Module 2: Section A: Supply Chain Design and Optimization	Module 2: Section A: Supply Chain Design and Optimization
Term supply chain design 	**Term** sourcing
Module 2: Section A: Supply Chain Design and Optimization	**Module 2: Section A: Supply Chain Design and Optimization**
Term level of service 	**Term** supply chain resilience
Module 2: Section A: Supply Chain Design and Optimization	**Module 2: Section A: Supply Chain Design and Optimization**
Term information technology 	**Term** information system
Module 2: Section A: Supply Chain Design and Optimization	**Module 2: Section A: Supply Chain Design and Optimization**
Term electronic document 	**Term** sunk cost

Definition

The process of identifying a company that provides a needed good or service.

Definition

The determination of how to structure a supply chain. Design decisions include the selection of partners, the location and capacity of warehouse and production facilities, the products, the modes of transportation, and supporting information systems.

Definition

The ability of a supply chain to anticipate, create plans to avoid or mitigate, and/or to recover from disruptions to supply chain functionality.

Definition

A measure (usually expressed as a percentage) of satisfying demand through inventory or by the current production schedule in time to satisfy the customers' requested delivery dates and quantities. In a make-to-stock environment, [this] is sometimes calculated as the percentage of orders picked complete from stock upon receipt of the customer order, the percentage of line items picked complete, or the percentage of total dollar demand picked complete. In make-to-order and design-to-order environments, [it] is the percentage of times the customer-requested or acknowledged date was met by shipping complete product quantities. Syn: measure of service, service level. See: cycle service level.

Definition

Interrelated computer hardware and software along with people and processes designed for the collection, processing, and dissemination of information for planning, decision making, and control.

Definition

The technology of computers, telecommunications, and other devices that integrate data, equipment, personnel, and problem-solving methods in planning and controlling business activities. Information technology provides the means for collecting, storing, encoding, processing, analyzing, transmitting, receiving, and printing text, audio, or video information.

Definition

1) The unrecovered balance of an investment. It is a cost, already paid, that is not relevant to the decision being made about the future. Capital already invested that for some reason cannot be retrieved. 2) A past cost that has no relevance with respect to future receipts and disbursements of a facility undergoing an economic study. This concept implies that since a past outlay is the same regardless of the alternative selected, it should not influence the choice between alternatives.

Definition

The electronic representation of a document that can be printed.

Module 2: Section B: End-to-End Connectivity and Visibility

Term

modular system

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Term

enterprise resources planning (ERP)

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Term

advanced planning and scheduling (APS)

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Term

available-to-promise (ATP)

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Term

capable-to-promise (CTP)

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Term

supply chain event management (SCEM)

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Term

warehouse management system (WMS)

Module 2: Section B: End-to-End Connectivity and Visibility

Term

transportation management system (TMS)

Definition

Framework for organizing, defining, and standardizing the business processes necessary to effectively plan and control an organization so the organization can use its internal knowledge to seek external advantage. [This type of] system provides extensive databanks of information including master file records, repositories of cost and sales, financial detail, analysis of product and customer hierarchies, and historic and current transactional data.

Definition

A system architecture design in which related tasks are grouped in self-contained packages. Each package, or module, of tasks performs all of the tasks related to a specific function. Advances in functions can be implemented without affecting other packages or modules because of the loose coupling with other modules. One example is a multitiered architecture in which application business rules are separated from the data management rules. Another example is a client-server architecture in which user interface tasks are separated from the application software. See: open system architecture.

Definition

1) In operations, the uncommitted portion of a company's inventory and planned production maintained in the master schedule to support customer-order promising. [This] quantity is the uncommitted inventory balance in the first period and is normally calculated for each period in which an MPS receipt is scheduled. In the first period, [this] includes on-hand inventory less customer orders that are due and overdue. Three methods of calculation are used: discrete [...], cumulative [...] with look-ahead, and cumulative [...] without look-ahead. (2) In logistics, the quantity of a finished good that is or will be available to commit to a customer order based on the customer's required ship date. To accommodate deliveries on future dates, [this] is usually time-phased to include anticipated purchases or production receipts. See: discrete available-to-promise, cumulative available-to-promise.

