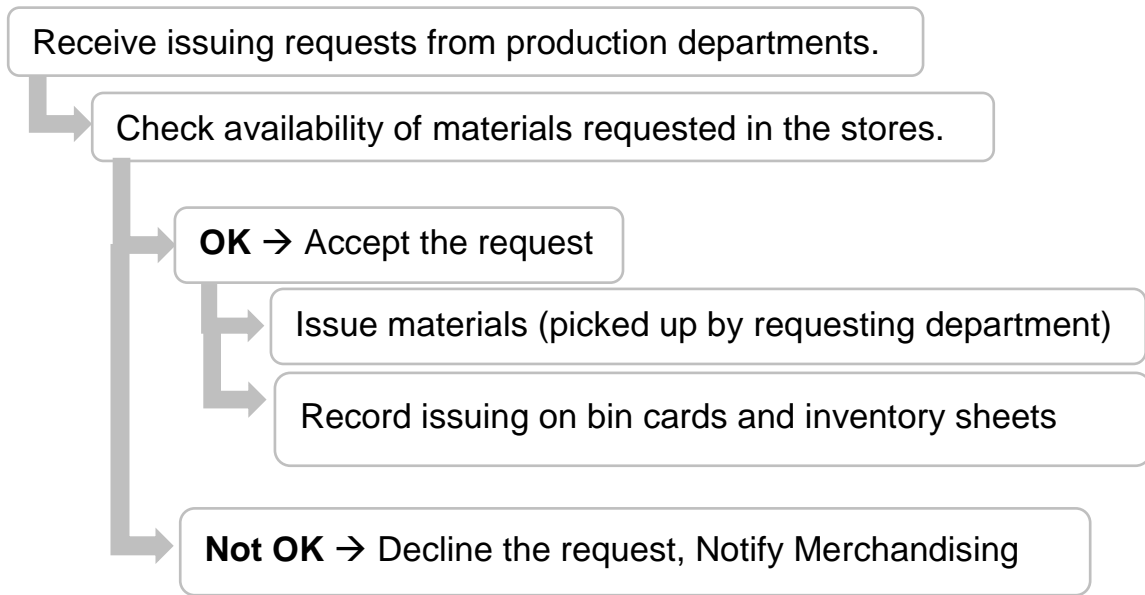


Table 3. Your issuing process



Draw or write down the steps of your issuing process below.

Activity

2b



25 minutes

Receiving requisitions

The first step of issuing is when you receive issuing **requisitions** from other departments. Requisitions are made and processed using “Material requisition notes (MRN)”. In this activity, you will discuss how to fill in and use requisition notes.



Instructions:

- 1) Together, read the steps for processing a requisition note in table 4, and put them in the right order. The solutions are at the bottom of the page. These steps may vary based on your record-keeping system (e.g., manual versus computerized inventory sheets)!
- 2) Together, look at the example of a filled-in material requisition note and the explanations above it in table 5, and make sure everyone understands.
- 3) Have a participant read aloud the scenario in table 6. Then, together fill in the requisition note (blank cells in table 5) using the information in the scenario. The first line has been filled in to guide you.

Table 4. Processing MRNs

Steps	#
Copy A is sent to requesting department for material pickup.	
Storeroom manager records the quantities issued in bin cards and inventory sheets using Copy B.	
Requesting department picks up materials using Copy A.	
Storeroom workers prepare materials for issuing using requisition note.	
Storeroom approves the requisition, signs note and authorizes issuing.	
Storeroom receives filled-in material requisition note.	
Storeroom makes two copies (A, B) of approved & signed requisition note.	

Table 5. Material requisition notes (MRN)

Requisition notes go through 2 different departments, who each fill in different parts:

- **Requesting department** → No., Date, Job No., Item code, Description, Width, Colour, Unit, Quantity required, description, symbol, “Received by”.
- **Stores department** → Quantity issued, Remarks, “Authorised by”, Issued by, Storekeeper’s signature.

Material Requisition Note - Trims

No.:				Requesting department:			
Date:				Job No.:			
Item code	Description	Size	Colour	Unit	Quantity required	Quantity issued	Remarks
T8821	Plastic button	Small (0.5cm)	Red	Box of 100	10		
Authorized by:				Received by:			
Issued by:				Storekeeper’s signature:			

Table 6. Scenario

Scenario:

On February 9, the sewing department fills in MRN - Trims number 8392, to be charged against job 938-95, to request the following materials:

- 10 boxes of 100 small red plastic buttons, size 0.5cm, code T8821 (see below)
- 15 cones of red cotton sewing thread, size 20m, code T5837
- 20 boxes of 30 black synthetic shoulder pads, size medium, code T7492
- 8 boxes of 20 black metal zippers, size medium (40cm), code T3362

The requisition is authorized by storeroom office clerk T.B., signed by storekeeper U.C. Materials are then prepared for issue by storeroom worker J.S. and received by sewing room worker R.B.

Activity

2c



15 minutes

Issuing materials

After a request has been approved, the materials can be prepared by storeroom workers, and picked up by the requesting department. In this activity, you will discuss good practices in **issuing materials**.



