

Open Standards Benchmarking Glossary

Term	Definition
Accessorial Transportation Charges	Accessorial transportation charges are fees in excess of line-haul charges and include charges for such transportation factors as additional stops, driver work, detention time, hook-and-drop, and dunnage.
Accounting Policies	Accounting policies and procedures are formal written explanations provided by management, which dictate how the activities that encompass the finance function are to be carried out on a day-to-day basis.
Accruals	An accrual is a journal entry recorded for the purpose of matching revenues and expenses to the period in which they are earned and incurred. Accruals may be calculated using a predetermined formula, estimates, or actual amounts.
Accurate Documentation	Accurate documentation rate is expressed as a percentage and refers to complete, correct, and readily available shipping documentation, payment documentation, compliance documentation, and other required documentation available when and how expected by the customer, government, and other supply chain regulatory entities.
Active SKU Management	Active SKU management refers to the practice of proactively using data from within the logistics network to identify and purge slow-moving or discontinued SKUs.
Active Supplier	An active supplier is a supplier from which purchases have been made in the past two years.
Activity-Based Budgeting	Activity-based budgeting determines the future cost structure of an activity based on the anticipated "activity level driver" volume. The principles of an activity-based approach to budgeting are that activity costs are highlighted, resources are allocated in the context of rising and falling activity levels, and day to day operational control is via a direct link to activity based performance measures and costing. Activity-based budgeting is a forecasting exercise that allows you to anticipate the consumption of resources at the activity level and to progressively adapt to that cost structure. The analytical process is strongly enhanced because differences between what has been budgeted and what has been realized can now be analyzed by comparing the budgeted consumption versus consumed (used) resources.
Activity-Based Costing	Activity-based costing (ABC) is a method for determining the cost of a product or service that includes all related costs associated with production. In contrast to traditional accounting methods, ABC usually breaks out overhead costs at the product level.
Adjustment	An adjustment is when an amount is changed due to an error/miscommunication between two parties. Common examples are freight and handling charges, discount terms, price, and other similar items.
Advanced Planning and Scheduling (APS) System	Advanced planning and scheduling systems are applications that plan for production over time horizons of months or years, using constraint models that treat both materials and capacity. Some planning systems perform master production scheduling, material requirements planning, or capacity planning. The new generation of planning and scheduling tools includes models that deal with multiple constraints, and can be applied to environments ranging from short-term plant-floor scheduling to strategic planning of supply chains.

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Agile Manufacturing Strategies	Agile manufacturing strategies are tools, techniques, and initiatives that enable a plant or company to thrive under conditions of unpredictable change. Agile manufacturing not only enables a plant to achieve rapid response to customer needs, but also includes the ability to quickly reconfigure operations (and strategic alliances), enabling rapid response to unforeseen shifts in the marketplace. In some instances, it also incorporates "mass customization" concepts to satisfy unique customer requirements and, in the broadest sense, it includes the ability to react quickly to technical or environmental surprises.
Allocations	Allocations are distributions according to a plan. Depreciation, amortization, and depletion are all methods of allocating a cost to the periods benefited.
Application	Program that accepts user input, usually by keyboard or mouse, and either performs an action or passes a request to the operating system to be serviced.
Application	Focuses on: application style; structuring of the application and functional decomposition; re-usability, flexibility, reliability, and extensibility of the applications; understanding; uniform use of best practices and patterns; whether multiple applications have been created to serve different lines of business with essentially the same functionality; and the availability of enterprise schema and object models.
Application Service Provider (ASP)	An online outsourcer or hosting service for applications that allows net market makers to rent instead of buy applications and services such as auctions, exchanges and catalogue aggregation. Many application vendors are moving to a hosting model, but ASPs are often application-agnostic, plugging a feature of one application into a marketplace when appropriate and using another feature from another vendor elsewhere.
Appraise & Develop Suppliers	<p>Appraising and developing suppliers is the process of developing and managing programs and policies for interacting with suppliers and measuring/improving their performance. Activities included in the appraise and develop suppliers process:</p> <ul style="list-style-type: none"> * Monitor/manage supplier information * Prepare/analyze spending and vendor performance (including meeting quality standards) * Support inventory/production processes * Creation/implementation of supplier training and certification programs
Approval	An approval designates that a transaction has been allowed by a superior authorized to make decisions. The superior will generally sign or confirm a transaction for it to be approved.
Architecture	Focuses on the structure of the architecture, which includes topology, integration techniques, enterprise architecture decisions, standards and policies, Web services adoption level, experience in SOA implementation, SOA compliance criteria, and typical artifacts produced.
Assessment Center	An assessment center is a central location used by companies to assess potential, new hire, and existing employee skill sets.
Asset Addition	An asset addition occurs when a fixed asset is added to the company's fixed asset register.
Asset Adjustments	The net book value of the asset is adjusted by changing the original cost of the asset or reducing the net book value based on an analysis of the fair market value of the asset

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Asset Retirement	An asset is considered retired when its net book value is adjusted to zero.
Asset Transfer	An existing asset's location is changed; asset may be transferred between business units.
Asset Turns	Asset turns is defined as gross product revenue divided by total net assets.
Assignment/Secondment	The deployment of employees both internally between organizational units and/or outbound to an internal host.
Authentication	Involves proving identity and allowing access to assets or confidential information.
Automated (System Generated)	Automated (system generated) refers to a transaction that is considered processed and recorded automatically without human intervention; it is calculated and posted by the accounting system and requires no human effort, subsequent to the initial parameter programming, for completion.
Automated Customer Order Configuration	Automated order configuration refers to the ability for a customer to specify options for the order, enabled by the order management system.
Automated Recurring	An automated recurring entry is one which is calculated and posted by the accounting system at a specified time interval and requires no human effort subsequent to the initial programming of the entry.
Automatic Cash Application	Automatic cash application is the process whereby cash receipts from customers are coded so that the receivable amount from the customer is automatically decreased by the amount of the remittance. Generally used in connection with a lockbox arrangement.
Automatic Receipt Settlement	Automatic receipt settlement is a form of online matching between invoices, purchase orders, and shipping/receiving documents.
Automatic Translation	Automated translation in this case refers to the functionality provided when a computer system is programmed to automatically translate a foreign currency into another currency. This may be when the system receives the translation rates online from another system, or when they are manually keyed one time each accounting period.
Average Days Sales Outstanding	Average days sales outstanding is calculated as 360 days divided by the ratio of net sales divided by the average month-end trade accounts receivable balance (exclude all unbilled receivables).
Average Experience Level	Average experience level is computed as the average number of years the persons performing the given functions have been at their current position. If an employee was promoted to a higher level within the same function, count the time from the date they started the lowest position.

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Average Monthly Variance	<p>The average monthly percentage variance is taken over a twelve-month period by taking the sum of the absolute value of monthly percentage variances and dividing it by twelve.</p> <p>For example: The budget variances for volume changes of XYZ company during the year are as follows:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Percentage Variance</th> <th style="text-align: left;">Percentage Variance</th> </tr> </thead> <tbody> <tr> <td>January 3.0</td> <td>July (3.0)</td> </tr> <tr> <td>February 5.0</td> <td>August (1.0)</td> </tr> <tr> <td>March 4.0</td> <td>September (4.0)</td> </tr> <tr> <td>April 2.0</td> <td>October 3.0</td> </tr> <tr> <td>May (8.0)</td> <td>November 3.0</td> </tr> <tr> <td>June 4.0</td> <td>December 2.0</td> </tr> </tbody> </table> <p>The absolute sum of the monthly variances is 42.</p> <p>The average monthly percentage variance is therefore $42 / 12 \text{ months} = 3.5\%$.</p>	Percentage Variance	Percentage Variance	January 3.0	July (3.0)	February 5.0	August (1.0)	March 4.0	September (4.0)	April 2.0	October 3.0	May (8.0)	November 3.0	June 4.0	December 2.0
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Average Return on Fixed Assets	<p>This calculation measures the productivity of assets employed at your site. Provide your responses based on the following calculation: [Annual operating income (calculated as revenue, less cost of goods sold, less operating expenses excluding interest and taxes) divided by your site's average fixed asset balance (calculated as beginning fixed assets less accumulated depreciation plus ending fixed assets less accumulated depreciation divided by two)] * 100.</p>														
Average Standard Payment Terms	<p>Average standard payment terms refer to the length of time a customer is given to pay the amount due on an invoice. For example if two customers have been given 30 days to pay and another customer has been given 40 days to pay, the average payment terms for the three customers is calculated as $((30 \times 2) + 40) / 3 = 33$ days.</p>														
Average total days in inventory	<p>Days in inventory measures the average length of time in days it takes the inventory to turn over. Calculate by [(average gross value of total inventory at standard cost) / (annual cost of goods sold / 365 days)]. Total inventory would include raw materials, work in progress and finished goods.</p>														
Award/Incentive Administration	<p>The administration and execution of alternative methods of recognizing employee efforts and accomplishment. Awards/incentives may include team recognition, individual recognition, etc. May be monetary or non-monetary.</p>														
B2B	<p>B2E (Business to Employee or Business to Everything) is a term used to describe how companies are using web portals to provide workplace technology to support employee and client work requirements.</p>														
Bar Coding	<p>A bar coding system is a coding system used to identify products or packages by encoding identification data in a printed pattern that is then placed on an object. Data are retrieved with an electronic scanning device linked to a computer. Bar coding is frequently used by manufacturers for inventory control.</p>														
Batch Manufacturing	<p>Batch manufacturing is a production technique in which parts are accumulated and processed together.</p>														