Definition

Techniques that deal with analysis and planning of logistics and manufacturing during short, intermediate, and long-term time periods. [This] describes any computer program that uses advanced mathematical algorithms or logic to perform optimization or simulation on finite capacity scheduling, sourcing, capital planning, resource planning, forecasting, demand management, and others. These techniques simultaneously consider a range of constraints and business rules to provide real-time planning and scheduling, decision support, available-to-promise, and capable-to-promise capabilities. [This] often generates and evaluates multiple scenarios. Management then selects one scenario to use as the "official plan." The five main components of [these] systems are (1) demand planning, (2) production planning, (3) production scheduling, (4) distribution planning, and (5) transportation planning.

Definition

A term associated with supply chain management software applications, where users have the ability to flag the occurrence of certain supply chain events to trigger some form of alert or action within another supply chain application. [It] can be deployed to monitor supply chain business processes such as planning, transportation, logistics, or procurement. Can also be applied to supply chain business intelligence applications to alert users to any unplanned or unexpected event.

Definition

The process of committing orders against available capacity as well as inventory. This process may involve multiple manufacturing or distribution sites. Used to determine when a new or unscheduled customer order can be delivered. Employs a finite-scheduling model of the manufacturing system to determine when an item can be delivered. Includes any constraints that might restrict the production, such as availability of resources, lead times for raw materials or purchased parts, and requirements for lower-level components or subassemblies. The resulting delivery date takes into consideration production capacity, the current manufacturing environment, and future order commitments. The objective is to reduce the time spent by production planners in expediting orders and adjusting plans because of inaccurate delivery-date promises.

Definition

A computer application system designed to manage transportation operations. Typically offer modules focused on specific functions, such as intermodal transportation, import/export management, fleet service management, and load planning and optimization.

Definition

A computer application system designed to manage and optimize workflows and the storage of goods within a warehouse. Often interfaces with automated data capture and enterprise resources planning systems.

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Term information system architecture APICS CSCP Learning System © 2023	**Term** database management system (DBMS) APICS CSCP Learning System © 2023
Module 2: Section B: End-to-End Connectivity and Visibility	**Module 2: Section B: End-to-End Connectivity and Visibility**
Term data dictionary APICS CSCP Learning System © 2023	**Term** network APICS CSCP Learning System © 2023
Module 2: Section B: End-to-End Connectivity and Visibility	**Module 2: Section B: End-to-End Connectivity and Visibility**
Term server APICS CSCP Learning System © 2023	**Term** local area network (LAN) APICS CSCP Learning System © 2023
Module 2: Section B: End-to-End Connectivity and Visibility	**Module 2: Section B: End-to-End Connectivity and Visibility**
Term wide area network (WAN) APICS CSCP Learning System © 2023	**Term** intranet APICS CSCP Learning System © 2023

Definition

The software designed for organizing data and providing the mechanism for storing, maintaining, and retrieving that data on a physical medium (i.e., a database). [This] separates data from the application programs and people who use the data and permits many different views of the data.

Definition

A model of how the organization operates regarding information. The model considers four factors: (1) organizational functions; (2) communication of coordination requirements; (3) data modeling needs; and (4) management and control structures. [This] should be aligned with and match the architecture of the organization.

Definition

1) The interconnection of computers, terminals, and communications channels to facilitate file and peripheral device sharing as well as effective data communication. 2) A graph consisting of nodes connected by arcs.

Definition

1) A catalog of requirements and specifications for an information system. 2) A file that stores facts about the files and databases for all systems that are currently being used or for the software involved.

Definition

A high-speed data communication system for linking computer terminals, programs, storage, and graphic devices at multiple workstations distributed over a relatively small geographic area such as a building or campus.

Definition

A computer or software package that provides a specific kind of service to client software running on other computers. The term can refer to a particular piece of software; for example, a web server or the machine on which the software is running. A single server machine could have several different server software packages running on it, thus providing many different servers to clients on the network.

Definition

A privately owned network that makes use of internet technology and applications to meet the needs of an enterprise. It resides entirely within a department or company and provides communication and access to information, similar to the internet, for internal use only.

Definition

A public or private data communication system for linking computers distributed over a large geographic area.

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Term

extranet

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Term

operating system

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Term

software-as-a-service (SaaS)

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Term

cloud computing

Module 2: Section B: End-to-End Connectivity and Visibility

Term

legacy system

Module 2: Section B: End-to-End Connectivity and Visibility

Term

middleware

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Term

electronic data interchange (EDI)

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Term

value-added network (VAN)

Definition

A set of software programs that controls the execution of the hardware and application programs. The operating system manages the computer and network resources through storage management, disk input/output, communications linkages, program scheduling, and monitoring system usage for performance and cost allocations.

