



GLOSSARY OF LOGISTICS TERMS



3PL

See Third Party Logistics



ABC Classification

A method of categorization of inventory that places items into groups based on their overall cost. “A” group items represent the most important items, while “C” group items are the least important.

Accessorial

A supplementary service or item that can be billed as a separate fee

Accessorial Charge

The extra fees associated with services that go beyond simply shipping an item from point A to point B

Acquisition

The method used to gather resources to meet a product requirement (purchase, rent, lease, borrow)

Advance Shipping Notice (ASN)

An ASN from the client informs the logistics company of the contents of a shipment before it arrives

Airbag

A bag that is filled with air to prevent items from moving or shifting during transportation

Allocated Inventory

Inventory that is set aside for a specific purpose, event, order, or job; it cannot be used for typical orders

Allocation

Inventory for a specific order

Anniversary Billing

When the client is billed monthly for storage of a product; the client is billed on the anniversary

date of each month

Annual Inventory

The yearly counting of all inventory located in a warehouse

Apron

The designated parking area for delivery vehicles loading or unloading products

ASN

See Advance Shipping Notice

Assembly Area

Where products are collected and combined to create the completed item

Available Inventory

The number of products in a warehouse that are ready to be shipped



Back Haul

After a shipment is delivered, instead of arriving at the warehouse empty, the trailer will pick up a nearby incoming shipment to save costs

Banding

Strips of metal or plastic that hold and support a shipment of multiple products

Bar Code

A UPC code that identifies each individual product for locating, tracking, and counting purposes

Batch Picking

When groups of orders are picked at the same time to prevent repeat visits to the same location by the picker

Bay

An area in the warehouse usually marked off on the floor

Beginning Inventory

The amount of inventory in the warehouse at the beginning of a specified period of time

Bill of Lading (BOL)

A document given to the carrier detailing the shipment of merchandise; it serves as a contract, giving the title of that shipment to a specified party

Bin

A large box that is used for storing and shipping bulk quantities of products

Blind Counts

A physical inventory count when the location and item information are included, but the calculated inventory is not given

Bonded Warehouse

A warehouse approved and backed by the US government under bond

Bottleneck

Congestion in a warehouse that creates inefficiency and unproductivity, ultimately resulting in lost revenue

Bubble Wrap

Packing material made of plastic with small air bubbles

Bulk Storage

The storage of large quantities of an item

Bulkhead

A flat railcar with two retaining walls on either side; used to transport longer, stackable goods such as pipes and lumber



Carousel

Carries products to the picker so he does not have to travel to multiple locations for each product; the carousel makes a warehouse much more efficient

Carrier

Transports the products to and from the logistics company warehouse

Carton

A type of unit of a product

Chassis

A metal frame with wheels that assists in transporting a product

Chock

A stopper that is placed under the wheels of a truck to prevent it from unintentionally rolling

Clamp

A forklift attachment that allows it to grab irregular objects

Clear Height

The highest point that items can be stacked while leaving room for product movement and ceiling clearance

Client

The person or business who contracts the logistics company to transport and/or warehouse their products

Commodity

Type of product that is associated with a client

Concealed Damage

Damage found only after close inspection of the product

Consignee

The customers of the client (where the product ultimately arrives)

Consignment Inventory

Inventory that is owned by the supplier, but in the hands of the customer; often this is cost-effective for both the customer and the supplier

Consolidate

Combining two separate shipments that are destined for similar locations

Container

A box that is used to transport the product

Contract

The agreement between the client and logistics company on services and fees

Contract Warehouse

A third party warehouse that is used to store clients' products until they are ready to be shipped

Cradle-To-Grave

The logistics planning from the client's initial contract from a client to the final delivery of a product (from beginning to end)

