Inventory Management/Supply Chain Glossary

A

ABC classification

A method of classifying items in decreasing order of importance, such as annual dollar volume or your company's transaction history.

account alias

An easily recognized name or label representing an account charged on miscellaneous transactions. You may view, report, and reserve against an account alias.

accounting period

The fiscal period a company uses to report financial results, such

as a calendar month or fiscal period.

accounts payable accrual account

The account used to accrue payable liabilities when you receive your

items. Always used for inventory and outside processing purchases.

You can also accrue expenses at the time of receipt. Used by

Purchasing and Inventory, the accounts payable account represents

your non-invoiced receipts, and is included in your month end

accounts payable liability balance. This account balance is cleared

when the invoice is matched in Payables.

adjustment tolerance

Determines when Inventory does not make a cycle count adjustment.

Inventory does not make an adjustment if your physical count differs

from the on-hand inventory quantity by less than the specified

tolerance. You define adjustment tolerance when you define an item.

Alternate routing

An alternate manufacturing process you can use to produce an assembly.

Alternate unit of measure

All other units of measure defined for an item, excluding the

primary unit of measure.

Annual carrying cost

Cost of carrying inventory, defined as a percent of the dollar value

of inventory per year.

Approval tolerance

Determines when Inventory automatically makes a cycle count

adjustment or holds adjustments for approval. You specify this as a

percentage of quantity or value.

Assemble-to-order (ATO)

An environment where you open a final assembly order to assemble

items that customers order. Assemble-to-order is also an item

attribute that you can apply to standard, model, and option class items.

Available To Promise (ATP)

The quantity of current on-hand stock, outstanding receipts and
planned production which has not been committed through a
reservation or placing demand. In Oracle Inventory, you define the
types of supply and demand that should be included in your ATP
calculation.

Available to promise quantity

/See/ *available to promise (ATP)*

Available-to-promise rule

A set of Yes/No options for various entities that the user enters in
Oracle Inventory. The combination of the various entities are used
to define what is considered supply and demand when calculating
available to promise quantity.

Available To Transact (ATT)

Quantity on hand less all reservations for the item which may be
transferred within or out of inventory.

Average costing

A costing method which can be used to cost transactions in both
/inventory only/ and /manufacturing/ (inventory and work in process)
environments. As you perform transactions, the system uses the
transaction price or cost and automatically recalculates the average
unit cost of your items.

Average cost variance

A variance account used to hold amounts generated when on-hand inventory quantity is negative and the unit cost of a subsequent receipt is different from the current unit cost.

B

Backward consumption days

  **A number of days backwards from the current date used for consuming and loading forecasts. Consumption of a forecast occurs in the current bucket and as far back as the backward consumption days. If the backward consumption days enters another bucket, the forecast also consumes anywhere in that bucket. When loading a forecast, only forecasts of the current date minus the backward consumption days are loaded. Therefore, you can use backward consumption days to load forecasts that are past due.

Bill of material

  A list of component items associated with a parent item and information about how each item relates to the parent item. Oracle Manufacturing supports standard, model, option class, and planning bills. The item information on a bill depends on the item type and bill type. The most common type of bill is a standard bill of material. A standard bill of material lists the components associated with a product or subassembly. It specifies the required quantity for each component plus other information to control work in process, material planning, and other Oracle Manufacturing functions. Also known as *product structures.*

Blanket purchase agreement

A type of purchase order you issue before you request actual
delivery of goods or services. You normally create a blanket
purchase agreement to document a long-term supplier agreement. A
blanket purchase agreement may contain an effective date and an
expiration date, a committed amount, or quantity. You use a blanket
purchase agreement as a tool for specifying agreed prices and
delivery dates for goods and services before ordering them.

Blanket purchase order

/See/ *blanket purchase agreement*

BOM item type

An item classification that determines the items you can use as
components in a bill of material. BOM Item types include standard,
model, option class, and planning items.

Bulk items

Component items on a bill of material not usually transacted
directly to the job or repetitive schedule. Bulk items are usually
charged to the work in process department where the item is consumed.

Buyer

Person responsible for placing item resupply orders with suppliers
and negotiating supplier contracts.

C

Calendar type

The period pattern used to define a manufacturing calendar.

Capacity requirements planning

A time-phased plan comparing required capacity to available capacity, based on a material requirement plan and department/resource information. /See/ *routing-based capacity* and *rate-based capacity*

Category

Code used to group items with similar characteristics, such as plastics, metals, or glass items.