Definition

A network connection to a partner's network using secure information processing and internet protocols to do business.

Definition

An emerging way of computing where data is stored in massive data centers that can be accessed from any connected computers over the internet.

Definition

A software licensing and distribution model that provides access to applications via the internet on a subscription basis. A service provider hosts the application at its data center and customers access it through a web browser. Often referred to as "on-demand" software and used by companies to avoid purchasing, implementing and maintenance costs.

Definition

Software that interconnects incompatible applications software and databases from various trading partners into decision-support tools such as ERP.

Definition

A computer application program that is old and interfaces poorly with other applications but is too expensive to replace. It often runs on antiquated hardware.

Definition

A network, often supporting EDI, providing services additional to those provided by common carriers.

Definition

The paperless (electronic) exchange of trading documents, such as purchase orders, shipment authorizations, advanced shipment notices, and invoices, using standardized document formats.

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Term

business process management (BPM)

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Term

web services

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Term

supply chain visibility

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Term

e-business

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Term

electronic commerce (e-commerce)

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Term

B2B

Module 2: Section B: End-to-End Connectivity and Visibility

Term

B2C

Module 2: Section B: End-to-End Connectivity and Visibility

Term

web directory

Definition

A common internet or intranet framework that enables the movement of data from one supply chain application to another, without the requirement for a direct connection between the two applications and without regard to the underlying operating system for those applications.

Definition

A business discipline or function that uses business practices, techniques, and methods to create and improve business processes. [A] holistic approach to the use of appropriate process-related business disciplines to gain business performance improvements across the enterprise or supply chain. It promotes business effectiveness and efficiency while striving for innovation, flexibility, and integration with technology. Most process improvement disciplines or activities can be considered [this].

Definition

Abbreviation for electronic business. Refers to conducting business processes on an electronic network, typically the internet.

Definition

Sharing information throughout the supply chain to create transparency among supply chain partners; for example, the ability of supply chain partners to access demand and production information from trading partners.

Definition

Abbreviation for business-to-business commerce.

Definition

The use of computer and telecommunication technologies to conduct business via electronic transfer of data and documents.

Definition

A list of web pages that is structured hierarchically.

Definition

Abbreviation for business-to-consumer sales.

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Term

content management applications

Module 2: Section B: End-to-End Connectivity and Visibility

Term

quick-response program (QRP)

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Term

continuous replenishment

Module 2: Section B: End-to-End Connectivity and Visibility

Term

consignment

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Term

collaborative planning, forecasting, and replenishment (CPFR)

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Term

automatic identification system (AIS)

Module 2: Section B: End-to-End Connectivity and Visibility

Term

batch processing

Module 2: Section B: End-to-End Connectivity and Visibility

Term

radio frequency identification (RFID)

Definition

A system of linking final retail sales with production and shipping schedules back through the chain of supply; employs point-of-sale scanning and electronic data interchange, and may use direct shipment from a factory to a retailer.

Definition

Supports the evolutionary life cycle of digital-based information and makes information dynamically updatable online; includes the ability to publish content to a repository and support access to digital-based content.

Definition

1) A shipment that is handled by a common carrier. 2) The process of a supplier placing goods at a customer location without receiving payment until after the goods are used or sold. See: consigned stocks.

Definition

A process by which a supplier is notified daily of actual sales or warehouse shipments and commits to replenishing these sales (for example, by size or color) without stockouts and without receiving replenishment orders. The result is a lowering of associated costs and an improvement in inventory turnover. See: rapid replenishment, vendor-managed inventory.

Definition

A system that can use various means, including bar code scanning and radio frequencies, to sense and load data in a computer.

Definition

1) A collaboration process whereby supply chain trading partners can jointly plan key supply chain activities from production and delivery of raw materials to production and delivery of final products to end customers. Collaboration encompasses business planning, sales forecasting, and all operations required to replenish raw materials and finished goods. 2) A process philosophy for facilitating collaborative communications. [It] is considered a standard, and is endorsed by the Voluntary Interindustry Commerce Standards. Syn: collaborative planning.