Cross-deck

When orders arrive at the warehouse and are shipped away immediately

Cross-training

Training employees in multiple areas of service

Cube Utilization

The space filled compared to the space available

Customer Pick-Up

A load that is picked up by a customer, rather than being shipped by the 3PL

Cycle Counting

A constant, physical counting of the inventory in a warehouse



Date Code

Printed on the product to show the date it was manufactured

DC

See Distribution Center

Dead Stock

A product that has been in the warehouse for a long period of time without being moved or shipped

Deep Lane Storage

When a product is stored several rows deep

Distribution

Moving products and resources to where they are needed; it involves transportation, storage, and disposal

Distribution Center

Warehouses from which products are stored, inventoried, and shipped

Dock

A platform for loading and unloading incoming trucks and shipments

Dock Leveler

A platform adjusted based on the trailer height of the truck

Dock Plate

A plate between the warehouse door and truck to assist the movement of forklifts

Double Deep Storage Lane

Storing items two loads deep

Drayage

When a full container is taken from the rail yard to the warehouse, unloaded, and the empty container is returned the same day

Drive Through Rack

Storage equipment with side rails, allowing high, deep stacks of a product; accessible from aisles and either end of the row

Drive-In Rack

Storage equipment with side rails, allowing high, deep stacks of a product; only accessible from the aisles

Dunnage

Packing material used to protect a product during transportation (cardboard, airbags, etc.)



Economic Order Quantity (EOQ)

Type of order that is determined by the yearly demand, setup cost, and inventory holding cost

Electronic Data Interchange (EDI)

Communicating and exchanging information electronically, rather than on paper

Emergency Order (Expedited Order)

An order that is placed for immediate processing and shipment; a high priority order

Ending Inventory

The amount of inventory in the warehouse at the end of a specified period of time

Enterprise Resource Planning (ERP)

A management system that is used to coordinate all parts of the logistics process and to communicate with clients

ESFR (Early Suppression, Fast Response)

A fire detection and prevention system that uses ceiling mounted sprinklers

Expiration Date

The date after which an item can no longer be shipped

F

Facility

The warehouse where products are stored

FIFO (First In, First Out)

An organization method where the first products to be stored are marked as the first to be sold, even if they have not been physically shipped out of the facility

FILO (First In, Last Out)

An organization method when the first products in the warehouse are the last to be shipped out

Finished Goods Inventory

Products ready to be shipped

Finished Product Inventory

Products that are available to be shipped to customers

Floor Load

Products that are placed directly on the floor; these cannot be lifted with forklifts

Flow Rack

Racking equipment designed for a product to be loaded from one side and unloaded from the other side

Forklift

A vehicle used for lifting and transporting prod-

ucts throughout the warehouse

Forks

The front attachment to forklifts that allow it to lift pallets

Freight Bill

The fees attached to transporting a product

Fulfillment

Picking out orders to be shipped from the warehouse

Full Truckload

When a truck is completely filled with a product

G

Gaylord

A type of carton that is the same size as a pallet; it is used to store and protect products and is usually made of cardboard

General Maintenance

Routine maintenance of products and machines in the warehouse

Gravity Conveyor

A conveyor that is powered by gravity rather than electricity

Gross Weight

The total weight of an item including packaging and container

H

Hand Truck

Similar to a dolly, a hand truck has two wheels and is used for manual transportation of products throughout the warehouses

Handling

Moving the product in and out of the warehouse; all movement outside of the truck and in the warehouse

Handling Charge

Billing to the client for all handling

Handling Costs

Cost to the 3PL for performing the handling

HazMat

Short for Hazardous Material; this material requires special, careful handling

Hi-Lo

See Forklift

Honeycombing

When a group of products has been partially moved, but the remaining space cannot be utilized

Housekeeping

Maintaining the warehouse so it is fit to store products safely and efficiently



In-House Damage

Damage to a product that has occurred while the product was in the hands of a 3PL

In-Transit Visibility (ITV)

A system that allows all associated parties to track the progress and location of a shipment

Information System

System of hardware, software, and people that allow the exchange of information in an efficient way