Category set

A feature in Inventory where users may define their own group of categories. Typical category sets include purchasing, materials, costing, and planning.

Common bill of material

An assembly that uses the bill of material of another assembly as its bill. This enables you to reduce your maintenance effort by sharing the same bill structure among two or more assemblies. For example, if you have identical bills of material that produce the same product in two different organizations, you can define common bills of material for the identical structures.

Common locator

.A locator without a project or project and task reference. /See

also/ *project locator*

Common subinventory

Subinventory that does not have a project reference into which items

can be delivered and out of which items can be issued and transferred.

Component item

An item associated with a parent item on a bill of material.

Concurrent manager

Components of your applications concurrent processing facility that

monitor and run time-consuming tasks for you without tying up your

terminal. Whenever you submit a request, such as running a report, a

concurrent manager does the work for you, letting you perform many

tasks simultaneously.

Concurrent process

A task in the process of completing. Each time you submit a task,

you create a new concurrent process. A concurrent process runs

simultaneously with other concurrent processes (and other activities

on your computer) to help you complete multiple tasks at once with

no interruptions to your terminal.

Concurrent queue

A list of concurrent requests awaiting completion by a concurrent

manager. Each concurrent manager has a queue of requests waiting in

line. If your system administrator sets up simultaneous queuing,
your request can wait to run in more than one queue.

Concurrent request

A request to complete a task for you. You issue a request whenever
you submit a task, such as running a report. Once you submit a task,
the concurrent manager automatically takes over for you, completing
your request without further involvement from you, or interruption
to your work. Concurrent managers process your request according to
when you submit the request and the priority you assign to your
request. If you do not assign a priority to your request, your
application prioritizes the request for you.

Configuration

A product a customer orders by choosing a base model and a list of
options. It can be shipped as individual pieces as a set (kit) or as
an assembly (configuration item).

Consume shortage backward

An option used to calculate ATP information by using surplus
quantity from prior periods to cover a period shortage.

Consume shortage forward

An option used to calculate ATP information by using surplus
quantity from future ATP periods to cover a period shortage.

Cost element

A classification for the cost of an item. Oracle Manufacturing

supports five cost elements: material, material overhead, resource,

outside processing, and overhead.

Cost type

A set of costs for items, activities, resources, outside processing,

and overheads. You may have unlimited cost types for each

organization, but only one is used to record cost transactions. The

Frozen Standard cost type is used for standard costing; the Average

Costs type is used for Average costing. Others could be defined for

simulation or temporary purposes.

Cost variance

The difference between the actual and expected cost. Oracle

Manufacturing and Payables supports the following cost variances:

invoice price, resource rate, and standard cost variances.

Count point operation

A default operation to move to and from where you record move and

charge resource transactions. Also known as *pay point*.

Cross reference

A user-defined link from an item number to another piece of information.

Cumulative manufacturing lead time

The total time required to make an item if you had all raw materials

in stock but had to make all subassemblies level by level. Bills of
Material automatically calculates this value. Purchased items have
no cumulative manufacturing lead time.

Cumulative total lead time

The total time required to make an item if no inventory existed and
you had to order all the raw materials and make all subassemblies
level by level. Bills of Material automatically calculates this value.

Current average cost

The current weighted average cost per unit of an item before a
transaction is processed. /See/ new average cost.

Current on-hand quantity

Total quantity of the item on-hand before a transaction is processed.

Cutoff date

An indication of the last date to be included in a plan or horizon.

Cycle counting

An inventory accuracy analysis technique where inventory is counted
on a cyclic schedule rather than once a year.

D

Delete entity

An item, bill of material or routing you choose to delete.

Delete group

A set of items, bills, and routings you choose to delete.

Delete subentity

A component or operation you choose to delete.

Deletion constraint

A business rule that restricts the entities you can delete. A
deletion constraint is a test that must succeed before an item,
bill, or routing can be deleted.

Demand

Projected inventory issue transactions against an item. For Order
Entry, it is an action you take to communicate current or future
product needs to manufacturing.

Demand class

A classification of demand to allow the master scheduler to track
and consume different types of demand. A demand class may represent
a particular grouping of customers, such as government and
commercial customers. Demand classes may also represent different
sources of demand, such as retail, mail order, and wholesale.

Demand history

Historical inventory issue transactions against an item.

Demand interface

A data collection point that collects and stores all sales order demand and reservation information.