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Benefits Administration	The administration and execution of executive, exempt, and non-exempt benefits in accordance with organizational policies, labor contracts, and governmental regulations. This process includes the administration of health and welfare, equity savings plans, pension plans, and maintenance of records.
Billing Inquiries	A billing inquiry is any question or concern a customer raises with regard to a bill/invoice your business unit has issued for goods or services provided.
Blanket/Contract Order	A blanket/contract order is a contract between a purchaser and supplier that allows pre-selected goods and services to be purchased up to a specified currency amount without requiring a purchase order for each individual transaction.
Blended learning	Blended learning is the combination of multiple approaches to learning. For example: self-paced, collaborative or inquiry-based study. Blended learning can be accomplished through the use of 'blended' virtual and physical resources. Examples include combinations of technology-based materials, face-to-face sessions and print materials.
Bolt-on Application	A bolt-on application is a system which is not part of a central information system, but which is a separate application that supports a particular function of the organization.
Bottleneck/Constraint	A bottleneck or constraint is a point in manufacturing operations in which the entire process movement is slowed because demand placed on a resource is equal to or more than capacity.
Bottom-Up Budgeting	Bottom-up budgeting is the opposite of demand-pull budgeting (i.e., no direct reference is made to manufacturing or sales output). Usually the manufacturing or sales plan is completed after the budget. Bottom-up budgeting is based on the idea that the people at the bottom of the organizational chart make the best decisions about resource needs and use. The people who are best suited to develop a budget are those as close as possible to the provision of services. These people understand their requirements, how to spend money most effectively and how to best monitor outcomes.
Broad Banding	Broad banding is a remuneration framework in which the organization sets a series of salary ranges (bands) and pays employees on the basis of the band to which they are allocated. Employees may move within and/or between bands on the basis of performance or seniority.
Budget Cycle Time	Budget cycle time is the period from the time when objectives of the budget are established, through the time when the budget is ready for use.
Budget Unit Financial Statements	Business unit financial statements are statements prepared for and used by an individual entity. These reports are a subset of the consolidated financial statements for the company as a whole. These reports are used to gauge the individual entity's performance.
Business	Focuses on the business architecture (i.e., the organization's current business practices and policies) and how business processes are designed, structured, implemented, and executed.

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Term	Definition
Business Entity / Business Site / Business Unit	<p>For survey purposes, a business entity is defined as an entity that (1) performs significant aspects of the processes for the surveys identified, or (2) is part of a cost or revenue centre within the company. Within your organization, diverse departments may be geographically co-located, with closely integrated operations that form part of one "business entity" which may be a great distance apart. When trying to determine if related parts of your operation should be considered a single business entity, look for the following characteristics:</p> <p>Do they operate closely together? Do they serve many of the same customers? Do they support the same region or product group? Do they share any performance measures? Is data meaningful at a consolidated level?</p> <p>Examples of business entity definition:</p> <ol style="list-style-type: none"> 1. A general ledger accounting unit located in Germany has two groups. One performs general ledger accounting for the corporate headquarters, which has three business units. The other group does general ledger accounting for one of the three business units. In spite of their geographic co-location, their roles are substantially different and consolidating their data into a single response would make it less meaningful. Each group should be treated as a separate business entity. 2. Three business units within a corporation use a shared services center for accounts payable and expense reimbursement, but are self-supporting for the other financial processes. The best approach is to make the shared services centre a separate business entity for accounts payable and expense reimbursement, and to retain the three original business units for the other financial processes. 3. A global manufacturing company has five plant locations, each manufacturing product and each with its own logistics operations. For purposes of completing a manufacturing and logistics survey, they should be treated as five separate business entities.
Business Unit Reporting	Business unit reporting refers to the process of preparing individual business unit financial statements and forwarding those to the next reporting level within an organization in order for them to be consolidated.
Business Units	A distinct business unit is any entity that has its own set of books and records.
Buyer-Managed Content	Catalogue content maintained and updated by your purchasing department.
Candidate Screening	The process of interviewing and screening applicants to decide on the appropriate fit and match to the right job.
Candidate Tracking	This process involves creating an applicant record, managing/tracking applicant data and archiving and retaining records of non-hires.
Capability Model	A capability model is a classification of the capabilities and restrictions of a supply chain.
Capacity Planning	Planning for the production capability may be expressed in terms of product machine hours, or man-hours, and indicates the amount of production that can be achieved with the resources available.
Capital Carrier Management Sessions	Carrier management review sessions are meetings in which a company and its transportation provider jointly seek to identify opportunities to increase the effectiveness of their working relationship.

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Capital Expenditure	The cost associated with the purchase, construction and/or improvement of a fixed asset including expenditures necessary to prepare the asset for its intended use.
Capital Expenditure Plan/Budget	A site's planned budget for capital expenditures such as property, plant or equipment that has been approved by all necessary levels of management.
Capital Project	An undertaking that is planned and approved to construct or purchase a capital/fixed asset to be used in the normal course of business and which will be capitalized over a given period once the asset is put into service/production.
Capitalization Threshold	The minimum acquisition cost of an individual asset that qualifies it to be capitalized.
Carrier Scorecard Assessment	A carrier scorecard assessment is a formal tracking technique in which transportation provider performance is evaluated using specific performance measures. Carrier scorecard assessments may be used to screen/filter carriers and may also be used as inputs to carrier management review sessions.
Cash Advance	A cash advance is the process by which an employee receives a disbursement (in any form) prior to incurring an expense on behalf of the company.
Cash-to-Cash Cycle Time	Cash-to-cash cycle time is the time it takes for an investment made to flow back into a company after it has been spent for raw materials. For services, this represents the time from the point where a company pays for the resources consumed in the performance of a service to the time that the company received payment from the customer for those services. A cash-to-cash cycle is the number of inventory days of supply plus days of sales outstanding minus the average payment period for materials.
Cellular Manufacturing	Cellular manufacturing is a manufacturing approach in which equipment and workstations are arranged to facilitate small-lot, continuous-flow production, often in a U-shaped cell. In a manufacturing "cell," all operations required to produce a component or subassembly are performed in close proximity, thus allowing for quick feedback between operators when quality problems and other issues arise. Workers in a manufacturing cell typically are cross-trained and, hence, able to perform multiple tasks as needed.
Census	A measurement or survey that is taken of the entire workforce each time it is conducted.
Centralized Collection Center	A centralized collection center is a single facility that receives and processes all customer returns.
Centralized Processing Center	A centralized processing center is similar to a shared services center in that it also supports the financial functions of multiple business units. The difference is that a centralized processing center standardizes and bundles services rather than customizes them.
Centralized Structure	A centralized function has been concentrated into one grouping of staff specializing in this function, rather than the function being carried out as a part of other roles in the business unit. May also be referred to as a "center of excellence."
Centralized Structure	A centralized function has been concentrated into one grouping of staff specializing in this function, rather than the function being carried out as a part of other roles in the business unit. May also be referred to as a "center of excellence."
Certified Supplier	Certified suppliers are suppliers of goods or services with whom the business unit has prearranged purchasing agreements.