Definition

A system using electronic tags to store data about items. Accessing or retrieving this data is accomplished through a specific radio frequency and does not require close proximity or line-of-sight access. See: active tag, passive tag, semi-passive tag.

Definition

1) A manufacturing technique in which parts are accumulated and processed together in a lot. 2) A computer technique in which transactions are accumulated and processed together or in a lot. Syn: batch production.

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Term

electronic product codes (EPCs)

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Term

active tag

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Term

passive tag

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Term

semipassive tag

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Term

POS

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Term

point-of-sale information

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Term

aggregation

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Term

decision support system (DSS)

Definition

A radio frequency identification tag that broadcasts information and contains its own power source. See: radio frequency identification (RFID).

Definition

Codes that are used with RFID tags to carry information on the product that will support warranty programs.

Definition

An RFID tag that sends out data, is self-powered, and widens its range by harnessing power from the reader. See: radio frequency identification (RFID).

Definition

A RFID tag that does not send out data and is not self-powered. See: radio frequency identification (RFID) tag.

Definition

Information about customers collected at the time of sale.

Definition

Abbreviation for point of sale.

Definition

A computer system designed to assist managers in selecting and evaluating courses of action by providing a logical (usually quantitative) analysis of the relevant factors.

Definition

The concept that pooling random variables reduces the relative variance of the resulting aggregated variable. For example, the relative variance in sales of all models of automobiles sold by a firm is less than that for a single model.

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Term

data mining

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Term

big data

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Term

data cleansing

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Term

data normalization

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Definition

Collecting, storing, and processing massive amounts of data for the purpose of converting it into useful information.

Definition

The process of studying data to search for previously unknown relationships. This knowledge is then applied to achieving specific business goals.

Definition

A database maintenance term used in the context of relational databases, which helps to minimize the duplication of information or safeguard the database against certain types of logical or structural data anomalies. It is often used when merging data from one or more databases.

Definition

Sifting through a database to find and fix mistakes such as misspelling, missing information, and false data.

Module 2: Section C: Supply Chain Metrics and Reports

Term

dashboard

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Term

executive dashboard

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Term

balanced scorecard

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Term

Supply Chain Operations Reference (SCOR) model

Module 2: Section C: Supply Chain Metrics and Reports

Term

perfect order fulfillment

Module 2: Section C: Supply Chain Metrics and Reports

Term

perfect order

Module 2: Section C: Supply Chain Metrics and Reports

Term

order fulfillment lead time

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Term

upside supply chain adaptability

Definition

A set of cross-functional metrics for measuring company performance that indicates the health of the company. It usually includes the company's key performance indicators. See: dashboard.

Definition

An easy-to-read management tool similar to an automobile's dashboard designed to address a wide range of business objectives by combining business intelligence and data integration infrastructure. See: executive dashboard.

Definition

A process reference model developed by the Supply Chain Council and endorsed by the Association for Supply Chain Management (ASCM) as the standard cross-industry diagnostic tool for supply chain management. [It] describes the business activities associated with satisfying a customer's demand, which include plan, source, make, deliver, return, and enable. Use of [this] includes analyzing the current state of a company's processes and goals, quantifying operational performance, and comparing company performance to benchmark data. [It] has developed a set of metrics for supply chain performance, and ASCM members have formed industry groups to collect best practices information that companies can use to evaluate their supply chain performance.

Definition

A list of financial and operational measurements used to evaluate organizational or supply chain performance. The dimensions of [this] might include customer perspective, business process perspective, financial perspective, and innovation and learning perspectives. It formally connects overall objectives, strategies, and measurements. Each dimension has goals and measurements.

Definition

1) An order in which the "seven Rs" are satisfied: the right product, the right quantity, the right condition, the right place, the right time, the right customer, and the right cost. 2) A fulfillment metric used to measure order proficiency; i.e., the order meets the following criteria: on time, complete, accurate, and undamaged.

Definition

A measure of an organization's ability to deliver a perfect order. See: perfect order.

Definition

A discrete measurement of the quantity of increased production a supply chain can achieve and sustain for 30 days.

Definition

The average amount of time between the customer's order and the customer's receipt of delivery; this includes every manufacturing or processing step in between.