Destination organization

An inventory organization that receives item shipments from a given organization.

Discrete job

A production order for the manufacture of a specific (discrete) quantity of an assembly, using specific materials and resources, in a limited time. A discrete job collects the costs of production and allows you to report those costs--including variances--by job. Also known as *work order* or *assembly order.*

Discrete manufacturing

A manufacturing environment where you build assemblies in discrete jobs or batches. Different from a repetitive production environment where you build assemblies on production or assembly lines at a daily rate.

Dynamically defined serial number

Creating and assigning serial numbers as you need them, instead of creating serial numbers before their assignment.

E

Encumbrance

/See/ *purchase order encumbrance*.

Encumbrance type

An encumbrance category that allows you to track your expenditures according to your purchase approval process and better control your planned expenditures. You can set up separate encumbrance types for each stage in your purchasing cycle to track your spending at each level. Examples of encumbrance types are commitments (requisition encumbrances) and obligations (purchase order encumbrances).

End item

Any item that can be ordered or sold. /See/ *finished good* and *product*

Engineering change order (ECO)

A record of revisions to one or more items usually released by engineering.

Engineering item

A prototype part, material, subassembly, assembly, or product you have not yet released to production. You can order, stock, and build engineering items.

F

FIFO costing

Costing method where it is assumed that items that were received
earliest are transacted first.

Finished good

Any item subject to a customer order or forecast. /See also/ *product*

Firm planned order

An MRP-planned order that is firmed using the Planner Workbench.
This allows the planner to firm portions of the material plan
without creating discrete jobs or purchase requisitions. Unlike a
firm order, a MRP firm planned order does not create a natural time
fence for an item.

Fixed Days Supply

An item attribute the planning process uses to modify the size and
timing of planned order quantities for the item. The planning
process suggests planned order quantities that cover net
requirements for the period defined by the value you enter here. The
planning process suggests one planned order for each period. Use
this attribute, for example, to reduce the number of planned orders
the planning process would otherwise generate for a discretely
planned component of a repetitively planned item.

Fixed lead time

The portion of the time required to make an assembly independent of order quantity, such as time for setup or teardown.

Fixed Lot Size Multiplier

An item attribute the planning process uses to modify the size of planned order quantities or repetitive daily rates for the item. For discretely planned items, when net requirements fall short of the fixed lot size multiplier quantity, the planning process suggests a single order for the fixed lot size multiplier quantity. When net requirements for the item exceed the fixed lot size multiplier quantity, the planning process suggests a single order with an order quantity that is a multiple of the fixed lot size multiplier quantity. For repetitively planned items, when average daily demand for a repetitive planning period falls short of the fixed lot size multiplier quantity, the planning process suggests a repetitive daily rate equal to the fixed lot size multiplier quantity. When average daily demand for a repetitive planning period exceeds the fixed lot size multiplier quantity, the planning process suggests a repetitive daily rate that is a multiple of the fixed lot size multiplier quantity.

Fixed order quantity

An item attribute the planning process uses to modify the size of planned order quantities or repetitive daily rates for the item. When net requirements fall short of the fixed order quantity, the planning process suggests the fixed order quantity. When net

requirements for the item exceed the fixed order quantity, the

planning process suggests multiple orders for the fixed order

quantity. For discretely planned items, use this attribute to define

a fixed production or purchasing quantity for the item. For

repetitively planned items, use this attribute to define a fixed

production rate for the item. For example, if your suppliers can

only supply the item in full truckload quantities, enter the full

truckload quantity as the fixed order quantity for the item.

Freight on board (FOB)

/See/ *freight on board*.

Focus forecasting

A simulation-based forecasting process that looks at past inventory

activity patterns to determine the best simulation for predicting

future demand.

Forecast

An estimate of future demand on inventory items. A forecast contains

information on the original and current forecast quantities (before

and after consumption), the confidence factor, and any specific

customer information. You can assign any number of inventory items

to the forecast and use the same item in multiple forecasts. For

each inventory item you specify any number of forecast entries.

Forecast consumption

The process of subtracting demand generated by sales orders from

forecasted demand thereby preventing demand being counted twice in
the planning period.

Forecast date

The date for a forecast entry for an item. A forecast for an item

has a forecast date and an associated quantity.

Forecast demand

A part of your total demand that comes from forecasts, not actual

sales orders.