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Channel	In push technology, a channel refers to a particular information category you can select for regular viewing and updates, which are delivered via the Web and appear on your computer screen.
Channel Enhancement	This is the first of the four stages on the e-business Adoption Curve. It commonly involves the development of an electronic presence, usually a web site, as a new outlet for the marketing and selling of goods and services. At this stage, organizations utilize this new technology to modify existing business processes, and in some cases create new ones. Typical developments in this stage of the e-business adoption curve include:
Chart of Accounts	A chart of accounts is a listing of the general ledger account names and identification numbers arranged in the order in which they customarily appear in the financial statements.
Check	A check is a legal draft drawn on a bank, payable on demand to the person named on the instrument.
Chief Executive Officer (CEO)	The Chief Executive Officer is the officer who has ultimate management responsibility for an organization. The CEO reports directly to a board of directors , which is accountable to the company's owners. The CEO appoints other managers, including a president, to assist in carrying out the responsibilities of the organization. The CEO can also have the title CEO/President if the responsibilities of both positions are combined. Source: www.allbusiness.com
Collaboration	The process of trading partners working together at a high level to maintain purposeful cooperation, balance of power and commitment to the future for the benefit of all partners involved.
Collaboration	This activity enables people to develop, identify, share, and transfer knowledge regardless of space and time. A KM strategy for using virtual collaboration approaches and tools to span boundaries in a logical and organized way is one of today's most pressing business imperatives.
Collaborative Business Planning	Collaborative planning is the process of trading partners working together at a high level to maintain purposeful cooperation, balance of power, and commitment to the future for the benefit of all partners.
Collaborative Carrier Management	Collaborative carrier management refers to the practice of coordinating with transport providers to make advance cargo reservations and thereby ensuring space availability.
Collaborative Design	The design and implementation of product development processes across multiple enterprises using electronic business as an enabler of speed, accuracy, and real-time control to improve product launch success and time-to-market.
Collaborative Planning	Collaborative planning is a concept of supply chain partners working together to plan joint marketing activities for the purpose of anticipating and meeting customer demand. An enhancement to collaborative planning is Collaborative Planning, Forecasting and Replenishment (CPFR).
Collaborative Planning, Forecasting and Replenishment	Collaborative Planning, Forecasting and Replenishment (CPFR) is the concept of collaborative planning extended to support the creation of detailed demand forecasts and replenishment plans to fulfill customer demand. CPFR provides an environment for integrating demand and supply side processes in order to achieve: reduced inventory levels, shorter supply chain cycle times, reduced supply chain costs, higher service levels, decreased inventories, and increased sales.

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Term	Definition
Collaborative Transportation Optimization	Collaborative transportation optimization refers to coordination between companies, their transport providers, and their customers to improve transportation effectiveness (improve service levels while minimizing costs and maximizing asset utilization). Collaborative transportation optimization could include such activities as capacity planning (see Collaborative Carrier Management), delivery prioritization, and trailer pool management.
Compensation Administration	The administration and execution of executive, exempt, and non-exempt compensation in accordance with organizational policies, labor contracts, and governmental regulations including allocation of individual compensation, changes and timing of same, and maintenance of records.
Competitive Benchmarking	Competitive benchmarking is a formal program that compares a plant's practices and performance results against "best-in-class" competitors or against similar operations.
Computer Aided Design System	A computer aided design (CAD) system provides electronic graphical tools to support product design and provide for faster modification to design drawings. Programs complete the layout, geometric transformations, projections, rotations, magnifications and interval (cross-section) views of parts in relation to other parts. CAD systems enable internal and external collaboration in product development.
Computer-based Training (CBT)	Computer-based training is a standalone training solution that runs on an individual's PC. Often delivered by CD or from a network server.
Computer-integrated Manufacturing System	Computer-integrated manufacturing (CIM) is the practice of using computer technology to integrate the whole manufacturing organization to control part or all of a manufacturing process. CIM systems typically link management functions with engineering, manufacturing, and support operations.
Computerized Maintenance Management System	Computerized maintenance management systems are applications that analyze operating conditions of production equipment, including vibration, oil analysis, heat, and equipment-failure data; and apply the analysis to the scheduling of maintenance and repair and routine maintenance functions. The intent of the maintenance application is to prevent unscheduled machine downtime and optimize a plant's ability to process product at optimum volumes and required quality levels.
Confirm Specific Service Requirements for Individual Customer	This process includes creating or updating a customer profile record, processing individual customer requests and generating service orders. This may involve systems like customer segmentation, customer relationship management (CRM), order management, etc. As part of the process, external and internal customer service audits may be conducted by the company.
Consolidated Financial Statements	Consolidated financial statements are combined financial reports for all of the business units of a single legal entity for reporting purposes. During the consolidation process, intercompany transactions between consolidated entities are eliminated for consolidated reporting purposes only.
Consolidation	Consolidation is the combination of two or more entities for reporting purposes. During the consolidation process, intercompany transactions between consolidated entities are eliminated for consolidated reporting purposes only.
Consortium Logistics Practices	Consortium logistics practices refer to those logistics practices in which two or more companies work together to optimize individual company logistics networks through the optimization of their collective logistics network. Consortium logistics practices could include such logistics activities as space buying, transport buying, route management, and backhaul planning/execution.

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Consultancy / third party cost	The costs associated with engaging a consultant or third party to undertake work for or on behalf of the organization.
Content	In the context of a web site, this refers to the information and the manner in which an organization's web site is structured and laid out.
Content Management (HR)	The process begins with the need to create or maintain the content of an HRIS. It includes the development, implementation, and maintenance of HR information systems. The process concludes when the system developments or modifications are complete.
Contingent Worker	A temporary or part-time worker, usually one working under contract for a fixed period or a specific project.
Continuous Flow Manufacturing	Continuous flow manufacturing is a production system organized and sequenced according to the steps involved in the manufacturing process. In continuous flow manufacturing the product moves seamlessly and continuously through the entire manufacturing process.
Continuous Replenishment Program	A continuous replenishment program is an arrangement with a supplier in which the supplier monitors the customer's inventory and automatically replaces used materials, eliminating the need for purchase orders and related paperwork.
Contract Manufacturing	Contract manufacturing is defined as manufacturing products that are packaged under another company's label.
Control	Control tasks ensure that accounting maintenance is performed. A control review provides the opportunity for the finance and accounting function to evaluate how well it is performing. Control tasks include mandating policies and procedures, checking adoption of policies and procedures, and developing guidelines for business units. Control attributes include validation/verification, dissemination and communication skills.
Controllable Expenses	Controllable expenses are expense items within the sphere of influence (e.g. salaries, wages, travel and entertainment).
Conventional EDI	Conventional EDI represents a communication standard that supports the inter-organizational electronic exchange of common business documents and information. Conventional EDI transactions usually occur over private networks and can be somewhat costly to develop and maintain.
Convergence	<p>This is the fourth and last stage on the e-business Adoption Curve. With convergence, e-businesses can achieve integration with other organizations both within and outside their own industries. Over time, this produces cross-industry supply chains that come together to create networked organizations and markets. The typical areas of focus at this stage of the e-business adoption curve include:</p> <ul style="list-style-type: none"> <li data-bbox="552 1669 860 1711">Cross-industry Integration <li data-bbox="552 1732 893 1774">Cross-industry supply chains <li data-bbox="552 1795 1055 1837">Cross-industry customer-centric networks.

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Term	Definition
Core Carrier Program	A core carrier program rationalizes transportation carriers by establishing a preferred list of carriers with which a company has negotiated such terms as simplified billing, improved rates, and increased control in exchange for concentrating shipments with these carriers.
Corporate Headquarters	For the purpose of this survey a corporate headquarters can be defined as a regional headquarters, or a country headquarters, or a product division headquarters.
Corporate HR/Professional Support Unit	Corporate HR / Professional Support Unit (PSU) is a separate business unit providing HR support to the business. This would typically be a group of subject matter experts, located in a shared services environment.
Corporate Social Responsibility	The continuing commitment by organizations to behave ethically and contribute to the economic development while improving the quality of life of the workforce and their families, as well as of the local community and society at large.
Corrective/Adjusting Journal Entry	A corrective/adjusting journal entry is an entry recorded to change or reverse a prior entry due to an error or omission.
Cost Behavior	Cost behavior, in this context, refers to the impact of operational decisions on business costs.
Cost Center	For the purposes of this survey, a cost center is defined as a segment of the business that incurs costs (or expenses), but does not directly generate revenue. Cost centers are evaluated primarily on their ability to control costs, and the quantity and the quality of the services they provide to the organization. Production departments, accounting, and finance are a few examples of cost centers.
Cost Driver	A cost driver determines the demand for use of a particular overhead resource known as an activity. Knowledge of cost drivers and activity costs can then be used to allocate costs to products on a basis that is related to the demand that the products place on the resources.
Cost Leadership	A strategy of cost leadership is one in which a company seeks to achieve the status of lowest cost producer or supplier to its market. The lowest cost producer has the ability to price below peers, providing a barrier of entry to potential competitors.
Cost of Continuing Operations	Please see "Total Cost of Continuing Operations"
Cost of Goods Manufactured	Amount on an income statement that represents the manufacturing costs during a period. These costs consist of direct material, direct labor, and manufacturing overhead increased or decreased by the net change in work-in-process inventory to equal cost of goods manufactured.
Cost of Goods Sold	Amount on an income statement that represents the cost of purchasing raw materials and manufacturing finished products. This represents specific or direct manufacturing cost of material and labor entering in the production of finished goods. For merchandise companies, cost of goods sold represents the purchase price of items sold, as well as indirect overhead such as freight, inspecting, and warehouse costs. For service organizations, cost of goods sold may be referred to as Cost of Services.
Cost of Quality	Costs associated with deploying quality products and processes, including in process quality as well as post mortem and problem resolution
Cost of Sales Analysis	Review of costs related to the production and sale of products and services including "Cost of Goods Sold" and/or "Cost of Goods Manufactured".

