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| **Module 2**<br>*Section A: Facilities Planning and Network Design*<br><br>**Term**<br>Center-of-gravity approach<br><br>APICS CLTD Learning System     © 2024 | **Module 2**<br>*Section A: Facilities Planning and Network Design*<br><br>**Term**<br>Heuristics<br><br>APICS CLTD Learning System     © 2024 |
| **Module 2**<br>*Section A: Facilities Planning and Network Design*<br><br>**Term**<br>Licensing<br><br>APICS CLTD Learning System     © 2024 | **Module 2**<br>*Section A: Facilities Planning and Network Design*<br><br>**Term**<br>Optimization models<br><br>APICS CLTD Learning System     © 2024 |
| **Module 2**<br>*Section A: Facilities Planning and Network Design*<br><br>**Term**<br>Simulation<br><br>APICS CLTD Learning System     © 2024 | **Module 2**<br>*Section A: Facilities Planning and Network Design*<br><br>**Term**<br>Square root rule<br><br>APICS CLTD Learning System     © 2024 |
| **Module 2**<br>*Section B: Risk Management*<br><br>**Term**<br>Business continuity management system (BCMS)<br><br>APICS CLTD Learning System     © 2024 | **Module 2**<br>*Section B: Risk Management*<br><br>**Term**<br>Business continuity planning<br><br>APICS CLTD Learning System     © 2024 |

A form of problem solving in which the results or rules have been determined by experience or intuition instead of by optimization. Heuristics can be used in such areas as forecasting, lot sizing, or determining production, staff, or inventory levels.

A methodology for locating distribution centers at approximately the location representing the minimum transportation costs between the plants, the distribution centers, and the markets, in order to maximize revenue.

A class of mathematical models used when the modeler wishes to find the ideal (maximum or minimum) value of some objective function subject to a set of constraints.

Paying a fee for permission to manufacture and sell a product created by another.

A technique that assists planners to calculate the change in total safety stock needed to maintain customer service levels within a distribution network when the number of stocking locations is changed. [It] states that total safety stock inventories in a specified number of facilities can be approximated by multiplying the total amount of inventory in existing facilities by the square root of the ratio of number of future facilities divided by the number of existing facilities.

1) The technique of using representative or artificial data to reproduce in a model various conditions that are likely to occur in the actual performance of a system. Frequently used to test the behavior of a system under different operating policies. 2) Within MRP II, using the operational data to perform what-if evaluations of alternative plans to answer the question, "Can we do it?" If yes, the simulation can then be run in the financial mode to help answer the question, "Do we really want to?" See: what-if analysis.

Plans to ensure that an organization is capable of continuing to deliver products or services at acceptable predefined levels following a disruptive incident. The plans are developed by identifying potential threats to an organization and the impacts to business operations those threats might cause. These plans provide a framework for building organizational resilience with the capability of an effective response to safeguard the interests of key stakeholders, reputation, brand, and value-creating activities.

Part of the overall management system that establishes, implements, operates, monitors, reviews, maintains, and improves an organization's capability of delivering products or services at acceptable predefined levels following a disruptive incident. It is based upon identifying potential threats to an organization and the impact to business operations from those threats. The system provides a framework for building organizational resilience with the capability of an effective response that safeguards the interests of its key stakeholders, reputation, brand, and value-creating activities.

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| **Module 2**<br>*Section B: Risk Management*<br><br>**Term**<br>ISO 22301<br><br>APICS CLTD Learning System     © 2024 | **Module 2**<br>*Section B: Risk Management*<br><br>**Term**<br>ISO 31000<br><br>APICS CLTD Learning System     © 2024 |
| **Module 2**<br>*Section B: Risk Management*<br><br>**Term**<br>Risk acceptance<br><br>APICS CLTD Learning System     © 2024 | **Module 2**<br>*Section B: Risk Management*<br><br>**Term**<br>Risk avoidance<br><br>APICS CLTD Learning System     © 2024 |
| **Module 2**<br>*Section B: Risk Management*<br><br>**Term**<br>Risk management<br><br>APICS CLTD Learning System     © 2024 | **Module 2**<br>*Section B: Risk Management*<br><br>**Term**<br>Risk mitigation<br><br>APICS CLTD Learning System     © 2024 |

A standard adopted by the International Organization for Standardization that outlines principles and a set of guidelines to manage risk in any endeavor. The standard includes guidelines for understanding risk, developing a risk management policy, integrating risk management into organizational processes (including accountability and responsibility), and establishing internal and external risk communication processes. [This] is not a management system standard and is not intended or appropriate for certification purposes or regulatory or contractual use.

An international standard that specifies requirements for setting up and managing an effective business continuity management system.

Changing a plan to eliminate a risk or to protect plan objectives from its impact.

A decision to take no action to deal with a risk or an inability to format a plan to deal with the risk.

Reducing exposure to risk in terms of either its likelihood or its impact.

The identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of unfortunate events or to maximize the realization of opportunities.