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| <p>Module 1: Section A: Introduction to Supply Chains</p> | <p>Module 1: Section A: Introduction to Supply Chains</p> |
| <p>Term supply chain</p> | <p>Term supply chain management</p> |
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| <p>Module 1: Section A: Introduction to Supply Chains</p> | <p>Module 1: Section A: Introduction to Supply Chains</p> |
| <p>Term stakeholders</p> | <p>Term keiretsu</p> |
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| <p>Module 1: Section A: Introduction to Supply Chains</p> | |
| <p>Term service industry</p> | |
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Definition

The design, planning, execution, control, and monitoring of supply chain activities with the objective of creating net value, building a competitive infrastructure, leveraging worldwide logistics, synchronizing supply with demand, and measuring performance globally.

Definition

The global network used to deliver products and services from raw materials to end customers through an engineered flow of information, physical distribution, and cash.

Definition

A form of cooperative relationship among companies in Japan where the companies largely remain legally and economically independent, even though they work closely in various ways such as financial backing. A member of [this] generally owns a limited amount of stock in other member companies. [It] generally forms around a bank and a trading company, but "distribution" (supply chain) alliances [of this type] have been formed of companies ranging from raw material suppliers to retailers.

Definition

People with a vested interest in a company, including managers, employees, stockholders, customers, and suppliers.

Definition

1) In its narrowest sense, an organization that provides an intangible product (e.g., medical or legal advice).
2) In its broadest sense, all organizations except farming, mining, and manufacturing. Includes retail trade; wholesale trade; transportation and utilities; finance, insurance, and real estate; construction; professional, personal, and social services; and local, state, and federal governments.

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| Module 1: Section B: Demand Analysis and Patterns | Module 1: Section B: Demand Analysis and Patterns |
| Term macro environment | Term market plan |
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| Module 1: Section B: Demand Analysis and Patterns | Module 1: Section B: Demand Analysis and Patterns |
| Term market research | Term market share |
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| Module 1: Section B: Demand Analysis and Patterns | Module 1: Section B: Demand Analysis and Patterns |
| Term microeconomics | Term price elasticity |
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| Module 1: Section B: Demand Analysis and Patterns | Module 1: Section B: Demand Analysis and Patterns |
| Term trend | Term seasonality |
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| <p style="text-align: center;">Definition</p> <p>The output of the market planning process. The market plan includes the current market position, opportunity and issue analysis, marketing objectives and strategies, action plans, programs, projects, budgets, and pro forma profit and loss statement and management controls. Syn: brand plan, product plan.</p> | <p style="text-align: center;">Definition</p> <p>The environment external to a business including technological, economic, natural, and regulatory forces that marketing efforts cannot control.</p> |
| <p style="text-align: center;">Definition</p> <p>The actual portion of current market demand that a company or product achieves.</p> | <p style="text-align: center;">Definition</p> <p>Syn: marketing research.</p> |
| <p style="text-align: center;">Definition</p> <p>The degree of change in buyer demand in response to changes in product price. Calculated by dividing the percentage of change in quantity bought by the percentage of change in price. Prices are considered elastic if demand varies with changes in price. If demand changes only slightly when the price changes, demand is said to be inelastic. For example, demand for most medical services is relatively inelastic, but demand for automobiles is generally elastic.</p> | <p style="text-align: center;">Definition</p> <p>The analysis of the behavior of individual economic decision makers (individuals and firms).</p> |
| <p style="text-align: center;">Definition</p> <p>A predictable repetitive pattern of demand measured within a year where demand grows and declines. These are calendar-related patterns that can appear annually, quarterly, monthly, weekly, daily and/or hourly. Syn: seasonal variation. See: base series.</p> | <p style="text-align: center;">Definition</p> <p>General upward or downward movement of a variable over time (e.g., demand, process attribute).</p> |

**Module 1: Section B: Demand
Analysis and Patterns**

Term

random variation

Definition

A fluctuation in data that is caused by uncertain or random occurrences. See: random events.