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Cost to Deliver	Cost to deliver includes costs associated with sales order management and customer management.
Cost to Make	Cost to make includes costs associated with direct materials, direct labor, and direct non-material product-related expenses (equipment) and indirect product-related expenses. Cost to make DOES include the cost the materials.
Cost to Manufacture	Cost to manufacture includes costs associated with direct materials, direct labor, direct non-material product-related expenses (equipment), and indirect product-related manufacturing expenses (manufacturing overhead). Cost to manufacture DOES include the cost the materials.
Cost to Plan	Cost to plan includes costs associated with planning, planning procurement, planning manufacturing, planning delivery and planning returns.
Cost to Return from Customer	Cost to return from the customer includes costs associated with returning defective product and returning excess product from the customer (DRx) including costs associated with authorizing returns, scheduling return shipments, receiving returns, verifying defective product, disposition of defective product, etc.
Cost to Return to Supplier	Cost to return to the supplier includes costs associated with returning defective product to the supplier, returning excess product to the supplier, cost to return MRO Product to the supplier, (SRx) including cost of authorizing MRO returns scheduling MRO Returns, receiving MRO returns transferring MRO Product, verifying defective product, disposition of defective product, identifying MRO condition, requesting MRO return authorization, scheduling MRO return shipments, returning MRO Product, etc.)
Cost to Source	Cost to source includes costs associated with supplier management and material acquisition management.
Create and manage human resources (HR) planning, policies, and strategies	<p>The create and manage human resources (HR) planning, policies, and strategies process consists of:</p> <ul style="list-style-type: none"> * Workforce planning * Compensation planning * Succession planning * Employee diversity * Programme design * Policy administration * Policy development
Create IT Services and Solutions	Creating IT services and solutions is defined as the installation of service and/or solution design while ensuring all functional and non-functional requirements are met and solutions comply with organizational standards. Tasks include understanding service or solution requirements, designing the service or solution, building or integrating components, testing the solution or service, and gaining customer acceptance and certification.

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Term	Definition
Create Materials Plan	The "create materials plan" process is used to source and obtain materials needed to execute operations necessary to meet customer demand. In products-related businesses, materials plans consider hard goods, while in services-oriented businesses, materials plans consider management of service delivery resources. Critical to the success of this process is the definition and maintenance of item nomenclature for products-based industries and skills taxonomies for services-based industries. Without common nomenclatures, mismatches between suppliers and producers can occur. This process begins with generating an unconstrained plan. Additional steps include collaborating with suppliers or contractors, identifying critical materials and supplier constraints, anticipating special events that restrict supply flow, and generating a constrained plan. Demand may be geographic, regional, and global, and the material plan must take into account the most practical means to satisfy the demand using identified resources.
Credit Approval	Credit approval is the process whereby a customer requests credit from the company and the company evaluates the buyer's credit worthiness based upon predetermined criteria.
Credit Approval Cycle Time	The cycle time for credit approval refers to the number of calendar days (including weekends) from the point in time when a customer requests a credit extension (new or existing customer) until the customer is notified of the credit status.
Cross Selling	Cross selling refers to an automated suggestion of complementary options or products, based on a customer's current product selection.
Cross-functional Teams	Cross-functional teams are teams of employees representing different functional disciplines and/or different process segments, which are assembled to resolve a specific problem or perform a specific task, frequently on an ad hoc basis.
Customer Billing Address	A customer billing address is any location to which customer bills are sent. If multiple addresses of a single entity are maintained, each address is considered to be a distinct billing address.
Customer Lead Time	Customer lead-time is the total elapsed time from order entry to shipment of the product.
Customer Management	Customer Management includes financing, post-sales customer service, handling disputes, field repairs, enabling technologies, etc.
Customer Master File	A customer master file is a complete listing of entities to which the business sells products or services. Information maintained includes payment terms, mailing address, wire transfer instructions, and other similar data. Multiple business units of the same entity are considered to be unique customers.
Customer Order Cycle Time	Customer order cycle time equals the time (typically measured in days including weekends) between order placement by the customer and order delivery date to the customer.
Customer Order Processing Time	Customer order processing time is the number of hours it takes to receive, configure, enter and validate orders, reserve resources and determine delivery dates, consolidate orders and schedule installation (if applicable), build loads, route shipments and select carriers and rate shipments
Customer relationship Management (CRM) System	A customer relationship management system is an application that provides customer-centric information, which is used to build closer and more meaningful relationships with customers, intended to increase profitability.

Open Standards Benchmarking Glossary

Term	Definition
Customer Satisfaction Survey	Customer satisfaction surveys are a communication tool intended to provide feedback information from customers on a company's performance.
Customer Shipment to Delivery Cycle Time	Customer shipment to delivery cycle time starts when the product is shipped and ends at customer delivery and acceptance. It includes transit time and the time it takes at the customer location to receive and verify product and install product (if applicable).
Customization	Personalizing communications at company level (e.g. benefits offerings, organizational news, etc) specifically to the individual employee, limiting or eliminating unrelated information.
Cycle Time	Cycle time is the total time required to complete a process from start to finish.
Cycle time to Generate Billing Data	For purposes of this study, the time to generate billing data is the number of calendar days from when an order is processed and manufacturing/logistics is notified until the time the invoice is transmitted to the customer. Activities during this cycle would include generating customer billing data, preparing the invoice and transmitting the bill/invoice to the customer.
Data mining	The process of searching a company's internal databases to identify trends and patterns; data warehouse databases facilitate the process.
Data Warehouse	A data warehouse extends the information base by extracting and enhancing data from existing processing systems. A data warehouse converts data from all sources to a common format, and manipulates and presents it in the form most useful to users. The data warehouse consolidates and enriches data to create information unavailable from any single source. It puts vital competitive intelligence and improved decision-support information at the user's fingertips.
Days Payable Outstanding	Days payable outstanding is an indicator of how long, on average, a company takes to pay its creditors. It is calculated as the average value of accounts payable balance divided by (cost of goods sold divided by 365 days).
Days Sales Outstanding	Days sales outstanding is the length of time from when a sale is made until cash for it is received from customers. The amount of sales outstanding expressed in days is calculated as (average of gross accounts receivable [AR]) / (total gross annual sales / 365).
Decentralized Structure	A decentralized structure is the situation in which a function is carried out in a number of locations, often aligned with different business units or geographies.
Decision Support	Decision support activities leverage the information generated in the transaction processing and reporting activities. Data are analyzed to determine the organization's effectiveness in past engagements, as well as to identify trends that will impact the ongoing functioning of the business; the trend analysis leads into the process of formulating a strategic plan to exploit opportunities and chart continued growth. Decision support activities include sophisticated business analysis, risk management, strategic/market issue evaluation and cost analysis. Decision support attributes include innovation/creativity, accounting and analytical skills, and an understanding of the "big picture".
Define Customer Management Strategy	Defining the customer management strategy refers to the process of developing strategies for serving customers. It includes planning customer service levels and reviewing performance of the order management function.

