GLOSSARY OF TERMS - LOGISTICS

Term	Description	B2C/B relevancy
1PL	Shipper or the consignee	
2PL	Actual freight carriers	
3PL	Third party logistics - most commonly understood to mean a contract warehousing and distribution company. There are 4 types of 3PL (Standard, Service developer, Customer Adaptor and Customer Developer)	*** ***
4PL	There are two interpretations of this. The first established in 1996 by a company called ACCENTURE where 4PL was deemed to a logistic provider that took an over arching interest in the supply chain but did not own any assets required to fulfil; The other commonly accepted definition is an expanded 3PL offering that includes back office and/or customer services	*** ***
5PL	At SCS we use this term to reference any IT component within the supply chain. ERP, B2B/C web site, WM, FMS, EDI, POM etc…	*** ***
ABC's	This term used to categorise products by their velocity to determine optimal placement to increase picking efficiency.	** **
ANSI	American National Standards Institute used in the context of EDI	
API	Application Program Interface - a tool attached to a software application that allows passing data into and out of it	** *
ASN	Advanced Shipper Notification – advice sent to a consignee advising of shipment data	*** ***
ATL	Authority to Leave - Indicates to a freight carrier that the shipment can be left if the consignee is not there to receive it. The risk remains with the consignor if the consignee says they did not receive the shipment.	*** *
B2B	Business to Business sales	***
B2C	Business to Consumer sales	***
Back to back racking	Two singe racks connected back to back (typically with a 150-300mm separator).	
Batch Attribute	Attributes found on a product (in the form of alpha or numerical or combination of the two) which defines the specific cycle in which a product was produced; Critical to record in the dispatching system in the case of a batch recall	* *
Benchmark	A reasonable expectation of how long it takes to complete a task. Generally derived from a series of time and motion studies.	** **
BOM	Bill of Materials – List of raw materials, sub-assemblies child SKU that make up a parent or new SKU	* **
Booking time	This is a time confirmed with the consignee as to when a shipment is scheduled and agreed to be delivered by the freight company typically used by wholesale distributors into large DC operations. This concept is creeping into the B2C	* **

	domain, carriers are working towards targeted delivery times.	
Break Point	In the context of freight, this is the point in which the rate structure changes in consideration to weight and/or cubic measurement. This either changes the rate structure within the tariff or forces a change to a new tariff. Customs de minimis should be calculated in this but currently (as at Aug 2014) is not.	*** ***
Bulk location	Where inventory is stored that is later used to replenish pick faces	
Carton glide	A sloping shelving system that gravity feeds cartons down to the pick face, commonly uses rollers but can also use large sheets of board	
CBM	Cubic meters – dimensions of a container where a container is anything e.g. an item, a carton, an inner, a shipper, a pallet even a container. Calculated by multiplying the length by the depth by the height of the container.	*** ***
CHEP	Global pallet hire company who rent pallets throughout the supply chain industry. Note it is a four letter word	*
COGA	Carriage of Goods Act - originally established in 1979 and recently amended in 2014 provides legislation concerning the transport of goods within NZ that effects the consignor, the consignee and the freight company. Relevant legislation from the is act should be clearly detailed on your site.	**** ****
Concurrency	An inventory data problem where different points of demand (web site, ERP, customer EDI orders) all go for the same item at the same time, if there is not enough stock which orders get fulfilled first. Becomes a complex issue defining the rules to ensure people who need the stock get it.	**** **
Consignee	A person receiving goods	** **
Consignor	A person sending goods (also referred to as a shipper)	** **
Consolidation	Process of combining products stored in a full pallet charge location but only utilise half the pallet (or less) together onto one pallet involving the transfer process	**
Conveyed	Transporting inventory from one location to another	
Counter balance	Sit down hoist that steers from the back, typically used for container work and loading trucks	
Cross-Dock	(Also referred as X-DOC) relates to the processing of inbound orders directly to satisfy outbound orders. There are three main types of Cross Dock: Option 1 is fully automatic where in bound and outbound orders are dealt with at a data level using a software application and hand held scanning devices to facilitate the process; Option 2 is manually processed Option 3 is actually to receipt into stock and then picked as orders; essentially this is a normal receipt, however when companies do it quickly, they often mistake it as a Cross Dock.	*** ****
CSV	Comma Separated Value - This is a non standard based data file commonly used for low level EDI solutions	
Cubical	Device that measures the cubic dimensions of a carton or item using lasers. Commonly used by parcel companies to help in revenue protection from consignors that under-declare shipments.	

