
Advanced Certificate in Cost Management in Logistics

Advanced Logistics Analysis

ABC Analysis: A method of inventory categorization that divides items into three groups based on their importance. A items are high-value and high-turnover items, B items are moderate-value and moderate-turnover items, and C items are low-value and low-turnover items.

Activity-Based Costing (ABC): A costing methodology that identifies and assigns costs to activities and then assigns those costs to products or services based on the consumption of those activities.

Activity-Based Management (ABM): A management approach that uses activity-based costing to identify and eliminate wasteful activities, improve process efficiency, and make better decisions.

Bottleneck Analysis: A method of identifying and addressing constraints in a logistics system that limit the flow of goods and services.

Capacity Management: The process of planning, monitoring, and controlling the use of resources to meet the demands of a logistics system.

Cost of Quality (COQ): The cost associated with ensuring the quality of a product or service, including prevention costs, appraisal costs, and failure costs.

Customer Relationship Management (CRM): A system for managing a company's interactions with current and potential customers, with the goal of improving customer satisfaction and loyalty.

Demand Forecasting: The process of estimating future demand for a product or service.

Distribution Requirements Planning (DRP): A system for managing the flow of goods from suppliers to customers by coordinating the activities of all parties involved in the distribution process.

Enterprise Resource Planning (ERP): A system for managing all aspects of a business, including logistics, finance, and human resources.

Fleet Management: The process of planning, coordinating, and controlling the use of a company's vehicle fleet.

Inventory Management: The process of planning, organizing, and controlling the flow of goods in and out of an inventory.

Just-In-Time (JIT) Inventory: A method of inventory management in which materials and parts are delivered to a production line just as they are needed, minimizing the amount of inventory on hand.

Logistics Cost Analysis: The process of analyzing and controlling the costs associated with logistics activities, such as transportation, warehousing, and inventory management.

Logistics Management Information System (LMIS): A system for collecting, processing, and analyzing data related to logistics activities.

Logistics Network Design: The process of designing and optimizing the flow of goods and services through a logistics network.

Material Requirements Planning (MRP): A system for managing the flow of materials in a manufacturing process.

Performance Measurement: The process of tracking and evaluating the performance of a logistics system in order to identify areas for improvement.

Procurement: The process of acquiring goods and services from external sources.

Quality Management: The process of ensuring that products and services meet or exceed customer expectations.

Reverse Logistics: The process of managing the flow of goods and materials from the point of consumption back to the point of origin.

Supply Chain Management (SCM): The management of the flow of goods and services from suppliers to customers, including the coordination of all activities involved in the supply chain.

Total Cost of Ownership (TCO): The total cost of acquiring, operating, and maintaining a product or service, including both direct and indirect costs.

Transportation Management: The process of planning, coordinating, and controlling the movement of goods and materials.

Value Stream Mapping: A tool for analyzing and improving the flow of materials and information in a logistics system.

Vendor Managed Inventory (VMI): A system in which a supplier takes responsibility for managing the inventory of a customer.

Warehouse Management: The process of planning, coordinating, and controlling the operations of a warehouse, including the receipt, storage, and shipment of goods.

It's important to note that the above glossary terms are defined in the context of Advanced Logistics Analysis in the course Advanced Certificate in Cost Management in Logistics. These terms are used to analyze the logistics cost, performance and efficiency of a supply chain. Each term has its own importance and plays a crucial role in logistics analysis. Understanding these terms is essential for making informed decisions, improving logistics operations, and reducing costs in a logistics system.

For example, understanding the concept of Activity-Based Costing (ABC) can help a company identify and assign costs to specific activities, such as transportation or warehousing, and then use that information to

make decisions about how to allocate resources and reduce costs. Similarly, understanding the concept of Distribution Requirements Planning (DRP) can help a company coordinate the activities of all parties involved in the distribution process, reducing lead times and improving customer service.

Another example, understanding the concept of Total Cost of Ownership (TCO) can help a company to evaluate the true cost of ownership of a product or service, including both direct and indirect costs. This can help a company to make informed decisions about which products or services to purchase, and can also help to identify opportunities for cost savings.

In conclusion, understanding the glossary terms provided above is essential for anyone working in logistics and supply chain management. These terms provide a common language and framework for analyzing and improving logistics operations and costs. By understanding these terms, professionals can make informed decisions, improve logistics performance, and reduce costs in a logistics system.