Open Standards Benchmarking Glossary

Term	Definition
Define Logistics Strategy	<p>Defining logistics strategy refers to the process of translating customer service requirements into capacity requirements and lead-time requirements; designing the logistics network required to meet these requirements, including network components such as warehouse and distribution center (DC) assets, transportation assets, technology infrastructure, and inventory deployment; working with procurement to identify, negotiate, and maintain outsourcing agreements; defining delivery service policy elements such as lead-times, delivery performance levels, and shipping days; and defining key performance measures such as logistics costs, inbound delivery performance, space utilization, asset utilization, and outbound carrier delivery performance. It also includes managing third-party resources and global/international logistics strategies. Activities included in the define logistics strategy process: *</p> <p>Management activities</p> <ul style="list-style-type: none"> * Translate customer service requirements * Design logistics network * Communicate outsourcing needs to procurement, as required * Develop and maintain delivery service policy * Define key performance measures
Define the Enterprise Architecture	<p>The purpose of defining the enterprise architecture is to assess the interrelationships of the business process architecture, the information architecture, the components and services architectures, and the infrastructure architectures to ensure their continued relevance. Execution of this process requires establishing the enterprise architecture definition, confirming the enterprise architecture maintenance, acting as a clearinghouse for IT research and innovation, and the activity of governing the enterprise architecture.</p>
Define the Enterprise Information Architecture	<p>Defining the enterprise information architecture includes defining information elements, composite structure, logical relationships, constraints, and derivation rules, defining information access requirements, and establishing data custodianship.</p>
Defined	<p>At this level, processes and activities are defined, documented, and standardized to promote consistency.</p>
Deliver and Support Information Technology Services	<p>Delivers IT services and solutions within the budget provided; meets service commitments as measured by customer-defined service criteria; achieves customer satisfaction targets.</p>
Deliver Cycle Time	<p>Deliver cycle time is the average time associated with Deliver Processes and is calculated as $\text{MAX} \{[\text{Receive, Configure, Enter and Validate Order Cycle Time} + \text{Reserve Resources \& Determine Delivery Date Cycle Time} + (\text{Consolidate Orders Cycle Time} + \text{Schedule Installation Cycle Time}) + \text{Build Loads Cycle Time} + \text{Route Shipments Cycle Time} + \text{Select Carriers and Rate Shipments Cycle Time}], \text{Receive Product from Make/Source Cycle Time}\} + \text{Pick Product Cycle Time} + \text{Pack Product Cycle Time} + \text{Load Vehicle \& Generate Shipping Documentation Cycle Time} + \text{Ship Product Cycle Time} + (\text{Receive \& Verify Product Cycle Time}) + (\text{Install Product Cycle Time})$. The MAX function is to indicate that Dx.3-Dx.7 may be in parallel with Dx.8 and whichever takes longer should determine the cycle time.</p>

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Term	Definition
Deliver Product Service to Customer	This category includes all of the processes that are included in servicing products produced elsewhere in the supply chain. These processes include confirming the specific service requirements, identifying and scheduling resources to meet the service delivery requirements, providing the specific service to the customer, and ensuring that the quality standards are met and the quality of the service is acceptable to the customer.
Delivery Performance to Scheduled Commit Date	The percentage of orders that are fulfilled on or before the original scheduled or committed date.
Delivery Retail Cycle Time	Delivery retail cycle time is the average cycle time of the processes used to acquire, merchandise, and sell finished goods at a retail store. It includes the time it takes to generate stocking schedule, receive product, pick product, stock shelf, fill shopping cart and checkout and install product (if applicable) and is calculated as Generate Stocking Schedule Cycle Time + Receive Product Cycle Time + Pick Product Cycle Time + Stock Shelf Cycle Time + Fill Shopping Cart Cycle Time + Checkout Cycle Time + Install Cycle Time.
Demand Forecast Strategy	Forecast accuracy is a measurement comparing the forecasted demand to the actual demand for a specific time period.
Demand-Pull Budgeting	Demand-pull budgeting is market driven. The budget is set to reflect the resources required to fulfill the sales forecast, and therefore the output forecast, from a manufacturing or sales site. The sales and output forecasts must, therefore, be finalized before the budget is completed.
Demand/Supply Planning Cost	Demand/Supply Planning Cost includes costs associated with forecasting, developing finished goods or end item inventory plans, and coordinating demand/supply process across entire supply chain including all channels. (Not including MIS associated costs.)
Deploy Information Technology Solutions	Introduces new, enhanced, or improved functionality into the environment with minimal or no disruption to the services schedules; ensures consideration of appropriate security and contractual constraints; properly balances business benefit with technical and business risk.
Depreciation Expense	Annual depreciation expense recorded by your site for financial accounting purposes during the year. Include amortization on leasehold improvements; exclude software amortization, amortization on intangible assets (i.e., goodwill, customer lists), and amounts related to restructuring actions.
Design and Develop Product/Service	In this stage of the new product/service development process, business cases are being developed to assess the feasibility of assigning personnel and dollars for design and development of prototypes for the idea. The ideas are now defined as projects and must be managed accordingly. Business case projections and positive results from inhouse testing are used to determine whether to test market the product/service with external customers (i.e. move the project to next stage).
Design Cycle Time	For purposes of this survey, design cycle time is defined as the number of days to design a new product/service beginning with the start of the process "design & develop product/service" through the process "test market product/service." This cycle time would end prior to beginning the "support product/service manufacturing/delivery" process.

Open Standards Benchmarking Glossary

Term	Definition
Design, Build, and Evaluate Products and Services	<p>Activities included in the design, build, and evaluate products and services process:</p> <ul style="list-style-type: none"> * Assign resources to product/service project * Prepare high-level business case and technical assessment * Develop product/service design specifications * Document design specifications * Build prototypes * Eliminate quality and reliability problems * Conduct in-house product/service testing and evaluate feasibility * Identify design/development performance indicators * Collaborate with suppliers and contract manufactures
Develop and counsel	<p>The Develop and Counsel process consists of two parts:</p> <ul style="list-style-type: none"> * Develop and Counsel (Learning only) * Develop and counsel (Performance and employee Relations)
Develop and counsel (Learning only).	<p>The develop and counsel (learning only) process consists of the following:</p> <ul style="list-style-type: none"> * Learning strategy * Employee development * Training delivery * Training administration
Develop and counsel (Performance and employee Relations)	<p>The develop and counsel (performance and employee relations) process consists of the following:</p> <ul style="list-style-type: none"> * Employee orientation * Employee performance * Talent management * Employee relations
Develop and Implement Security, Privacy, and Data Protection Controls	<p>Developing and implementing security, privacy, and data protection controls includes establishing information security, privacy, and data protection strategies and levels, and testing, evaluation, and implementation of information security, privacy and data protection controls.</p>
Develop and Maintain Information Technology Solutions	<p>Produces, develops and tests new, enhanced, and improved solutions and enables services that meet all confirmed requirements; maintains and manages solutions and supports services to continue meeting all confirmed requirements; sunsets solution and discontinues services no longer needed.</p>
Develop and Maintain IT Knowledge Map	<p>Developing and maintaining IT knowledge map includes the process by which organizations identify and categorize knowledge assets within their organization to create a roadmap needed to create best use of resources independent of source or form.</p>
Develop and Maintain IT Services and Solutions Architecture	<p>Developing and maintaining IT services and solutions architecture includes creating the technical definition of the reference architecture for a family of IT services and solutions while ensuring compliance with the overall enterprise architecture. Tasks include assessing the need for new solutions services, enabling new solutions and services, and maintaining existing solutions and services in a prescribed fashion consistent across the whole enterprise.</p>

Open Standards Benchmarking Glossary

Term	Definition
Develop and Manage Business Resilience	Developing and managing business resilience consists of developing the business resilience strategy, performing continuous business operations planning, and maintaining continuous business operations. Development of the business resilience strategy includes tasks that identify and prioritize overall risks to business, determining how risks relate to critical business processes, and creating and maintaining a risk mitigation strategy. Performing continuous business operations planning includes tasks to evaluate current continuity, availability and recovery capabilities for enterprise architecture, identify gaps between current capabilities and desired state, and design and implement resilient enterprise architecture to enable continuous business operations. Maintaining continuous business operations consists of tasks to execute business resiliency projects, test and maintain the business resiliency plan, and execute the recovery plan.
Develop and Manage IT Customer Relationships	Developing and managing IT customer relationships includes the processes to manage the communications and interactions between the customers of IT and the providers of IT services and solutions, gather business requirements, help the customer to develop justifications for requested IT services and solutions, provide the initial interface to IT architects responsible for designing the IT services and solution, and monitors the customers satisfaction with the development, deployment, and on-going support of the IT services and solutions.
Develop and Manage IT Service Levels	Developing and managing IT service levels requires creating and maintaining the IT services and solutions catalog, establishing and maintaining business and IT service level agreements, evaluating and reporting service level attainment results, and communicating business and IT service level improvement opportunities.
Develop and Manage Regulatory Compliance	Developing and managing regulatory compliance is defined as developing the regulatory compliance strategy, establishing regulatory compliance controls, and managing regulatory compliance remediation. Some of the tasks required to develop and manage regulatory compliance include developing technology-based strategies for meeting regulatory requirements, establishing and maintaining compliance objectives and strategies for maintaining an audit-ready posture, assessing the ability of current policies, procedures and architectures to meet compliance requirements, establishing compliance monitoring and reporting procedures, executing compliance management projects, testing compliance controls, and performing compliance audits and reports.
Develop IT Services and Solutions Strategy	Developing an IT services and solution strategy requires assessing needs of the business and user, translating those needs into services and solution requirements, formulating and evaluating IT services and solutions strategic initiatives, and selecting IT solutions and services strategic initiatives to apply. The formulation of IT solutions and services strategic initiatives includes the tasks required to generate new ideas, identify enhancements or extensions to existing IT services and solutions, and identifying outdated services and solutions for sunset or retirement. The activity of developing and maintaining a long-term business focused IT strategy consists of the tasks required to develop, communicate, govern, and track strategy deployment. This includes defining and communicating the strategic intent regarding the organizational use of IT, establishing and maintaining an IT governance structure, articulating strategic assumptions for IT strategy development, and the development and tracking of the resulting IT plan that optimizes the use of technologies, resources, and alliances to improve business agility.