Forecast end date

A forecast end date implies that until that date, the same quantity

is scheduled for each day, week, or period that falls between the

forecast date and the end date. A forecast date with no forecast end

date is the quantity for that particular day, week, or period,

depending on the bucket size.

Forecast entry

A forecast for an inventory item stated by a date, an optional rate

end date, and quantity.

Forecast explosion

Explosion of the forecast for planning and model bills of material.

The forecasted demand for the planning or model bill is passed down

to create forecasted demand for its components. You can choose to

explode the forecast when loading a forecast.

Forecast level

The level at which a forecast is defined. Also, the level at which

to consume a forecast. Example forecast levels include items,

customers, customer bill-to, and customer ship to locations.

Forecast load

The process of copying one or more source forecasts into a single

destination forecast. When copying forecasts, you can choose to

overwrite all or a subset of existing entries in the destination

forecast, specify whether to explode the source forecast, and

specify whether to consume the source forecast. You can choose to

modify the source forecast by a modification percent, or roll the

source forecast forward or backward by a specified number of carry

forward days. You can also load compiled statistical and focus

forecasts from Inventory, and you can use the forecast interface

table to load forecasts into Master Scheduling/MRP from external

sources.

Forecast set

A group of complementing forecasts. For each forecast set, you

specify a forecast level, consumption use, update time fence days,

outlier update percents, disable date, default time bucket and

demand class. A forecast set can have one or many forecasts within it.

Forward consumption days

A number of days forward from the current date used for consuming

and loading forecasts. Consumption of a forecast occurs in the

current bucket and as far forward as the forward consumption days.
If the forward consumption days enters another bucket, the forecast
consumes anywhere in that bucket, as well.

Freight on board

(FOB) The point or location where the ownership title of goods is
transferred from the seller to the buyer.

Freight carrier

A commercial company used to send item shipments from one address to
another.

Frozen costs

Costs currently in use for an operation, process, or item including
resources, material and overhead charges. Under standard costing,
you use the frozen costs for your cost transactions.

G

General ledger transfer

The process of creating a postable batch for the general ledger from
summarized inventory/work in process activity for a given period.
Using Journal Import in General Ledger, you can create a postable
batch in your general ledger. After running Journal Import, you can
post your journal using the General Ledger posting process.

H

Hit/miss tolerance

A limit you define for the difference between the on-hand quantity

and the actual cycle count quantity. You express positive and

negative hit/miss tolerances as percentages of the on-hand quantity.

I

Initialization

Defines cycle count classes and items, based on an already existing

ABC compile.

Inter-organization transfer

Transfer of items from one inventory organization to another You can

have freight charges and transfer credits associated with

inter-organization transfer. You can choose to ship items directly

or have them go through intransit inventory.

Intransit inventory

Items being shipped from one inventory organization to another.

While items are intransit you can view and update arrival date,

freight charges, and so on.

Inventory controls

Parameter settings that control how Inventory functions.

Inventory item

Items you stock in inventory. You control inventory for inventory

items by quantity and value. Typically, the inventory item remains

an asset until you consume it. You recognize the cost of an

inventory item as an expense when you consume it or sell it. You

generally value the inventory for an item by multiplying the item standard cost by the quantity on hand.

Inventory parameters

The set of controls, default options, and default account numbers that determine how Inventory functions.

Item attribute control level

To maintain item attributes at the item master attribute level or the organization specific level by defining item attribute control consistent with your company policies. For example, if your company determines serial number control at headquarters regardless of where items are used, you define and maintain serial number attribute control at the item master level. If each organization maintains serial number control locally, they maintain those attributes at the organization specific level.

Item attributes

Specific characteristics of an item, such as order cost, item status, revision control, COGS account, etc.

Item category

/See/ *category*.

Item master level attribute

An item attribute you control at the item master level as opposed to controlling at the organization level.

Item status

Code used to control the transaction activity of an item.

Item Validation Organization

The organization that contains your master list of items. You define

it by setting the /OE: Item Validation Organization/ profile option.

/See also/ organization.

J

K

Kit

An item that has a standard list of components (or included items)

you ship when you process an order for that item. A kit is similar

to a pick-to-order model because it has shippable components, but it

has no options and you order it directly by its item number, not

using the configuration selection screen.

L

LIFO costing

Costing method where it is assumed that items that were received

most recently are transacted first.

Locator

Physical area within a subinventory where you store material, such

as a row, aisle, bin, or shelf.