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| Module 1: Section C: Demand Management | Module 1: Section C: Demand Management |
| Term demand | Term demand management |
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| Module 1: Section C: Demand Management | Module 1: Section C: Demand Management |
| Term demand management process | Term order qualifiers |
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| Module 1: Section C: Demand Management | Module 1: Section C: Demand Management |
| Term order winners | Term order processing |
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| Module 1: Section C: Demand Management | Module 1: Section C: Demand Management |
| Term plan-do-check-action (PDCA) | Term four Ps |
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| <p style="text-align: center;">Definition</p> <p>1) The function of recognizing all demands for goods and services to support the marketplace. It involves prioritizing demand when supply is lacking. [This] facilitates the planning and use of resources for profitable business results. 2) In marketing, the process of planning, executing, controlling, and monitoring the design, pricing, promotion, and distribution of products and services to bring about transactions that meet organizational and individual needs. Syn: marketing management. See: demand planning.</p> | <p style="text-align: center;">Definition</p> <p>A need for a particular product or component. The demand could come from any number of sources (e.g., a customer order or forecast, an interplant requirement, a branch warehouse request for a service part, or the manufacturing of another product). At the finished goods level, demand data is usually different from sales data because demand does not necessarily result in sales (i.e., if there is no stock, there will be no sale). There are generally up to four components of demand: cyclical component, random component, seasonal component, and trend component. See: booked orders.</p> |
| <p style="text-align: center;">Definition</p> <p>Those competitive characteristics that a firm must exhibit to be a viable competitor in the marketplace. For example, a firm may seek to compete on characteristics other than price, but in order to "qualify" to compete, its costs and the related price must be within a certain range to be considered by its customers. Syn: qualifiers. See: order losers, order winners.</p> | <p style="text-align: center;">Definition</p> <p>A process that weighs both customer demand and a firm's output capabilities, and tries to balance the two. Demand management is made up of planning demand, communicating demand, influencing demand, and prioritizing demand.</p> |
| <p style="text-align: center;">Definition</p> <p>The activity required to administratively process a customer's order and make it ready for shipment or production.</p> | <p style="text-align: center;">Definition</p> <p>Those competitive characteristics that cause a firm's customers to choose that firm's goods and services over those of its competitors. [These can be considered to be competitive advantages for the firm. [They also] usually focus on one (rarely more than two) of the following strategic initiatives: price/cost, quality, delivery speed, delivery reliability, product design, flexibility, after-market service, and image. See: order losers, order qualifiers.</p> |
| <p style="text-align: center;">Definition</p> <p>A set of marketing tools to direct the business offering to the customer. [This includes] product, price, place, and promotion.</p> | <p style="text-align: center;">Definition</p> <p>A four-step process for quality improvement. In the first step[...], a plan to effect improvement is developed. In the second step[...], the plan is carried out, preferably on a small scale. In the third step[...], the effects of the plan are observed. In the last step[...], the results are studied to determine what was learned and what can be predicted. [This] cycle is sometimes referred to as the Shewhart cycle (because Walter A. Shewhart discussed the concept in his book, Statistical Method from the Viewpoint of Quality Control) or as the Deming circle (because W. Edwards Deming introduced the concept in Japan and the Japanese subsequently called it the Deming circle). Syn: plan-do-check-act cycle, Shewhart circle of quality, Shewhart cycle. See: Deming circle.</p> |

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| Module 1: Section C: Demand Management | Module 1: Section C: Demand Management |
| Term demand shaping | Term branding |
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| Module 1: Section C: Demand Management | Module 1: Section C: Demand Management |
| Term product life cycle | Term life cycle analysis |
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| Module 1: Section C: Demand Management | |
| Term product life cycle management (PLM) | |
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Definition

The use of a name, term, symbol, or design, or a combination of these, to identify a product.

Definition

The practice of using the four Ps (product, pricing, placement, and promotion) and other market variables to influence the demand of a product or service so that demand better matches available supply. See: four Ps.

Definition

A quantitative forecasting technique based on applying past patterns of demand data covering introduction, growth, maturity, saturation, and decline of similar products to a new product family.

Definition

1) The stages a new product goes through from beginning to end (i.e., the stages that a product passes through from introduction through growth, maturity, and decline). 2) The time from initial research and development to the time at which sales and support of the product to customers are withdrawn. 3) The period of time during which a product can be produced and marketed profitably.

Definition

The process of facilitating the development, use, and support of products that customers want and need. Helps professionals envision the creation and preservation of product information, both to the customer and along the reverse-logistics portion of the supply chain.

