Module 5
Section A: Logistics and Distribution

Term
Fixed-location storage

Module 5
Section A: Logistics and Distribution

Term
Fourth-party logistics (4PL)

Module 5
Section A: Logistics and Distribution

Term
Line haul costs

Module 5
Section A: Logistics and Distribution

Term
Logistics

Module 5
Section A: Logistics and Distribution

Term
Materials handling

Module 5
Section A: Logistics and Distribution

Term
Random-location storage

Module 5
Section A: Logistics and Distribution

Term
Risk pooling

Module 5
Section A: Logistics and Distribution

Term
Third-party logistics (3PL)

[This concept] differs from third-party logistics in the following ways: (1) [this type of] organization is often a separate entity formed by a joint venture or other long-term contract between a client and one or more partners; (2) [this type of] organization is an interface between the client and multiple logistics services providers; (3) ideally, all aspects of the client's supply chain are managed by the [this type of] organization; and (4) it is possible for a major 3PL organization to form [this tyep of] organization within its existing structure. See: third-party logistics.

A method of storage in which a relatively permanent location is assigned for the storage of each item in a storeroom or warehouse. Although more space is needed to store parts than in a random-location storage system, fixed locations become familiar, and therefore a locator file may not be needed. See: random-location storage.

---

1) In a supply chain management context, it is the subset of supply chain management that controls the forward and reverse movement, handling, and storage of goods between origin and distribution points. 2) In an industrial context, the art and science of obtaining, producing, and distributing material and product in the proper place and in proper quantities. 3) In a military sense (where it has greater usage), its meaning can also include the movement of personnel.

Basic costs of carrier operation to move a container of freight, including drivers' wages and usage depreciation. These vary with the cost per mile, the distance shipped, and the weight moved.

A storage technique in which parts are placed in any space that is empty when they arrive at the storeroom. Although this random method requires the use of a locator file to identify part locations, it often requires less storage space than a fixed-location storage method. Syn.: floating inventory location system, floating storage location. See: fixed-location storage.

Movement and storage of goods inside the distribution center. This represents a capital cost and is balanced against the operating costs of the facility.

A buyer and supplier team with a third party that provides product delivery services. This third party may provide added supply chain expertise.

A method often associated with the management of inventory risk. Manufacturers and retailers that experience high variability in demand for their products can pool together common inventory components associated with a broad family of products to buffer the overall burden of having to deploy inventory for each discrete product.

Module 5

Section A: Logistics and Distribution

Term
Warehousing

APICS CSCP Learning System   © 2025

The activities related to receiving, storing, and shipping materials to and from production or distribution locations.

In logistics, the idea that all logistical decisions that provide equal service levels should favor the option that minimizes the total of all logistical costs and should not be used on cost reductions in one area (such as lower transportation charges) alone.