Locator control

An Oracle Manufacturing technique for enforcing use of locators
during a material transaction.

Logical organization

A business unit that tracks items for accounting purposes but does
not physically exist. /See/ *organization*.

Lot

A specific batch of an item identified by a number.

Lot control

An Oracle Manufacturing technique for enforcing use of lot numbers
during material transactions thus enabling the tracking of batches
of items throughout their movement in and out of inventory.

Lot for lot

A lot sizing technique that generates planned orders in quantities
equal to the net requirements in each period.

Low level code

A number that identifies the lowest level in any bill of material
that a component appears. Low level codes are used by the MRP
planner to ensure that net requirements for the component are not
calculated until all gross requirements from parent items have first
been calculated.

M

Make-to-order

An environment where customers order unique configurations that must

be manufactured using multiple discrete jobs and/or final assembly

orders where the product from one discrete job is required as a

component on another discrete job. Oracle Manufacturing does not

provide special support for this environment beyond the support it

provides for assemble-to-order manufacturing.

Manufacturing material

Raw materials and work in process material.

Master demand schedule

The anticipated ship schedule in terms of rates or discrete

quantities, and dates.

Master production schedule (MPS)

The anticipated build schedule in terms of rates or discrete

quantities, and dates.

Master schedule

The name referring to either a master production schedule or a

master demand schedule. /See/ *master demand schedule//*and *master

production schedule*

Material overhead

A rate or amount you allocate to the cost of your item, usually

based on the total material value of the item. Typical examples

include material handling, purchasing, and freight expenses. You may

also charge material overhead on assembly completions and purchase

order receipts as a fixed amount per item or lot, or base it on your

activity costs. /See also/ *overhead*

Material overhead default

Defaults you create for your material overheads. Used when you

define your items. Your material overhead defaults may be for all

items in an organization or for a specific category.

Material overhead rate

A percentage of an item cost you apply to the item for the purposes

of allocating material overhead costs. For example, you may want to

allocate the indirect labor costs of your manufacturing facility to

items based on a percentage of the item's value and usage.

Material requirements planning (MRP)

A process that utilizes bill of material information, a master

schedule, and current inventory information to calculate net

requirements for materials.

Material transaction

Transfer between, issue from, receipt to, or adjustment to an

inventory organization, subinventory, or locator. Receipt of

completed assemblies into inventory from a job or repetitive

schedule. Issue of component items from inventory to work in process.

An item attribute the planning process uses to modify the size of planned order quantities or repetitive daily rates for the item. For discretely planned items, when net requirements exceed the maximum order quantity, the planning process suggests the maximum order quantity. For repetitively planned items, when average daily demand for a repetitive planning period exceeds the maximum order quantity, the planning process suggests the maximum order quantity as the repetitive daily rate. Use this attribute, for example, to define an order quantity above which you do not have sufficient capacity to build the item.

Min-max planning

An inventory planning method used to determine when and how much to order based on a fixed user-entered minimum and maximum inventory levels.

Minimum Order Quantity

An item attribute the planning process uses to modify the size of planned order quantities or repetitive daily rates for the item. For discretely planned items, when net requirements fall short of the minimum order quantity, the planning process suggests the minimum order quantity. For repetitively planned items, when average daily demand for a repetitive planning period falls short of the minimum order quantity, the planning process suggests the minimum order quantity as the repetitive daily rate. Use this attribute, for example, to define an order quantity below which it is not profitable to build the item.

Model item

An item whose bill of material lists options and option classes

available when you place an order for the model item.

MPS

**/See /*master production schedule.*

MRP

/See/ *material requirements planning.*

Multi-source

An AutoCreate option that lets a buyer distribute the quantity of a

single requisition line to several suppliers whenever the buyer

wants to purchase the requisition line item from more than one supplier.

N

New average cost

Cost of an item after a transaction that affects the average cost is

processed. /See/ *current average cost*.

New on-hand quantity

The quantity on-hand immediately after the transaction is performed

and saved. Equal to current on-hand quantity plus total quantity.

/See/ *current on-hand quantity*, *total quantity*.

Non-standard asset job

A type of non-standard job carried as an asset during the life of

the job.

Non-standard discrete job

A type of discrete job that controls material and resources and
collects costs for a wide variety of miscellaneous manufacturing
activities. These activities can include rework, field service
repair, upgrade, disassembly, maintenance, engineering prototypes,
and other projects. Non-standard jobs do not earn material overhead
upon assembly completion.