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| Module 1: Section D: Forecasting | Module 1: Section D: Forecasting |
| Term forecasting | Term demand planning |
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| Module 1: Section D: Forecasting | Module 1: Section D: Forecasting |
| Term demand forecasting | Term mix forecast |
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| Module 1: Section D: Forecasting | Module 1: Section D: Forecasting |
| Term leading indicator | Term forecast error |
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| Module 1: Section D: Forecasting | Module 1: Section D: Forecasting |
| Term bias | Term MAD |
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Definition

The process of combining statistical forecasting techniques and judgment to construct demand estimates for products or services (both high and low volume; lumpy and continuous) across the supply chain from the suppliers' raw materials to the consumer's needs. Items can be aggregated by product family, geographical location, product life cycle, and so forth, to determine an estimate of consumer demand for finished products, service parts, and services. Numerous forecasting models are tested and combined with judgment from marketing, sales, distributors, warehousing, service parts, and other functions. Actual sales are compared to forecasts provided by various models and judgments to determine the best integration of techniques and judgment to minimize forecast error. See: demand management.

Definition

The business function that attempts to predict sales and use of products so they can be purchased or manufactured in appropriate quantities in advance.

Definition

Forecast of the proportion of products that will be sold within a given product family, or the proportion of options offered within a product line. Product and option mix as well as aggregate product families must be forecasted. Even though the appropriate level of units is forecasted for a given product line, [...] material shortages and inventory problems [can be created if this is inaccurate].

Definition

Forecasting the demand for a particular good, component, or service.

Definition

The difference between actual demand and forecast demand. [It] can be represented several different ways: mean absolute deviation (MAD); mean absolute percentage error (MAPE); and mean squared error (MSE). See: mean absolute deviation (MAD), mean absolute percentage error (MAPE), mean squared error (MSE).

Definition

A specific business activity index that indicates future trends. [Housing starts is an example of this] for the industry that supplies builders' hardware.

Definition

Acronym for mean absolute deviation.

Definition

A consistent deviation from the mean in one direction (high or low). A normal property of a good forecast is that it is not [affected by this]. See: average forecast error.

| Module 1: Section D: Forecasting | Module 1: Section D: Forecasting |
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| <p>Term safety factor</p> <p>APICS CSCP Learning System © 2023</p> | <p>Term tracking signal</p> <p>APICS CSCP Learning System © 2023</p> |

| Module 1: Section D: Forecasting |
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| <p>Term standard deviation</p> <p>APICS CSCP Learning System © 2023</p> |

Definition

The ratio of the cumulative algebraic sum of the deviations between the forecasts and the actual values to the mean absolute deviation. Used to signal when the validity of the forecasting model might be in doubt. See: forecast error, mean absolute deviation.

Definition

1) The ratio of average strength to the worst stress expected. It is essential that the variation, in addition to the average value, be considered in design. 2) The numerical value used in the service function (based on the standard deviation or mean absolute deviation of the forecast) to provide a given level of customer service. For example, if the item's mean absolute deviation is 100 and a .95 customer service level (safety factor of 2.06) is desired, then a safety stock of 206 units should be carried. This safety stock must be adjusted if the forecast interval and item lead times differ. Syn: service factor. See: service function.

Definition

A measurement of dispersion of data or of a variable. [It] is computed by finding the differences between the average and actual observations, squaring each difference, adding the squared differences, dividing by n

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| Module 1: Section E: Supply and Demand Alignment | Module 1: Section E: Supply and Demand Alignment |
| Term master planning | Term resource planning |
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| Module 1: Section E: Supply and Demand Alignment | Module 1: Section E: Supply and Demand Alignment |
| Term sales and operations planning | Term executive sales and operations planning |
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| Module 1: Section E: Supply and Demand Alignment | Module 1: Section E: Supply and Demand Alignment |
| Term quality | Term product family |
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| Module 1: Section E: Supply and Demand Alignment | Module 1: Section E: Supply and Demand Alignment |
| Term backlog | Term level production method |
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Definition

Capacity planning conducted at the business plan level. The process of establishing, measuring, and adjusting limits or levels of long-range capacity. [This] is normally based on the production plan but may be driven by higher-level plans beyond the time horizon of the production plan (e.g., the business plan). It addresses those resources that take long periods of time to acquire. [Decisions based on this] always require top management approval. Syn: resource requirements planning. See: capacity planning, long-term planning.