Open Standards Benchmarking Glossary

Term	Definition
Develop Sourcing Strategies	<p>Developing sourcing strategies, also known as “supplier portfolio strategies,” comprises multiple activities including clarifying purchasing requirements, matching needs to supplier capabilities, analyzing a company’s spend profile to identify high-opportunity categories, matching the most effective sourcing strategy by category, seeking opportunities to improve efficiency and value, and collaborating with suppliers to identify sourcing strategies. The process may include the development of a timeline that incorporates sourcing milestones for each category of sourced product or service. Sourcing strategies are occasionally identified by category or supplier, for example, reverse auction, request for information (RFI), request for proposal (RFP), request for quote (RFQ), or consortium. For services business that are human resource-centric, the sourcing strategy will include sources of supply other than those that are procured. For example, in-house, low-cost labor from other geographies, low-cost labor from alternate employee categories (e.g., retirees that re-enter the company with a modified employment type), use of affiliates, or a joint venture. All of these elements are used to create a procurement strategy and plan that guides purchasing activities with a focus on reducing total cost of supply and creating a balanced supplier portfolio. Activities included in the develop sourcing strategies process:</p> <ul style="list-style-type: none"> * Clarify purchasing requirements * Match needs to supply capabilities * Analyze company's spend profile * Find more efficiency in the value chain
Develop the Enterprise IT Strategy	<p>Developing the enterprise IT strategy consists of the activities required to define and maintain a business-focused enterprise IT strategy. This includes building strategic intelligence for the enterprise, collaborating with stakeholders to identify the long-term IT needs of the enterprise, and the development and maintenance of the business-focused strategy.</p>
Develop the Information and Content Management Strategies	<p>Developing information and content management strategies within the IT organization includes understanding information needs and the role of IT services for executing the business strategy, assessing the information and IT knowledge management implications of new technologies, and planning information and IT knowledge management actions and priorities.</p>
Develop the IT Deployment Strategy	<p>Developing the IT deployment strategy includes creating a consistent approach to the introduction of changes and releases into the IT environment, examining feedback from completed changes to ensure a successful deployment, and developing policies specific to “change” and “release?”. Tasks would include defining what constitutes a change and release, determining who can request changes and releases, establishing procedures to assign priority and approval levels, developing an exception process, defining deployment procedures, establishing and documenting a workflow for change approvals, analyzing completed changes and releases, and evaluating change trends and success rates.</p>
Develop the IT Development Strategy	<p>Developing the IT development strategy includes defining a consistent approach to IT development, assuring the repeatability of development and maintenance activities, and allowing these activities and their outcomes to be measured, therefore enabling continuous improvement.</p>

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Term	Definition
Develop the IT Knowledge Management Strategy	Developing the IT knowledge management strategy includes the process to understand IT knowledge needs, understand the current IT knowledge flow, coordinate the strategy and roles with the enterprise KM function, and plan the IT knowledge management actions and priorities.
Develop the IT Services and Solutions Delivery Strategy	Developing the IT services and solution strategy includes defining the organizational approach for IT service and delivery. Tasks include developing a strategy for delivering IT infrastructure services, and determining sourcing strategies.
Develop the IT Support Strategy	Developing the IT support strategy requires defining the organizational approach for delivering key enabling services and assisting in the use of information technology. This strategy would address help desk activities, desk-side support, and third-level technical support. Tasks include coordination of vendor support and evaluation of sourcing alternatives.
Differentiation	The strategy of differentiation, or high perceived value, aims to achieve superior performance, features, service or image, and adopts a policy of premium pricing.
Digital	The language of computers; all incoming and outgoing data is made up of a string of the numerical values 0 and 1.
Direct Deposit	Direct deposit is the process by which an employee's regular wages in the form of an electronic deposit are credited directly into the employee's personal account.
Direct Deposit (Not With payroll)	Direct deposit (not with payroll) is the process by which an employee's expenses are reimbursed via electronic deposit to the employee's personal account separate from his/her regular salary.
Direct Deposit (With Payroll)	Direct deposit (with payroll) is the process by which an employee's expenses are reimbursed in a lump sum payment with his/her regular wages in the form of an electronic deposit directly into the employee's personal account.
Direct Feed	Data are entered directly from the user into the centralized system. All functions required are inter-linked and available in real time; reports are immediately available to anyone authorized.
Direct Labor	Direct labor is defined as labor full-time equivalents (FTEs) used solely in producing specific product or in providing a specific service in manufacturing. The proportion of total labor that is direct labor is calculated as direct labor FTEs in manufacturing divided by total labor FTEs in manufacturing.
Direct Labor Cost	Costs associated with labor that is specifically applied to the product being manufactured.
Direct link from an Internal/External System	A direct link from an internal/external system is a situation whereby an entry is calculated by a system other than the general ledger (i.e., a subsystem) and then automatically fed to the general ledger.
Direct Supplies	Direct supplies are the materials that go into the production of a product in measurable quantities. (Direct supplies are the same as raw materials).
Disbursement	A disbursement/payment is a single remittance to a supplier of goods or services to pay for the goods and services received.
Discounted Cash Flow	Discounted cash flows consider the time value of money by taking future cash flows and determining the value of those based on time, amount, and market-determined risk-adjusted interest rate.

Open Standards Benchmarking Glossary

Term	Definition
Discounts	A discount is a reduction in the amount of an invoice to be paid if the entire amount is paid within a specified time period. An example would be 2% ten, net 30, where if the invoice is paid within ten days a two percent discount is given.
Discrete Manufacturing	Discrete manufacturing is the production or assembly of parts and/or finished products that are recognizable as distinct units capable of being identified by serial numbers or other labeling methods -- and measurable as numerical quantities rather than by weight or volume.
Disposal	Disposal refers to the discarding of products or components, often to a landfill or equivalent waste storage location.
Diversity	A company's diversity policy is aimed at effectively using the talent of all people in the workplace, regardless of ethnicity, gender, age, religion, disability, national origin and sexual orientation.
Dock-to-Stock Cycle Time	Dock-to-stock cycle begins when your business entity receives delivery of goods from the supplier and ends when those goods are put away in the warehouse and recorded into the inventory management system.
Downside Deliver Adaptability	Downside deliver adaptability is the maximum percentage reduction in delivered quantities that your business entity can sustain at 30 days prior to delivery with no inventory or cost penalties. (When calculating this metric, consider that 30 days is an arbitrary number provided for benchmarking purposes. For some industries and some organizations 30 days may be in some cases unobtainable or in others too conservative. This calculation requires the result to be based on the least reduction sustainable when considering all components.)
Downside Make Adaptability	Downside make adaptability is the maximum percentage reduction in production quantities that your business entity can sustain at 30 days prior to delivery with no inventory or cost penalties. (When calculating this metric, consider that 30 days is an arbitrary number provided for benchmarking purposes. For some industries and some organizations 30 days may be in some cases unobtainable or in others too conservative. This calculation requires the result to be based on the least reduction sustainable when considering all components.)
Downside Source Adaptability	Downside source adaptability is the maximum percentage reduction in raw material quantities ordered that your business entity can sustain at 30 days prior to delivery with no inventory or cost penalties. (When calculating this metric, consider that 30 days is an arbitrary number provided for benchmarking purposes. For some industries and some organizations 30 days may be in some cases unobtainable or in others too conservative. This calculation requires the result to be based on the least reduction sustainable when considering all components.)
Downside Supply Chain Adaptability	Downside supply chain adaptability is the maximum percentage reduction in quantities ordered that your business entity can sustain at 30 days prior to delivery with no inventory or cost penalties. (When calculating this metric, consider that 30 days is an arbitrary number provided for benchmarking purposes. For some industries and some organizations 30 days may be in some cases unobtainable or in others too conservative. The calculation of downside supply chain adaptability requires the calculation to be based on the least reduction sustainable when considering Source, Make, and Deliver components.)
Downsizing	Downsizing is a reduction in the number of employees that occurs due to management decision, not associated with natural attrition.