Initial Storage

The fee associated with the first month of storage in a warehouse

Inner Packaging

See Dunnage

Intermodal

Using two or more methods of transportation (rail, truck, air, sea)

Inventory Turns

A measure of how many times inventory is sold or

used in a specified time period



Just In Time (JIT)

A method that coordinates the arrival of materials at a location the moment they are needed; this method reduces storage costs



Kitting

When a product is assembled inside of the warehouse



Labels

Attached to the product and contain bar codes for tracking and other information

Layout

The floor plan of a warehouse

Lean Logistics

Using the most direct and efficient methods in a logistics system

Less-Than-Container Load (LCL)

Shipments that do not weigh enough to be considered a full container

Less-Than-Truckload (LTL)

Shipments that do not weigh enough to be considered a full truckload (39,000 – 44,000 lbs)

License Plate Number (LPN)

A number used for identifying products

LIFO (Last In, First Out)

An organization method where the most recent products to be stored are marked as the first to be sold

Lift Truck

See Forklift

Live Rack

A slanted rack that allows the picker to select items from the lowest end of the rack

Load

A product that is located on a truck during shipping

Location

Where the product is situated in the warehouse

Location Audit

Making sure that the recorded location of an item is the same as the actual location of an item

Locator System

A computerized system that tracks the location of an item and assists in organizing the warehouse based on the method of storing items

Logistics

The planning and services associated with the storage and shipments of items

Loose

Excess product that is left in the warehouse

Lot

Products with the same run or manufacturing dates

Lot Number

The number that is used to identify a particular lot of products

Lot Number Traceability

The ability to trace products via their lot number

Lumper

A worker who loads and unloads shipments



Man-Up

A lift truck that lifts the operator and load at the same time

Manifest

A list of products contained in a specific shipment

Master Carton

A large carton that is used to store smaller cartons

Master Pack

A carton that holds a specific number of products

Material Handling

See Handling

Motorized Pallet Truck

A truck that assists in moving pallets. There are two types of trucks, the Walkie and Rider. The Walkie has the operator walking with the truck while the Rider allows the operator to ride on the truck



Narrow Aisle (NA)

An aisle that is only 8 to 10 feet wide

Net Storage Area

The space in the warehouse that is actually used for the storage of products (does not include aisles, docks, offices, etc)

Net Weight

The weight of the product before it is packaged



Obsolete Stock

Items in the warehouse that no longer hold any value or purpose

On Hold

A product that is regarded as unfit to ship in its current state; it may be damaged, expired, etc

On-Hand Inventory

The total amount of product that is currently being held in the warehouse, regardless of label

Order

An instruction by the client to ship the product away from the warehouse

Order Cost – the cost to the 3PL to process, handle, and follow through with the order

Order Cycle

How often new products need to be shipped to the warehouse to keep up with outgoing orders

Order Selector

A lift truck is capable of locating and lifting pallets under the control of an operator; also known as order picker

OSHA

Occupational Safety and Hazard Administration

Over The Road Carrier

A carrier who transports the product extended distances

Over, Short, and Damage (OS&D)

A faulty product or shipment is labeled as over, short, or damaged

Overage

When too much of a product has been shipped out

P

Pack Size

How a product is packaged (25 cartons per pallet, etc)

Packing List

A list indicating the weight, size, and ID number of each product to be shipped

Pallet

A wooden base that holds cartons and containers, and it allows forklifts to transport the goods

Pallet Fork

The “fork” of the forklift; these slide underneath the pallets to lift them

Pallet ID

The tracking code placed on each pallet

Pallet Inverter

A machine that allows a product to be moved

from one pallet to another by flipping it over

Pallet Jack

A machine that helps to move smaller cartons throughout the warehouse

Pallet Tag

See Pallet ID

Palletize

Putting a product on a pallet

Paper-Roll Clamp

A lift truck attachment that allows large rolls of paper to be fully wrapped around a product