Non-standard expense job

A type of non-standard job expensed at the close of each accounting
period. Typical expense jobs include maintenance and repair.

O

On-hand quantity

The physical quantity of an item existing in inventory.

Option class item

An item whose bill of material contains a list of related options.

Order setup cost

The fixed cost associated with placing an order of any quantity for
an item.

Organization

A business unit such as a plant, warehouse, division, department,

and so on. Order Entry refers to organizations as warehouses on all

Order Entry windows and reports.

Organization-specific level attribute

An item attribute you control at the organization level.

Outlier quantity

The amount of sales order left over after the maximum allowable

amount (outlier update percent) was used to consume a forecast.

Outlier update percent

The maximum percent of the original quantity forecast that a single

sales order consumes. It is used to limit forecast consumption by

unusually large sales orders

Outside processing

Performing work on a discrete job or repetitive schedule using

resources provided by a supplier.

P

Period

/See/ *accounting period*

Phantom assembly

An assembly Work in Process explodes through when it creates the

bill of material for a job or schedule. A particular assembly can be

a phantom assembly on one bill and a subassembly on another.

Physical inventory

A periodic reconciliation of item counts with system on-hand quantities.

Physical tags

A tool for recording the on-hand quantity for a specific item in a specific location. A tag is most commonly a slip of paper posted at the item's location.

Pick list

A report that lists all component requirements sorted by supply type for a particular discrete job, repetitive schedule or production line.

Picking rule

A user-defined set of criteria to define the priorities Order Entry uses when picking items out of finished goods inventory to ship to a customer. Picking rules are defined in Oracle Inventory.

Planned purchase order

A type of purchase order you issue before you order actual delivery of goods and services for specific dates and locations. You normally enter a planned purchase order to specify items you want to order and when you want delivery of the items. You later enter a shipment release against the planned purchase order when you actually want to order the items.

Planner

Person responsible for deciding the time and quantity of a resupply

order for an item.

Planning horizon

The amount of time a master schedule extends into the future.

Planning item

A type of item representing a product family or demand channel whose

bill of material contains a list of items and planning percentages.

Postprocessing lead time

The time required to receive a purchased item into inventory from

the initial supplier receipt, such as the time required to deliver

an order from the receiving dock to its final destination.

Predefined serial number

To define an alphanumeric prefix and a beginning number for your

serial numbers before you assign them to items. Predefined serial

numbers are validated during receiving and shipping transactions.

Preprocessing lead time

The time required to place a purchase order or create a discrete job

or repetitive schedule that you must add to purchasing or

manufacturing lead time to determine total lead time. If you define

this time for a repetitive item, the planning process ignores it.

Primary unit of measure

The stocking unit of measure for an item in a particular organization.

Priority

/See/ *line priority*.

Product

A finished item that you sell. /See/ /also/ *finished good*.

Project

A unit of work broken down into one or more tasks, for which you specify revenue and billing methods, invoice formats, a managing organization, and project manager and bill rates schedules. You can charge costs to a project, as well as generate and maintain revenue, invoice, unbilled receivable and unearned revenue information for a project.

Project inventory

Any and all items and costs in both project subinventories and project work in process jobs.

Project job

A standard or non-standard WIP job with a project reference. The valuation accounts associated with this type of job will be project work in process. Any balance remaining in such a job when it is closed will be reported as a variance.

Project locator

A locator with a project or project and task reference. /See also /*common locator*.

Project manufacturing

The type of project that uses Projects with Manufacturing to track

the costs of a manufacturing-related project against a project budget.

Project subinventory

A subinventory with a project reference into which terms can be

delivered and out of which items can be issued and transferred.

Project task

A subdivision of Project Work. Each project can have a set of top

level tasks and a hierarchy of subtasks below each top level task.

You can charge costs to tasks at the lowest level only. /See also

/*Work Breakdown Structure*.

Pull transaction

A material transaction that automatically issues component items

into work in process from inventory when you move or complete the

assembly. Also known as post-deduct or backflush*.* /See/ *backflush

transaction*

Purchase order

A type of purchase order you issue when you request delivery of

goods or services for specific dates and locations. You can order

multiple items for each planned or standard purchase order. Each

purchase order line can have multiple shipments and you can

distribute each shipment across multiple accounts. /See/ *standard

purchase order//*and *planned purchase order*

Purchase order encumbrance

A transaction representing a legally binding purchase. Purchasing
subtracts purchase order encumbrances from funds available when you
approve a purchase order. If you cancel a purchase order, Purchasing
creates appropriate reversing entries in your general ledger.
Purchase order encumbrance is also known as obligation, encumbrance,
or lien.