Open Standards Benchmarking Glossary

Term	Definition
E-business (Electronic business)	Using electronic information to improve performance, create value and enable new relationships between businesses and customers.
E-Business Adoption Curve	<p data-bbox="552 462 1601 493">Four Stages of the E-Business Adoption Curve</p> <p data-bbox="552 525 1601 787">Working through the four stages of the e-business adoption curve, an organization can use e-business technology to enhance its supply chain. E-business initially enables selling and buying activities, with firms doing the same type of activities more efficiently (channel enhancement and value chain integration). The third stage is equivalent to the railway and telegraph revolution: complete restructuring of value chains, creation of new virtual firms, and cybersourcers (industry transformation). Finally, process specialists take their expertise to new markets; a virtual version of the convergence of attractive markets familiar from the physical world (convergence).</p> <p data-bbox="552 819 1601 934">An organization may progress through these four stages in order or it may skip over a stage to a more advanced stage. This process of skipping certain stages of the e-business adoption curve is called leap frogging, and it allows an organization to enter the market in a highly evolved e-business state.</p>
E-learning	E-learning is learning which is provided using computers through an internet-based medium. Usually this form of learning is interactive, and its content may be continuously updated.
E-markets or Trading Exchanges	Trading exchanges are two-sided marketplaces where buyers and suppliers negotiate prices, usually with a bid and ask system, and where prices move both up and down. These exchanges work best with easily definable products without complicated attributes; for example commodities, perishable items such as food, or intangibles such as electric power.
E-Procurement	E-Procurement is the redesign and implementation of procurement processes among multiple enterprises using electronic business as a competitive enabler. Supplier and purchaser transmit inquiries, orders, invoices, payments etc. directly through their computer systems and purchasing can take place between companies using services such as the Internet, Electronic data Interchange or Electronic File transfer.
Earnings Per Share	This measurement is calculated by dividing the net profit or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.
EDI (Electronic Data Interchange)	<p data-bbox="552 1501 1601 1627">A standards-based, program-to-program communication system that allows business applications in different organizations to exchange information automatically to process business transactions. EDI assumes predefined relationships between trading partners, suppliers, and customers and is based on agreed upon message formats.</p> <p data-bbox="552 1638 1601 1732">EDI is an older version of electronic commerce between buyers and suppliers; it is more cumbersome and costly than internet-based commerce, feasible only for large companies and their most significant trading partners.</p>
Effective Date	The date at which a transaction becomes effective in the system and on record for data changes, payments, etc. For example, if an employee is hired on September 25 to begin work on October 1, the effective date for the new hire is October 1.

Open Standards Benchmarking Glossary

Term	Definition
Electronic	For the purpose of this study, electronic refers to any form of electronic data transmission including EDI, Internet, Wire Transfer, Direct Debit and Lockbox. For example in a payroll environment electronic transmission of timesheets would include direct entry into an ERP system or through software that interfaces with the payroll system.
Electronic (Direct to Purchasing Dept.)	Electronic (direct to purchasing department) in this case refers to a purchase request using a system interface directly linked to the purchasing department.
Electronic (Direct to Supplier)	Electronic (direct to supplier) refers to a purchase request using a system interface directly linked to the supplier.
Electronic Business (e-Business)	Using electronic information to improve performance, create value and enable new relationships between businesses and customers.
Electronic Commerce	Electronic Commerce or E-Commerce involves the buying and selling of products and services by businesses and consumers over the internet. E-Commerce can be divided into three main categories, which are business to business (B2B), business to consumer (B2C), and consumer to consumer (C2C), however new variants are continually emerging.
Electronic Customer Service	Electronic customer service refers to any electronic or web-based customer service application.
Electronic Demand	Electronic demand is a customer forecast that is directly entered into the supplier's system.
Electronic Marketplace	Electronic Commerce arises out of the business need for the use of information technology and communications technology for operational business transactions. Included in these business transactions are an endless number of interaction processes between market participants in different roles (supplier, customer, trader, carrier, finance provider) with the goal of building, uniting and developing a lasting coalition for the exchange of services. An Electronic Marketplace is a virtual location where these various market participants meet to exchange services.
Electronic Payment Systems (e-Payment Systems)	A payment in an e-marketplace in exchange for goods, commonly done using SSL encryption. The customer enters their credit card details, these details are then sent to a credit card clearing house to be authorized, the customer is informed on the success of the authorization and is usually given the opportunity to print off a receipt. Other examples of allowing customers to pay electronically rather than using cash include digital cash (also known as "e-cash"), and electronic checking systems that take money directly from the user's checking accounts to pay bills.
Electronic Procurement (e-Procurement)	Use of electronic technology (the internet or EDI) to restock a company's maintenance, repair, and operations (MRO) supplies. This includes the use of an extranet that allows authorized external suppliers and distributors to use the company's internal databases for the purpose of supply chain management. The supply chain systems commonly link up with the company's ERP systems.
Employee	See "headcount"
Employee (EE) Relations	Employee relations may be defined as those policies and practices which are concerned with the management and regulation of relationships between the organization, the individual staff member, and groups of staff within the working environment.

Open Standards Benchmarking Glossary

Term	Definition
Employee Assistance	Services offered to employees to address counseling and support needs that may or may not be related to work.
Employee Compensation and Benefits Process	The employee compensation and benefits process should develop procedures for processing employee salaries and any associated benefits. Salaries and tax returns should be timely and accurate. Activities would include developing and maintaining incentive schemes, time reporting, payroll processing, tax reporting, and managing benefit plans.
Employee Data Maintenance	The process begins with the need to create or modify an employee record. It includes changes to personal indicative data, maintenance of career-related and life-event changes, beneficiary information and employee status changes. The process is concluded when the system successfully reflects the changes to the employee record.
Employee Development	Development of an employee's career development plan. It includes creation of short and long-term career goals, review of organizational career ladders, identification of courses and training opportunities as well as development opportunities within the organization.
Employee Diversity	The evaluation and implementation of diversity programs that may address recruitment and retention of specific groups or individuals.
Employee File Maintenance	The maintenance of employee personnel files. For the purposes of self-service, these files would be stored in a secure database and available to employees and managers upon request based on assigned access.
Employee Information Inquiry	The process begins when an employee initiates an HR inquiry or transaction either online through self-service or by calling the employee service center. The process is concluded when the HR inquiry or transaction is resolved, including escalation procedures for any HR issue, and the employee's data is reflected correctly in all systems.
Employee Metrics	Data that is captured about the workforce and used to report on overall Human Capital program outcomes, workforce trends, demographics and performance.
Employee Orientation	Introducing new employees to the company's environment, culture and organization. This may involve technical and behavioral training, processing benefit plan enrolments, reviewing reporting structure, and career paths and planning
Employee Outplacement	The process of facilitating a terminated employee's search for a new job by provision of professional services, such as counseling, paid for by the former employer.
Employee Performance	The process includes training and advising line managers on effective performance management and appraisal, administering of employee performance reviews, notification to supervisors (e.g., reminders), tracking and maintaining results, and reporting/calculations based on results. It is concluded when the performance management plan is completed.
Employee Relocation	The HR process of temporarily or permanently moving employees (and possibly their family) to another work location in another city/state/country.
Employee Self Service	The ability for non-payroll, non-benefits and non-HR employees to perform an entire transaction by making changes or entering new information into the system of record from their computer terminals using a web portal or a system that supports self-service transactions. These transactions are typically limited by strict security to ensure that employees have access to the appropriate transactions and their personnel file only.

Open Standards Benchmarking Glossary

Term	Definition
Employment Verification	Completion of appropriate documentation to satisfy employment verification requests from third-party vendors (e.g. banks, mortgage brokers) or employees. For the purposes of self-service, the appropriate information would be password protected and available upon request. This process may include completing a paper form for a third-party vendor based on the information, but would still be considered self-service if the manager can perform the entire process.
Encryption	A security measure used to protect information for safe transmission over the Internet. An algorithm is used to scramble the original 'plaintext' message into unreadable 'ciphertext'. When the ciphertext is received it is unscrambled or 'decrypted' with a decryption algorithm.
Engineer-to-Order Capability Model	An engineer-to-order supply chain is a supply chain capable of adapting a product to the customer's requirement specifications and that is built or configured of one or more custom parts. Design finalization takes place after receipt of a customer order.
Ensure Quality of Service	To ensure the quality of service, a company can identify completed product service orders and solicit customer feedback on delivery expectations as a part of the improvement process.
Enterprise learning strategy	Corporate wide learning strategy that is in place and provides a framework for individual geographies, business entities, functions learning strategies.
Enterprise Portal	An enterprise portal is a workplace technology for standardizing business practices across geographies. Through a user friendly, customizable front end, enterprise portals provide individuals with the information, applications and services they need to do their jobs better.
Enterprise Resource Planning (ERP) System	Enterprise Resource Planning (ERP) systems are complex applications used by enterprises to manage resources and integrate business processes across multiple divisions and organizational boundaries. An ERP system can include software for manufacturing, order entry, accounts receivable and payable, general ledger, purchasing, warehousing, transportation and human resources
Entire Organization	Refers to the entire organization rather than the business entity defined for purposes of this survey effort. For example, the surveyed business entity could be a business unit of a publicly traded company, in which case a question about an entire organization's total revenue should be answered as the corporate parent's total annual revenue.
Entry Level	Entry-level positions are positions with no experience necessary.
Evaluate and Communicate IT Business Value and Performance	Evaluating and communicating IT business value and performance consists of establishing key performance measures for, monitoring trends and key performance indicators, linking business technology investments to business outcomes, and communicating business technology value contributions.
Evaluate and Manage Financial Performance	The process of developing and evaluating a framework for the internal and external business environment by qualifying the resources and investment costs in relation to profitability expectations for the current and anticipated market, customers and product portfolios. This includes measuring performance against predetermined targets and managing the corrective action process.
Exception	An exception is an error or omission requiring follow-up effort.
Executive Owners	Executive owners are the most senior members of the executive staff that take final responsibility for a function or action.