Partial

A pallet that is not full

Perpetual Inventory System

A tracking system that records inventory that is leaving with each outbound order and new inventory with each inbound order

Physical Inventory

The amount of inventory that is physically counted in the warehouse

Pick Slot

The location dedicated to a specific type of product

Pick Ticket

Contains information such as production location, quantity, lot numbers, etc.; helps the picker who is locating the stock

Pick Time

The amount of time required for picking and documenting the product for a certain order

Pick-To-Clear

When a product is chosen from an area with few items to clear up space for new items

Pick-To-Light

Where lights direct the picker to the product

Pick/Pack

Picking out items from storage and packing them together for shipment

Picker

This person chooses the specific stock for each order

Picking

When the product is transferred from the storage area to the staging area to be readied for shipment

Pig

A trailer that can be either pulled by truck or transported by train

Piggy Back

Transporting a trailer on a flatbed train car

Pinwheel

Arranging items to best utilize space when products of different sizes are being shipped together

Plugging

Slowing down, stopping, or switching direction without breaking on an electric vehicle

POD

Proof of Delivery

Pool

Several LTL orders that are combined to create a full truckload; it is more efficient for both the 3PL and the client

Private Warehouse

A warehouse that is operated by the client who owns the products inside of it

Pro Number

A number that provides tracking information for a shipment

Product Code

A code created by the manufacturer that identifies each individual product

Public Warehouse

A warehouse that is open to storage for multiple clients

Push Sorter

An automated device that sorts products that are traveling on a conveyor belt

Push-Back Rack

A rack that provides deep storage by guiding pallets up a ramp

Put-To-Light

Lights that assist in finding a container for a product

Putaway

The time it takes for a product to be unloaded from an incoming order and stored in its final destination



Quality Assurance

A quality inspection as a product moves in or out of the warehouse

Queue Time

The waiting time before an order can be processed



Rack

A metal infrastructure used to store products in the warehouse before they are shipped away

Radio Frequency

Radio frequency devices are used to transmit information from various locations around the facility to a primary system

Ramp

Connects to the warehouse to allow for easier movement up and down for trucks and other machinery

Random Location Storage

A method of organization where products are stored in any open, empty space

Rate Sheet

Provides the various charges of the 3PL for the client

RDC

Retail Distribution Center

Reach Truck

A lift truck that is built for narrow aisles; designed specifically for rack pallet storage

Real Time

Information that is continuously and instantaneously updated

Receiving Report

A document indicating the condition of the product when it arrives at the facility

Receiving Talley

A list of all inbound shipments delivered to the facility

Recurring Storage

A storage bill sent to the client based on how many products are in the warehouse on the first of each month

Refrigerated Warehouse

A warehouse that provides a temperature controlled climate; ideal for food and over temperature-sensitive material

Release

The authorization to ship a product

Reorder Point

When an order depletes the inventory to the point where more stock is needed

Repack

Packing products in a different manner than how they first arrived at the warehouse

Replenishment

Refilling of a picking location

Return Authorization

Permission from the 3PL to the carrier to return the product to the warehouse

Return Authorization Number

A unique number given to each return that is authorized

Reverse Logistics

The logistics of returning an item to the 3PL

RF Gun

An electronic device that reads the bar codes located on pallets and cartons

RFID (Radio Frequency Identification)

Embedded in a pallet or product, these tags are used as an alternative to and supply more information than bar codes

Roller Conveyor

A conveyor that uses many rollers to transport a product through a facility

S

Safety Stock

Extra stock kept in the warehouse in case the standard stock runs low before new products can be reordered

Scheduling

Determining the flow of trucks and products in and out of the facility for maximum efficiency

Serial Number

Assigned to individual items for identification purposes

Ship To

The customer's delivery address

Shipment

When a load of products is transported from one location to another

Shrinkage

When the inventory located in the warehouse diminishes

Shuttle

A load transported from one customer related facility to another

Skatewheel Conveyor

A conveyor that uses many wheels to transport products throughout a facility

SKU (Stock Keeping Unit)