Instructions:

- 1) As a group, read through the list of good issuing practices in table 7, and put a ✓ in the column on the right if you do it in your factory.
- 2) Together, brainstorm other good practices, and add them to the table.

Table 7. Issuing materials

Good practices	✓
1. There is a set timetable for submitting requisitions. For example, all departments should submit materials requisition notes by 10am.	
2. There is a set timetable for each department to pick up issued materials. Example: Cutting room from 2 to 2.30pm, sewing lines from 2.30 to 3pm.	
3. Materials cannot be issued or picked up without a requisition note being approved first.	
4. Only storeroom workers can extract materials from storage areas and prepare them for pick-up.	
5. Storeroom workers are trained in reading material requisition notes and using them to prepare materials for pick-up.	
6. Materials are picked up by the requesting department by presenting the approved material requisition notes.	
7. Storeroom workers check the information on the material requisition note before transferring the materials to the department.	
8. The transfer of materials always takes place in a specific area to avoid issued materials getting mixed up with other materials (materials to be inspected, defective materials, raw materials, etc.).	

Activity

2d



25 minutes

Recording issued quantities

After issuing requests have been approved and materials picked up, all issued quantities should be **recorded** precisely. In this activity, you will discuss the importance of recording issued quantities and how to do it.



Instructions:

- 1) Have a participant read aloud the text box below. Then, together, discuss: How do you usually record issued quantities?
- 2) Together, read table 8 below showing who should record issued quantities, where (how), and when.
- 3) Together, discuss the four questions in table 9, and circle the correct answer. Solutions are provided at the bottom of the page.



Keeping records is important for you to:

1. Ensure that there is enough material in stock to complete orders.
2. Avoid having too much excess / left over materials in the stores. Excess should not be more than 3% (or what is agreed with the buyer for excess shipment quantity).
3. Know how much and when to re-order for each material item.
4. Provide information to other departments when they need it.

Table 8. Recording issued quantities

Where	Who	When
On bin cards (Record of how much stock you have for each material item at any time)	Storeroom manager / deputy manager / administration office clerks	After removing materials from storage for issuing and handing them to the requesting department
On inventory sheets (Record of how much stock you have for all the different materials in your storeroom)		After updating bin cards

Table 9. Recording issued quantities

1. When recording issued quantities on bin cards and inventory sheets, what else should you update?
 - a. Received quantity
 - b. Balance
 - c. Total amount
2. After issuing materials, which record document should be updated first?
 - a. The corresponding bin card
 - b. The material request note
 - c. The inventory sheet
3. Who should update the bin cards after materials have been issued?
 - a. Storeroom workers
 - b. Workers who pick up the materials
 - c. The storeroom manager or office clerks
4. If the requisition order is denied (because there is not enough material available, or other reason), what should you record on bin cards and inventory sheets?
 - a. Quantity issued = 0
 - b. There is no need to record anything
 - c. Record issued quantity only on bin cards



To learn more about how to keep records in your storerooms, including on using bin cards and inventory sheets, ask your facilitator for the “Record-keeping” module!

Solutions: 1.b. – 2.a. – 3.c. – 4.b.



Session 3

Action items

Goals

Summarizing and revising the new knowledge gained.

Identifying concrete applications of the new knowledge that benefit your factory.

Session 3

Overview



One member should read the full session out loud to the rest of group



20 minutes



Learning manual, pens, and markers

Throughout this module, you gained new knowledge on how to issue materials efficiently, precisely, and on time.

Receiving material requisitions

Issuing materials

Recording issued quantities

In this session, you will think of ways to apply your new knowledge to improve material issuing by reviewing best practices and drafting your own action plan.



A material requisition note template is available online for you to print out and use in your own factory. To obtain it, contact your factory's FIT coordinator!

Activities

Activity

3a



5 minutes

Best practices checklist

In this activity, you will review best material issuing practices as a next step for evaluating your own and implementing improvements.



Instructions:

- 1) Together, look at the list of best practices in table 10, and put a ✓ in the column on the right if you use these practices in your factory.

Table 10. Issuing materials

Best practices	✓
1. There is a clear material issuing system in place, handled by the storeroom manager / clerks, that all departments are aware of and understand.	
2. Material requisition notes (MRNs) are used to requisition and issue materials. Workers involved know how to read and use MRNs.	
3. Material requisitions and materials pick up take place during specific timeslots in order to help everyone involved work more efficiently.	
4. When a requisition cannot be approved, it is communicated to the merchandising department immediately.	
5. After issuing, issued quantities are recorded as appropriate in bin cards and inventory sheets by the storeroom manager / deputy / office clerks.	

Activity

3b



15 minutes

Your action plan

In this activity, you will think of ways to apply your new knowledge to improve material issuing in the stores by drafting your own action plan.



Instructions:

- 1) Together, fill in the action plan (table 11) on the next page. Identify a key problem that you want to solve and write down the solutions you identified while working on this module.

Table 11. Issuing materials – Action Plan

Problem identified				
Solutions identified	Action(s) to be taken	Person responsible	By when?	How will improvements be measured?

Issuing materials

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FIT is being piloted in Asia under the regional Decent Work in the Garment Sector Supply Chains in Asia project funded by the Government of Sweden.

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ISBN: 9789220326275 (web pdf)