

# Supply Chain Cheat Sheet

## Common terminology

**assortment:** The number and variety of products displayed by a retailer in each store and channel for purchase by consumers.

**big data:** A term used to describe extremely large structured, semi-structured, and unstructured data, which can be mined for critical information.

**capacity:** The capability of employees, machines, factories, or an organization to produce the required outcome within a specific time frame.

**category:** A term used to describe a range of similar or related products that are grouped together.

**channels:** A term used to represent the different avenues by which products can be purchased by consumers. Examples include a retail store, computer or mobile device, catalog, television, radio, direct sales force, telemarketing.

**co-bot (collaborative robot):** The term used to refer to any robot that has been designed to work alongside people.

**consumer demand:** The amount of goods or services that consumers are willing to purchase.

**cost of goods sold (COGS):** A metric used to quantify the costs that can be attributed to the production of goods sold by a business, such as costs related to raw materials and labor used to produce the goods.

**demand planning:** The process of creating reliable forecasts that predict consumer demand. **distribution center:** A facility that is used for the receipt, temporary storage, and redistribution of goods.

**fill rate:** A metric used to describe the percentage of a customer's order (such as percentage of items, stock-keeping units, or order value) that is fulfilled on the first shipment.

**flowcasting:** Collaborative forecasting and planning technology that enables trading partners to work together from a single, item-level forecast and plan that is executed jointly by both partners for mutual benefit.

**forecasting:** The process of using predictive analytics in order to anticipate consumer demand for products.

**inventory:** A term used to represent raw materials, work-in-progress goods and finished goods that are either available for sale, or will be available for sale.

**inventory turns:** A metric used to quantify how often a business sells and replaces its inventory.

**omni-channel consumer:** A person who shops and buys through more than one channel.

**out-of-stock:** A term used when a product isn't available when a shopper wants to purchase it.

**on-time shipping rate:** A metric used to measure a company's ability to fulfill an order within the time frame promised to the customer.

**perfect order measurement:** A term used to describe the rate that each stage of the purchase order process occurs without any errors.

**planogram:** A diagram or model that indicates the placement of products on retail shelves in order to maximize sales.

**replenishment:** A term used to describe the process of replacing inventory that has been sold with new inventory in order to avoid stock-outs.

**supply chain segment:** A grouping of one or more categories (such as customers, products, channels or regions) based on their value to the organization.

**what if scenario modeling/simulation:** Calculations used to test different assumptions and scenarios in order to determine the best course of action.

**work-in-process inventory:** A terms used to describe all materials and partly finished goods that are at various stages of the production process.