A number that is given to an item by the manufacturer (see product code)

Slip Sheet

An alternative to a pallet, it is a sheet of cardboard on which a product is placed and stacked

Slip Sheet Attachment

An attachment that allows a slip sheet to be lifted by a forklift

Slotting

Used to determine the most appropriate place to store a product in a warehouse, based on size and type of product

Soft Allocation

When an order contains a specific item, but does not necessarily pull it from a certain lot

Split Month Billing

When a client is charged a different rate for the first half of the month than the second half of the month

Split Shipment

When an order is shipped at two different times because the item is on backorder

Spot

A specific area near the warehouse to place a trailer

Spot Check

Determining the quality of an entire shipment by determining the condition of a few items

Spotter

An employee who transports trailers to and from the docks

Spotting Horse

A vehicle built for moving trailers to and from docks inside of the warehouse

Stack Height

The number of pallets that can be safely stacked and stored

Stacking

Used in storing, stacking saves space by placing

the same products on top of each other, vertically

Staging

Transporting the product from storage to the queue for the loading area

Staging Area

Where a product is placed before it is shipped

Standard Carrier Alpha Code (SCAC)

A unique code that is given to transportation companies to identify the carriers of shipments

Stencils

Customer ID information that is placed directly on each product

Stock

Inventory

Stock Allocation

Finding inventory for each specific order

Stock Rotation

Changing out a product over a period of time in order to extend its shelf life

Storage Charge

The bill attached to storing a product in the warehouse

Storage Rate

The monthly charge for all costs associated with storing a product in the warehouse

Strap Loading

When a product is loaded onto a pallet and strapped down

Stretch Wrap

A clear, thin layer of plastic that is wrapped around a product to keep it in place



Tag

Added to an item to allow immediate recognition of a certain product

Tally

The counting and tracking of each shipment to ensure accuracy and quality

Tare

The weight of all of the materials used to pack and ship a product (pallet, carton, etc.)

Terminals

Areas en route to a final shipping destination where trucks can pick up extra shipments, maximizing efficiency

Third Party Logistic (3PL)

A company that provides outsourced logistics services, such as warehousing and transportation of goods, which can be customized based on customers' needs and the market conditions.

Third Party Warehouse

A warehouse that is owned by a 3PL

Throughput

Used to calculate the average product movement

Tie

Units per layer

TMS (Transportation Management System)

Organizes and processes all information associated with the transportation of a product

Traceability

Tracking a shipment from the warehouse to the delivery of product

Tractor

The truck that pulls the trailer

Trailer

A truck attachment that allows for the transportation of a product over land

Transaction Set

A set of data that provides information about the charges issued from the 3PL

Transloading

Transferring a shipment from one method of transportation to another, such as from a truck to freight

Transportation Tariff

The cost and conditions of transporting a shipment

Truck Door

Assists in loading and unloading the trailers

Turret Truck

A forklift with a rotatable fork



Unit of Measure (U/M)

The type of unit that is used to measure goods

Unit of Measure Conversions

The conversion between two or more types of units

Unitization

Combining items to ship as a single, larger item

Uprights

Identification numbers for vertical storage



Value Added

If a product needs extra care or packaging, it has value added per unit

Value Added Services

The extra care put into a product that has value added per unit (special assembly, packaging)

Vendor-Managed Inventory

When a client controls their inventory at a 3PL warehouse



Warehouse Management System (WMS)

Computer software that controls the putaway, replenishment, and picking of the inventory

Warehouse Receipt

A document proving that a product made it into the warehouse

Wave Picking

Picking multiple areas of items at once and sorting the items later

**Zone**

Storage areas where products are grouped by their characteristics

Zone Picking

Method of organization where the warehouse is divided into zones for each product