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Term

downside supply chain adaptability

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Term

overall value at risk (VAR)

Module 2: Section C: Supply Chain Metrics and Reports

Term

total cost to serve

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Term

cost of goods sold (COGS)

Module 2: Section C: Supply Chain Metrics and Reports

Term

days outstanding

Module 2: Section C: Supply Chain Metrics and Reports

Term

days sale outstanding

Module 2: Section C: Supply Chain Metrics and Reports

Term

days of supply

Module 2: Section C: Supply Chain Metrics and Reports

Term

return on supply chain fixed assets

Definition

The sum of the probability of risk events times the monetary impact of the events; can impact any core supply chain functions (e.g. plan, source, make, deliver, and return) or key dependencies.

Definition

A discrete measurement of the reduction in quantities ordered sustainable at 30 days prior to delivery with no inventory or cost penalties.

Definition

An accounting classification useful for determining the amount of direct materials, direct labor, and allocated overhead associated with the products sold during a given period of time. See: cost of sales.

Definition

The sum of the supply chain cost to deliver products and services to customers. Includes the cost to plan the supply chain; source materials, products, goods, merchandize and services; produce, manufacture, remanufacture, refurbish, repair and maintain goods and services; manage orders, customer inquiries and returns; and deliver products and services at the agreed location (point of revenue). Comprises both direct cost and indirect cost.

Definition

A measure of the average number of days a company takes to collect revenue after a sale has been made, calculated as the total accounts receivable divided by the average daily sales rate.

Definition

A term used to imply the amount of an asset or liability measured in days of sales. For example, accounts payable days are the typical number of days that a firm delays payment of invoices to its suppliers.

Definition

The return an organization receives on its invested capital in supply chain fixed assets. Includes the fixed assets used to plan, source, make, deliver, and return. Calculated as (supply chain revenue

Definition

1) Inventory-on-hand metric converted from units to how long the units will last. For example, if there are 2,000 units on hand and the company is using 200 per day, then there are 10 [of these]. 2) A financial measure of the value of all inventory in the supply chain divided by the average daily cost of goods sold rate.

Module 2: Section C: Supply Chain Metrics and Reports **Term** return on working capital APICS CSCP Learning System © 2023	**Module 2: Section C: Supply Chain Metrics and Reports** **Term** cost accounting APICS CSCP Learning System © 2023
Module 2: Section C: Supply Chain Metrics and Reports **Term** standard costs APICS CSCP Learning System © 2023	**Module 2: Section C: Supply Chain Metrics and Reports** **Term** standard cost accounting system APICS CSCP Learning System © 2023
Module 2: Section C: Supply Chain Metrics and Reports **Term** current price APICS CSCP Learning System © 2023	**Module 2: Section C: Supply Chain Metrics and Reports** **Term** usage variance APICS CSCP Learning System © 2023
Module 2: Section C: Supply Chain Metrics and Reports **Term** cost variance APICS CSCP Learning System © 2023	**Module 2: Section C: Supply Chain Metrics and Reports** **Term** International Financial Reporting Standards (IFRS) APICS CSCP Learning System © 2023

Definition

The branch of accounting that is concerned with recording and reporting business operating costs. It includes the reporting of costs by departments, activities, and products.

Definition

A measure of profit on the amount of captial consumed. Calculated as after-tax operating income divided by net working capital.

Definition

A cost accounting system that uses cost units determined before production for estimating the cost of an order or product. For management control purposes, the standards are compared to actual costs, and variances are computed.

Definition

The target costs of an operation, process, or product including direct material, direct labor, and overhead charges.

Definition

Deviation of the actual consumption of materials as compared to the standard.

Definition

The price currently being paid, as opposed to standard cost.

Definition

A common global language for business affairs so that company accounts are understandable and comparable across international boundaries. As a result of growing international shareholding and trade, they are rules to be followed by accountants to maintain books of accounts that are comparable, understandable, reliable, and relevant whether the users are internal or external.

Definition

In cost accounting, the difference between what has been budgeted for an activity and what it actually costs.