Cycle Counts	Counting small amounts of a business' inventory on a daily/weekly/monthly basis with the intent of cycling through the entire inventory on an on going basis. Normally driven by the WMS.	
Devan	The act of emptying a FEU/TEU container in conjunction with the pre receipt notification	*
Double deep racking	Four single racks connected. Pallets are fed form either side and are stored two deep. Requires reach trucks with tines that extend. Common in food applications	
Drop Ship	These are orders that are supplied by supplier A but the inventory is contracted to be supplied directly from supplier B to the customer. This is a growing B2C model.	**** **
EAN	European Article Number	*** ****
EDI	Electronic Data Interchange	** **
EDIFACT	Electronic Data Interchange For Administration, Commerce and Transport - This is a European based standard which details agreed file specification for EDI messages to include data elements such as field type and field links etc…	
Efficiency	A measurement in the performance of a task in financial terms. This means policies like ABC's and replenishment programs are being well managed.	*** ***
ERP	Enterprise Resource Planning	**** ****
Expiry Attribute	Attributes found on a product (in the form of a date) which defines the end of the period in which it can safely be used	* *
FCL	Full Container Load – goods in the container is usually owned by one customer	* **
FEU	Forty Foot Equivalent Unit	* *
FMS	Freight Management System	** ***
FTP	File Transfer Protocol - this is a common EDI transport method (SCS do not recommend this as it has unknown failure rate, however it is very common)	
Futile	Means a delivery was effected but failed because the consignee was not there to accept the delivery.	*** *
GIA	Goods Inwards Advise - this is inbound shipment information relating to an inbound shipment that can be either a PO or an RA; Note GIA exist at a shipment level; there may be many shipments for one PO	* ***
GIA confirmation	This is an EDI message validating the received quantity on the inwards shipment	**
GTIN	Global Trade Identification Number	* ***
H&S	Health and Safety. Massive changes here, Officers and directors who are involved with managing facilities will be legally liable as of 01/04/15 (i.e. jail terms) and face massive penalties. This is now hugely important if you in-house fulfil	**** ****
High Cube	A TEU or FEU with additional height to a standard container	
IT	Information Technology	**** ****

Term	Definition	
Kitting	The physical assembly process related to a BOM to physically create the new SKU	* **
KPI	Key Performance Indicator	**** ****
LCL	Less than Container Load, one way to describe any freight that is not in a container	* *
Licenced Plate	This is a unique identifier used to uniquely identify a carton similar to an SSCC and typically used in conjunction with an ASN	* **
Location Audits	Stock checks carried out against locations by aisle to confirm correct SKU is in the correct location; note, there are no quantity checks carried out in this audit	** **
Location System	At SCS, we use the 'Street Address Location System' - this divides our warehouses up into sections for the purposes of locating and retrieving product when required; also allows the movement of product from location to location and the correct charging out of pallet spaces.	** **
Manifest	In the context of freight, this means a document that lists the shipment numbers that have been loaded on truck (or van) it is a handy legal document to have signed in case of a dispute later. In the context of inventory the term can be used to describe the process of listing items.	* ***
Man-up	Electric hoist, person stands on a platform, tines behind the operator and the operator can lift the platform to level in the warehouse they need to get to. Can be wire guided for VNA applications.	
Metric	The measurement of a particular activity e.g. picking accuracy.	**** ****
MOP	Multi Order Pick	**** **
MPI	Ministry for Primary Industries - government organisation focused on growing and protecting NZ's Agricultural, Forestry and Fisheries sectors	* ***
NOR	Non Operating Reefer (a Reefer container that is turned off)	** **
Outturn Report	This is the inwards receipt data confirming products received by SKU and respective quantities	***
Pack barcode	This is a barcode (which may or may not be standard based)	* ****
Pack description	This is a description of the pack or container	* ***
Pack quantity	The number of items contained within a pack	* *
Packing Slip	This is typically a hard copy paper document detailing the items included in an inbound/outbound shipment, the packing slip may or may not represent the complete sales order or purchase order	* ***
Pallet	Material Handling Equipment for storing inventory and shipping orders. Standard NZ pallets are approx. 1.2m wide x 1m deep by 0.15 m high; shipper pallets (pallets that you ship orders on) are often different than storage pallets	***
Pick confirmation	This is the pick data confirming the pick availability by SKU	*
Pick face	Where inventory used for picking is located	** **