Purchase order receipt

/See/ *receipt*

Purchase price variance

The variance that you record at the time you receive an item in
inventory or supplier services into work in process. This variance
is the difference between the standard unit cost for the item or
service and the purchase unit price multiplied by the quantity
received. You record purchase price variances in a purchase price
variance account for your organization. Since standard cost is a
planned cost, you may incur variances between the standard cost and
the purchase order price.

Purchased assembly

An assembly that you normally buy.

Purchased item

An item that you buy and receive. If an item is also an inventory
item, you may also be able to stock it. /See also/ *inventory item*.

Q

Quantity on hand

Current quantity of an item in inventory.

Quantity variance tolerance

A limit you define for the difference between the on-hand quantity and the actual cycle count quantity. You express positive and negative quantity variance tolerances as percentages of the on-hand quantity.

R

Rate-based capacity

Capacity planning at the production line level. Required capacity, available capacity, and capacity utilization are calculated for individual production lines. Required and available capacity are stated in terms of production rate per line per week.

Raw materials

Purchased items or extracted materials that are converted by the manufacturing process into components and/or products.

Receipt

A shipment from one supplier that can include many items ordered on many purchase orders.

Related item

An acceptable substitute you define for an item so that you may

receive the item if your supplier cannot ship the original item on

the purchase order.

Reorder point planning

An inventory planning method used to determine when and how much to

order based on customer service level, safety stock, carrying cost,

order setup cost, lead time and average demand.

Repetitive manufacturing

A manufacturing environment where you build assemblies repetitively,

on production lines, rather than in discrete jobs or batches.

Repetitive schedule

A production order for the manufacture of an assembly on a

continuous basis as defined by a daily rate, using specific

materials and resources, over a period of time. A repetitive

schedule collects the costs of production, but you report those

costs by period rather than by schedule. Also known as flow order or

scheduled rate.

Reservation

A guaranteed allotment of product to a specific sales order. A hold

is placed on specific terms that assures that a certain quantity of

an item is available on a certain date when transacted against a

particular charge entity. Once reserved, the product cannot be

allocated to another sales order or transferred in Inventory. Oracle
Order Entry checks ATR (Available to Reserve) to verify an attempted
reservation. Also known as *hard reservation.*

Resource

Anything of value, except material and cash, required to
manufacture, cost, and schedule products. Resources include people,
tools, machines, labor purchased from a supplier, and physical space.

Return material authorization (RMA)

Permission for a customer to return items. Receivables allows you to
authorize the return of your sales orders as well as sales made by
other dealers or suppliers, as long as the items are part of your
item master and price list.

Return to supplier

A transaction that allows you to return to the supplier items from a
fully or partially received purchase order and receive credit for them.

Revised item

Any item you change on an engineering change order. Revised items
may be purchased items, subassemblies, finished goods.

Revision

A particular version of an item, bill of material, or routing.

Revision control

An inventory control option that tracks inventory by item revision
and forces you to specify a revision for each material transaction.

Route sheet

A report that provides full routing, operation, resource, and
material requirement details for jobs and repetitive schedules.
Typically used to know how, when, where, and who builds an assembly.
Also known as traveler.

Routing

A sequence of manufacturing operations that you perform to
manufacture an assembly. A routing consists of an item, a series of
operations, an operation sequence, and operation effective dates.

Routing-based capacity

Capacity planning at the resource level. Required capacity,
available capacity, and capacity utilization are calculated for
individual resources assigned to operations on routings. Required
and available capacity are stated in terms of hours per resource per
week.

S

Safety stock

Quantity of stock planned to have in inventory to protect against
fluctuations in demand and/or supply.

Safety Stock (item attribute)

An item attribute the planning process uses to decide whether to use fixed or dynamically calculated safety stock quantities when planning material requirements for the item. A value of *MRP-planned percent *means the planning process plans to safety stock quantities it calculates dynamically as a user-defined percentage of the average gross requirements for a user-defined number of days. The user-defined percentage is defined by the value you enter for the Safety Stock Percent attribute for the item. For discretely planned items, the user-defined number of days is defined by the value you enter for the Safety Stock Bucket Days attribute for the item. For repetitively planned items, the planning process uses the repetitive planning period rather than Safety Stock Bucket Days. These safety stock quantities are dynamic in that they vary as a function of the average gross requirements calculated by the planning process for the item. A value of *Non-MRP planned *means the planning process plans to safety stock quantities calculated and maintained in Inventory. These safety stock quantities are fixed in that the Snapshot loads them from Inventory before the planning process and they do not vary unless they are recalculated in Inventory.