Module 2: Section C: Supply Chain Metrics and Reports

Term

balance sheet

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Module 2: Section C: Supply Chain Metrics and Reports

Term

inventory valuation

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Module 2: Section C: Supply Chain Metrics and Reports

Term

obsolescence

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Module 2: Section C: Supply Chain Metrics and Reports

Term

accounts receivable

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Module 2: Section C: Supply Chain Metrics and Reports

Term

accounts payable

APICS CSCP Learning System © 2023

Module 2: Section C: Supply Chain Metrics and Reports

Term

net working capital

APICS CSCP Learning System © 2023

Module 2: Section C: Supply Chain Metrics and Reports

Term

income statement

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Module 2: Section C: Supply Chain Metrics and Reports

Term

profit margin

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Definition

The value of the inventory at either its cost or its market value. Because inventory value can change with time, some recognition is taken of the age distribution of inventory. Therefore, the cost value of inventory is usually computed on a FIFO, LIFO, or standard cost basis to establish the cost of goods sold.

Definition

A financial statement showing the resources owned, the debts owed, and the owner's share of a company at a given point in time. See: funds flow statement, income statement.

Definition

The value of goods shipped or services rendered to a customer for which payment has not yet been received. Usually includes an allowance for bad debts.

Definition

1) The condition of being out of date. A loss of value occasioned by new developments that place the older property at a competitive disadvantage. A factor in depreciation. 2) A decrease in the value of an asset brought about by the development of new and more economical methods, processes, or machinery. 3) The loss of usefulness or worth of a product or facility as a result of the appearance of better or more economical products, methods, or facilities.

Definition

The current assets of a firm minus its current liabilities. Syn: working capital.

Definition

The value of goods and services acquired for which payment has not yet been made.

Definition

1) The difference between the sales and cost of goods sold for an organization, sometimes expressed as a percentage of sales. 2) [In traditional accounting for a product, this] is the product selling price minus the direct material, direct labor, and allocated overhead for the product, sometimes expressed as a percentage of selling price.

Definition

A financial statement showing the net income for a business over a given period of time. See: balance sheet, funds flow statement.

Module 2: Section C: Supply Chain Metrics and Reports

Term

gross margin

Module 2: Section C: Supply Chain Metrics and Reports

Term

statement of cash flows

Module 2: Section C: Supply Chain Metrics and Reports

Term

cash flow

Module 2: Section C: Supply Chain Metrics and Reports

Term

suboptimization

Module 2: Section C: Supply Chain Metrics and Reports

Term

productivity

Module 2: Section C: Supply Chain Metrics and Reports

Term

inventory turnover

Module 2: Section C: Supply Chain Metrics and Reports

Term

inventory velocity

Module 2: Section C: Supply Chain Metrics and Reports

Term

average inventory

Definition

Syn: funds flow statement.

Definition

The difference between total revenue and the cost of goods sold. Syn: gross profit margin.

Definition

A solution to a problem that is best from a narrow point of view but not from a higher or overall company point of view. For example, a department manager who refuses to allow employees to work overtime in order to minimize the department's operating expense may cause lost sales and a reduction in overall company profitability.

Definition

The net flow of dollars into or out of the proposed project. The algebraic sum, in any time period, of all cash receipts, expenses, and investments. Also called cash proceeds or cash generated.

Definition

The number of times that an inventory cycles, or "turns over," during the year. A frequently used method to compute inventory turnover is to divide the annual cost of sales by the average inventory level. For example, an annual cost of sales of $21 million divided by an average inventory of $3 million means that inventory turned over seven times. Syn: inventory turns, turnover. See: inventory velocity.

Definition

1) An overall measure of the ability to produce a good or a service. It is the actual output of production compared to the actual input of [resources, and] is a relative measure across time or against common entities (labor, capital, etc.). In the production literature, attempts have been made to define [its total] where the effects of labor and capital are combined and divided into the output. One example is a ratio that is calculated by adding the dollar value of labor, capital equipment, energy, and material, and so forth and dividing it into the dollar value of output in a given time period. This is one measure of [the total factor type of this.] See: efficiency, labor productivity, machine productivity, utilization.
2) In economics, the ratio of output in terms of dollars of sales to an input such as direct labor in terms of the total wages. Known as single factor productivity or partial factor productivity.

Definition

One-half the average lot size plus the safety stock, when demand and lot sizes are expected to be relatively uniform over time. The average can be calculated as an average of several inventory observations taken over several historical time periods; for example, 12-month ending inventories may be averaged. When demand and lot sizes are not uniform, the stock level versus time can be graphed to determine the average.

Definition

The speed with which inventory passes through an organization or supply chain at a given point in time as measured by inventory turnover. See: inventory turnover.