



## LOGISTICS TERMS

**Advanced Shipment Notice (ASN)** – Detailed shipment information transmitted to a customer or consignee in advance of delivery, designating the contents and nature of the shipment. May also include expected time of arrival.

**Backhaul** – The return movement of a vehicle from its original destination to its original point of origin, especially when carrying goods back over all or part of the same route.

**Bar Code** – A symbol consisting of a series of printed bars representing values. A system of optical character reading, scanning, and tracking of units by reading a series of printed bars for translation into a numeric or alphanumeric identification code.

**Bill of Lading** – A transportation document that is the contract of carriage containing the terms and conditions between the shipper and carrier.

**Break-Bulk** – The separation of a single consolidated bulk load into smaller individual shipments for delivery to the ultimate consignees.

**Carrier** – A firm which transports goods or people.

**Case Cube** – The cubic size (usually in cubic feet) of a case computed by multiplying the length times the width times the height of the case (L x W x H).

**Claim** – A document that provides evidence needed to prove loss due to damage, shortage, or overcharge.

**Common Carrier** – A for-hire carrier that holds itself out to transport goods and serve the general public at reasonable rates and without discrimination.

**Consignee** – The party to whom goods are shipped and delivered. The receiver of a freight shipment.

**Consignor** – The party who originates a shipment of goods (shipper). The sender of a freight shipment, usually the seller.

**Consolidation** – Combining two or more shipments in order to realize lower transportation rates. Inbound consolidation from vendors is called make-bulk consolidation; outbound consolidation to customers is called break-bulk consolidation.

**Cross-Docking** – The direct flow of merchandise from the receiving function to the shipping function, eliminating any additional steps in between, including the need for storage.

**Cube** – The total capacity of a warehouse, truck, back room, re-pack room, pal-let, shelf, or product, including vertical and horizontal dimensions.

**Deadhead** – A truck returning empty to the distribution center or proceeding empty to its next pick up location.

**Dedicated Contract Carriage** – A third-party service that dedicates equipment (vehicles) and drivers to a single customer for its exclusive use on a contractual basis.

**Detention Charge** – A penalty charge against shippers or receivers for delaying trucks beyond an allotted time.

**Dunnage** – Loose material used around cargo to prevent damage.

**Duty Drawback** – The process of obtaining refunds of duty from customs when exporting an article in the same condition as imported, or when imported parts are included in a manufactured article. Similar to European outward processing and inward processing regimes.

**EDI (Electronic Data Interchange)** – The paperless exchange of standard business transactions or information by electronic computer-to-computer transfer, generally requiring little or no human intervention.

**Fill Rate** – The percentage of order items that the picking operation actually fills within a given period of time.

**FOB (Free on Board)** – Contractual terms between a buyer and a seller which define where title transfer takes place.

**FOB Destination** – Title passes at destination, and seller has total responsibility until shipment is delivered.

**FOB Origin** – Title passes at origin, and buyer has total responsibility over the goods while in shipment.

**Foreign Trade Zone (FTZ)** – An area or zone set aside at or near a port or airport, under the control of the U.S. Customs Service, for holding goods duty-free pending customs clearance.

**Harmonized Tariff Code** – A code to numerically describe all articles in international trade managed by the World Customs Organization.

**Hazardous Material** – A substance or material which the Department of Transportation has determined to be capable of posing a risk to health, safety, and property when stored or transported in commerce.

**Hundredweight (cwt)** – A pricing unit used in transportation (equal to 100 pounds).

**Intermodal Transportation** – Transporting freight by using two or more transportation modes.

**Kitting** – Light assembly of components or parts into defined units.

**Lead Time** – Total time from receipt of store order to the scheduled delivery time of the product at the store.

**Less-Than-Truckload (LTL) Carriers** – Trucking companies that consolidate and transport smaller (less than truckload) shipments of freight by utilizing a network of terminals and relay points.

**Mixed Load** – A trailer load that includes more than one product line (i.e., dry groceries, produce, meat, and dairy products).

**N.M.F.C. (National Motor Freight Classification)** – A tariff which contains descriptions and classifications of commodities and rules for domestic movement by motor carriers in the U.S.

**Outbound Consolidation (Break-Bulk)** – Consolidation of a number of small shipments for various customers into a larger load. Shipped to a location near the customers; then the small shipments are distributed to the customers.

**Pallet** – A wooden platform used for stacking unit loads of merchandise. Standard size is 40" x 48"

**Pallet Cube** – The amount of cubic feet of product that is allowed to be shipped or stored on a pallet.

**Palletizing** – The loading and securing of products in pallet loads.

**Pick/Pack** – Picking of product from inventory and packing into shipment containers.

**Postponement** – The delay of final activities (i.e., assembly, production, packaging, etc.) until the latest possible time.

**Prepaid** – A freight term which indicates that charges are to be paid by the shipper.

**Proof of Delivery (P.O.D.)** – Information supplied by the carrier containing the name of the person who signed for the shipment, the time and date of delivery, and other shipment delivery related information.

**Put-Away** – Determines the best reserve or select location to store each pallet received. Put-away takes into account the stackability of the item, the height from the floor of a reserve location, whether the product is code-dated, etc.

**Reefer** – Refrigeration equipment for transporting frozen or perishable products.

**RF Unit** – A radio frequency communications device that is mounted on a forklift, carried, or worn on a selector.

**Reverse Logistics** – A specialized segment of logistics focusing on the movement and management of products and resources after the sale and after delivery to the customer.

**Seal** – Small metal or plastic strip and lead fastener used for locking totes, freight car, or truck doors. Seals are numbered for record purposes.

**Shipper** – The party which tenders goods for transportation.

**Shrink Wrap** – A layer of plastic film encasing a palletized load of merchandise. The film is subjected to heat, causing it to shrink and conform to the shape of the load.

**Stretch Pallet Wrap** – Bands of plastic film applied by an associate used to encase palletized loads prior to shipment. Depending on fragility or shape of the merchandise, the number of bands can be varied to protect against product damage.

**Stock Keeping Unit (SKU)** – Numbering system which makes a product or item distinguishable from all others.

**Third Party Logistics** – Transportation, warehousing and other logistics related services provided by companies employed to assume tasks that were previously performed in-house by the client.

**Transit Time** – The total time that elapses between a shipment's pickup and delivery. Transportation Management

**Transportation Management System (TMS)** – System used to plan freight movements, do freight rating and shopping across all modes, select the appropriate route and carrier, and manage freight bills and payments.

**Truckload Carriers (TL)** – Trucking companies which move full truckloads of freight directly from the point of origin to destination.

**Universal Product Code (UPC)** – A computer code identifying a product. An electronic scanner reads the code and sends the information to a central computer. Also known as bar code.

**Vendor-Managed Inventory (VMI)** – In the VMI process, the vendor assumes responsibility for managing the replenishment of stock. Rather than a customer submitting orders, the vendor will replenish stock as needed. This is sometimes referred to as supplier-managed inventory (SMI) or co-managed inventory.

**Warehouse Management System (WMS)** – A software system that manages the operations of a warehouse or distribution center. Application functionality includes receiving, put-away, inventory management, cycle counting, task interleaving, wave planning, order allocation, order picking, replenishment, packing, shipping, labor management and automated material-handling equipment interfaces. The use of radio frequency technology in conjunction with bar codes provides the foundation of a WMS, delivering accurate information in real time.