Pick request	This is normally an EDI message requesting inventory for the sales order	*
Pick to light	An electronic picking system that has a series of lights on pick faces that is connected to the WMS. Items on a pick list that need to be picked are indicated by a light	*
Picking Slip	Sheet showing location and required amount for requested stock to be picked from for orders	* *
Placement Checks	The process of visually validating that products that have been placed into the racking location system have been accurately recorded and entered into the WMS	* *
PO	Purchase Order - Document raised by a customer and placed on their supplier to tell them what they want to purchase	*** ***
POD	Proof of Delivery, this is a signature declaring that the delivery has been effected; under COGA it concludes the transport contract. It's vital that consignees understand their legal obligation when signing this if there are issues with damage or missing items the consignee must note this next to the signature so they are protected and entitled to a claim.	*** ***
PPE	Personal Protective Equipment – e.g. safety boots, harness etc…	* *
Priced packing slip	This is a packing slip with pricing data - the pricing is typically either: A) retail pricing so that the consignee can create retail price tickets upon receipt or B) wholesale pricing so that the consignee can confirm the shipment against the purchase order and validate that the pricing is correct. it is not an invoice and does not have an IRD number or display GST	***
Product Stewardship	The management of product data from the point of inception to include barcodes, descriptions, UOMs, pack measurements, SKU codes etc... and making sure the data is perfectly synchronised throughout the physical supply chain (retail product and various levels of packaging) and digital supply chain (packing slip, master data, invoice, EDI messages)	**** ****
Productivity	The performance of a task in relation to time and materials, measurable outputs against a benchmark.	*** ***
Put-array	This is a horseshoe shaped shelving area used to process outbound orders	**** *
QA	Qualitative Assessment - used for returns to determine and validate reason for return, Quality Assurance to ensure quality of SKU conforms to a specification.	* ***
RA	Returns Authorisation	*** ***
RAD	Rapid Application Development - software applications vendored by companies such as Alpha 5 to speed up the development of business application	
Reach truck	Electric hoist used to put and retrieve pallets in bulk racking. Can be stand up or sit down, pros and cons for both.	
Reefer	A refrigerated container to keep inventory at a desired temperature between chilled and frozen	* **
Replenishment	The process of replenishing inventory from bulk stock locations to a pick face, this should involve a transfer process (Manual or Electronic scanning)	* *

Term	Definition	
Rework	Additional work required on a SKU e.g. re-packing, ticketing, putting NZ electrical plugs, rebalancing a medicine ball etc…	* *
SKU	Stock Keeping Unit	** **
SOH	Stock on hand	* *
SOP	Single order pick	* *
SOP	Standard Operating Procedure	**** ****
SOPPAC	Standard Operating Procedures, Polices and Concepts	**** ****
SSCC	Serialised Shipper Container Code - This is a standard based container identifier where a container is considered to be anything that contains inventory e.g. a carton, a pallet, a bundle etc…	* ****
Standards based	This means that the barcode or EDI file conforms to an agreed standard e.g. EDIFACT or ANSI	* ****
Stock take	The physical count of a customers entire inventory stock on hand, normally done annually in conjunction with the end of the financial year	* *
TAT	Turn Around Times - The total time taken to process a task and can be used to measure productivity	** **
TEU	Twenty Foot Equivalent Unit	* *
Tines	The two metal prongs on a hoist that lift the pallets also known as forks.	
Transfer	Process of moving stock from one location to another; there are 2 way this is done - option 1 is manual where the movement is recorded on a form and later keyed into WMS - option 2 is using scanning devices where product is used by location to location or by product with location to location by product	
TUN1	Trade Unique Number 1	
TUN2	Trade Unique Number 2	
Turret Truck	Electric Hoist that is articulated (turns in the middle like a trailer as well as wheels) usually the operator is lifted with the platform however some models allow for the operator to remain at ground level.	
UOM	Unit of Measure - Typically used to define the number of items within a container	* *
UPC	Unique Product Code	
VAN	Value added network - these companies exist to manage EDI message transfers between trading partners (at SCS we uniquely do this in house)	*
VNA	Very Narrow Aisle, very condensed racking, typically reduce aisle width from industry standard 3-3.5M wide down to 1.5-1.8M	
Wave Pick	See MOP	* *

WMS	Warehouse Management System	**** ****
WS	Web servers - this is a method exposing access by external parties to an internal network. It uses XML for passing EDI messages into and out of the network	**
WSDL	Web service definition language - defines structure of the XML EDI message	**
XML	Extensible Markup Language - this is a comprehensive markup language commonly used for modern EDI solutions	**