Seasonality

Repetitive pattern from year to year with demand for some periods considerably higher than others.

Serial number

A number assigned to each unit of an item and used to track the item.

Serial number control

A manufacturing technique for enforcing use of serial numbers during

a material transaction.

Serialized unit

The unique combination of a serial number and an inventory item.

Service level

Percentage of demand that can be filled immediately by available

inventory. It is used to determine the amount of inventory to carry

as safety stock.

Service material

Material used for the repair and/or maintenance of an assembled product.

Set of books

A financial reporting entity that partitions General Ledger

information and uses a particular chart of accounts, functional

currency, and accounting calendar. This concept is the same whether

or not the Multi-organization support feature is implemented.

Shelf life

The amount of time an item may be held in inventory before it

becomes unusable.

Standard bill of material

A bill of material for a standard item, such as a manufactured

product or assembly.

Standard costing

A costing method where a predetermined standard cost is used for

charging material, resource, overhead, period close, job close, and

cost update transactions and valuing inventory. Any deviation in

actual costs from the predetermined standard is recorded as a variance.

Standard item

Any item that can have a bill or be a component on a bill except

planning items, option classes, or models. Standard items include

purchased items, subassemblies, and finished products.

Standard purchase order

A type of purchase order you issue when you order delivery of goods

or services for specific dates and locations for your company. Each

standard purchase order line can have multiple shipments and you can

distribute the quantity of each shipment across multiple accounts.

/See/ *purchase order*

Statistical forecasting

A mathematical analysis of past transaction history, last forecast

quantities, and/or information specified by the user to determine

expected demand.

Subinventory

Subdivision of an organization, representing either a physical area

or a logical grouping of items, such as a storeroom or receiving dock.

Substitute item

An item that can be used in place of a component. Master

Scheduling/MRP suggests substitutes items on some reports.

Supplier

Provider of goods or services.

T

Time fence

A policy or guideline established to note where various restrictions

or changes in operating procedures take place. The planning process

cannot create or reschedule orders within the planning time fence.

This gives the planner the ability to stabilize the plan and thereby

minimizing the nervousness of the system.

Transaction cost

The cost per unit at which the transaction quantity is valued.

Transaction interface

An open interface table through which you can import transactions.

/See/ *open interface*.

Transaction manager

A concurrent program that controls your manufacturing transactions.

Transaction quantity

The quantity of a transaction.

Transaction worker

An independent concurrent process launched by a transaction manager
to validate and process your manufacturing transactions.

Two-level master scheduling

A technique that facilitates the forecast explosion of product
groupings into related master production schedules. The top-level
MPS is usually defined for a product line, family or end product
while the second-level is defined for key options and components.

U

Unit of measure (UOM)

The unit that the quantity of an item is expressed.

Unit of measure class

A group of units of measure and their corresponding base unit of
measure. The standard unit classes are Length, Weight, Volume, Area,
Time, and Pack.

Unit of measure conversions

Numerical factors that enable you to perform transactions in units
other than the primary unit of the item being transacted.

Use-up item

A revised component whose MRP-planned order date and lead time

offset determine the effective date of the revised item.

V

Value added

/See/ *outside processing*

Variable lead time

The time required to produce one additional unit of an assembly. To

compute an item's total lead time multiply variable lead time by

order quantity, and add an item's fixed lead time.

Vendor

/See /*supplier*.

W

Warehouse

/See/ organization.

Work in process

An item in various phases of production in a manufacturing plant.

This includes raw material awaiting processing up to final

assemblies ready to be received into inventory.

Workday calendar

A calendar that identifies available workdays for one or more

organizations. Master Scheduling/MRP, Inventory, Work in Process, and Capacity plan and schedule activities based on a calendar's available workdays.

Workday exception set

An entity that defines mutually exclusive sets of workday exceptions. For each organization, you can specify a workday calendar and exception set.

Worker

An independent concurrent process that executes specific tasks. Programs using workers to break large tasks into smaller ones must coordinate the actions of the workers.

X

Y

Z