

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.