Definition

A group of business processes that includes the following activities: demand management (which includes forecasting and order servicing); production and resource planning; and master scheduling (which includes the master schedule and the rough-cut capacity plan).

Definition

The portion of sales and operations planning that defines executive decision-making processes to balance supply and demand at the volume level in families, fully integrates financial planning and operational planning, and provides a forum for establishing and linking high-level strategic plans with day-to-day operations. See: sales and operations planning.

Definition

A process to develop tactical plans that provide management the ability to strategically direct its businesses to achieve competitive advantage on a continuous basis by integrating customer-focused marketing plans for new and existing products with the management of the supply chain. The process brings together all the plans for the business (sales, marketing, development, manufacturing, sourcing, and financial) into one integrated set of plans. [This] is performed at least once a month and is reviewed by management at an aggregate (product family) level. The process must reconcile all supply, demand, and new product plans at both the detail and aggregate levels and tie to the business plan. It is the definitive statement of the company's plans for the near to intermediate term, covering a horizon sufficient to plan for resources and to support the annual business planning process. Executed properly, [this] process links the strategic plans for the business with its execution and reviews performance measurements for continuous improvement. See: aggregate planning, executive sales and operations planning, production plan, production planning, sales plan, tactical planning.

Definition

A group of products or services that pass through similar processing steps, have similar characteristics, and share common equipment prior to shipment or delivery to the customer. Can be from different overlapping product lines that are produced in one factory and often used in production planning (or sales and operations planning). See: product line.

Definition

Conformance to requirements or fitness for use. [It] can be defined through five principal approaches: (1) [The transcendent type] is an ideal; a condition of excellence. (2) [The product-based type] is based on a product attribute. (3) [The user-based type] is fitness for use. (4) [The manufacturing-based type] is conformance to requirements. (5) [The value-based type] is the degree of excellence at an acceptable price. Also, [it] has two major components: (1) [conformance-it] is defined by the absence of defects, and (2) [design-it] is measured by the degree of customer satisfaction with a product's characteristics and features.

Definition

A production planning method that maintains a stable production rate while varying inventory levels to meet demand. Syn: level strategy, production leveling. See: level schedule.

Definition

All the customer orders received but not yet shipped. Sometimes referred to as open orders or the order board. See: order backlog, past due order.

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| Module 1: Section E: Supply and Demand Alignment | Module 1: Section E: Supply and Demand Alignment |
| Term chase production method | Term make-to-stock |
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| Module 1: Section E: Supply and Demand Alignment | Module 1: Section E: Supply and Demand Alignment |
| Term make-to-order | Term engineer-to-order |
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| Module 1: Section E: Supply and Demand Alignment | Module 1: Section E: Supply and Demand Alignment |
| Term assemble-to-order (ATO) | Term package to order |
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Definition

A production environment where products can be and usually are finished before receipt of a customer order. Customer orders are typically filled from existing stocks, and production orders are used to replenish those stocks. Syn: produce-to-stock. See: assemble-to-order, make-to-order.

Definition

A production planning method that maintains a stable inventory level while varying production to meet demand. Companies may combine [this] and level production schedule methods. Syn: chase strategy, chase-demand strategy.

Definition

Products whose customer specifications require unique engineering design, significant customization, or new purchased materials. Each customer order results in a unique set of part numbers, bills of material, and routings. Syn: design-to-order.

Definition

A production environment where a good or service can be made after receipt of a customer's order. The final product is usually a combination of standard items and items custom-designed to meet the special needs of the customer. Where options or accessories are stocked before customer orders arrive, the term assemble-to-order is frequently used. Syn: build-to-order. See: assemble-to-order, make-to-stock.

Definition

A production environment in which a good or service can be packaged after receipt of a customer order. The item is common across many different customers; packaging determines the end product.

Definition

A production environment where a good or service can be assembled after receipt of a customer's order. The key components (bulk, semi-finished, intermediate, subassembly, fabricated, purchased, packing, and so on) used in the assembly or finishing process are planned and usually stocked in anticipation of a customer order. Receipt of an order initiates assembly of the customized product. This strategy is useful where a large number of end products (based on the selection of options and accessories) can be assembled from common components. Syn: finish-to-order. See: make-to-order, make-to-stock.