Open Standards Benchmarking Glossary

Term	Definition
Existing Product Extension	A change to an existing product that results in a new application of the product. Product extensions allow the company to enter a new market or acquire a new customer.
Existing Product Improvement	A change to an existing product that results in a physical or visual correction of the product. Product improvements do not result in new applications and are primarily focused on improving customer satisfaction of the existing customer base.
Expatriation	The process by which employees are moved to another country to undertake a role within that country however continue working with the organization.
Expedited Orders	Expedited orders are customer orders for which the actual delivery service level exceeds the normal service level (as specified by the delivery service policy) because of unplanned events.
Expense Report Line Item	An expense report line item is a single entry on an expense report. A meal or night of lodging are two examples of expense report line items.
Expense Reports	An employee expense report is a document filed by an employee (either in electronic or hard copy) seeking reimbursement for a purchase the employee made on behalf of the company.
External Brand	The external brand of an organization is the identity of the organization as perceived by external parties.
External cost (external annual cost)	See "outsourced cost"
External Perfect Order Performance	External perfect order performance is the customer-focused view of perfect order performance defined as the percentage of orders meeting all of the following requirements: delivery complete and on time, documentation is complete and accurate, and without delivery damage. On-time delivery performance is based on the customer's definition of on-time delivery and supporting order documents include packing slips, bills of lading, invoices, etc.
Extranet	An extranet is an intranet (a private, secure Internet network) that has been extended to include a company's key business partners, suppliers and customers.
Extremely Effective	Implementation of this initiative has yielded the desired results.
Fair Pay	Fair pay is determined when an organization does analysis, usually on an annual basis, to ensure pay equity among employees – for example, after correcting for a number of factors like whether men and women in the same job/role are paid the same.
Finance and Planning Costs	Costs associated with paying invoices, auditing physical counts, performing inventory accounting, and collecting accounts receivable. (Does not include customer invoicing/accounting costs.)

Open Standards Benchmarking Glossary

Term	Definition
Finance Function	<p>For the purpose of this study, the following are the main finance function process areas:</p> <p>Financial strategy and planning Investment management Tax Funding and treasury Profitability and cost management Revenue cycle * Accounts payable and expense reimbursements* Payroll* General accounting and reporting Fixed asset management Internal Audit Include all of the different processes within the Revenue, Payroll, and Accounts Payable and Expense Reimbursement cycles even if they do not traditionally sit within Finance. It is important to understand that the figure for the finance function headcount and FTE in this study may well be different from what is perceived as the finance department headcount and FTE. This is because some processes are included (such as order entry) which may not sit within Finance but are considered to be part of the Revenue, Payroll, or Accounts Payable and Expense Reimbursement cycles.</p>
Financial Evaluation	<p>Financial evaluation is the process by which an investment is assessed for its profitability using cash flow methods or equivalent analysis.</p>
Financial Strategy and Planning	<p>Financial strategy and planning effectively manages shareholder value planning, targeting and monitoring. This includes managing shareholder communication. More generally, the financial strategy and planning process develops and monitors strategic financial plans, ensuring corrective action where appropriate.</p>
Finished First-Pass Quality Yield	<p>Finished product first-pass quality yield is the percentage of finished products that meet all quality-related specifications at a final test point. In process industries, yield is often calculated as the percentage of output that meets target-grade specifications (excluding saleable "off-grade" product).</p>
Finished Goods Inventory Days of Supply	<p>Total finished goods inventory days of supply is calculated as gross finished goods inventory divided by (value of transfers divided by 365 days).</p>
Finished Goods Inventory Turns	<p>Finished goods inventory turns is calculated as the cost of goods sold for the year divided by the average value of month-end finished goods inventory for the most recently completed fiscal year. For purposes of APOC's surveys, average value of month-end finished goods inventory can be calculated as beginning of the year inventory plus end of year inventory divided by two.</p>
First-time Error-free	<p>A first-time error-free activity is one that is finalized with no follow-up effort at all required for adjustments or corrections.</p>
First-time Match	<p>In order to determine what constitutes a 'first-time match' for your business site you must determine your site's policy for approving invoices for payment (e.g., two-way match, three-way match, receipt-only match). The method your site utilizes for approving payments will determine the definition of "match" for purposes of completing the relevant questions. An example of this is to assume your site uses three-way matching. The term "match" for purposes of completing this survey would then be defined as the point when an invoice line item is perfectly congruent with the line item ordered per the purchase order and that the receipt of that line item has been verified.</p>
First-time/Originating	<p>A first-time/originating journal entry is the initial entry to record a non-routine (not occurring every month) transaction.</p>

Open Standards Benchmarking Glossary

Term	Definition
Fixed Asset	A long-term asset, such as property, plant and equipment, not purchased or sold in the normal course of business but instead used by the company to generate revenue. For purposes of this survey, exclude intangible assets such as goodwill, trademarks and customer lists.
Fixed Asset Transaction	A fixed asset transaction would include additions, retires, adjustments, transfers and other entries such as depreciation recorded to the fixed asset subledger.
Flexible, Cross-Functional Work Force	A flexible, cross-functional work force describes employees who are trained in multiple areas and can easily move from one job function to another as required.
Focus on the Customer	The strategy of "focus on customer" is one that concentrates on growth through attention to customer service, for example by providing individualized after-sales support for products, or through customized services (for services organizations).
Focused-Factory Production System	A focused-factory production system is defined as the plant configuration and organization structure in which equipment and manpower are grouped to create essentially self-contained "mini-businesses," each with a specific product line or customer focus. A single plant may be divided into several focused-factory units, designed around process flows, each of which has control over such support activities as maintenance, manufacturing engineering, purchasing, scheduling, and customer service.
Forecast Accuracy	Forecast accuracy is calculated for products and/or families for markets/distribution channels in unit measurement. $\text{Forecast accuracy} = \frac{\text{forecast sum} - \text{forecast variance}}{\text{forecast sum}}$ where: Forecast sum = The sum of the units forecasted
Forecast/Demand Management Software	Forecast/demand applications provide front-end input to master production scheduling systems and helps to optimize inventory planning. Such software not only takes into account historical demand trends, but also may calculate the impact of planned sales promotions, price reductions, and other factors that cause spikes in demand levels.
Foreign Currency	A foreign currency is any currency denomination other than your reporting currency.
Foreign Exchange	Instruments, such as paper currency, notes, and checks, used to make payments between countries.
Formal Training	Continuing Education (instructor-led or computer-based training) such as the type required for professional certification (CPIM, CRIM, CPA). Examples include: seminars, training sessions, conferences, or outside courses.
Free Cash Flow	Free cash flow is the cash operating profit, which is usually approximated by EBITDA (Earnings before interest, tax, depreciation and amortization) less tax paid and after deducting the reinvestment in fixed and working capital needed to grow the business.
Freight Cost	Freight cost includes the outside (contract and common) carriers' freight billing (the total annual freight bill derived from freight invoices). For the purpose of this study, include all components of cost related to a private fleet in the appropriate components of personnel (drivers), overhead (fleet equipment, utilities, facility, materials handling, and fleet maintenance costs), and outsource cost excluding freight charges (leased equipment service/maintenance fees, contract driver services, or third-party logistics provider if the operate outbound transportation process is not handled internally or fleet operations is managed by a third party).

Open Standards Benchmarking Glossary

Term	Definition
FTEs - (Full Time Equivalent Employees)	<p>To calculate the number of full-time equivalents employed during the year for each respective process or activity, you must prorate the number of employees and the hours spent performing each process/activity. Assume that a full-time worker represents 40 hours per week. Provide the average number of full-time equivalents employed during the year for each respective process. Include full-time employees, part-time employees, and temporary workers hired during peak demand periods. Allocate only the portion of the employee's time that relates to or supports the activities identified for an applicable process. Prorate management and secretarial time by estimating the level of effort in support of each activity, by process.</p> <p>For example, a part-time secretary in the finance department for XYZ, Inc. charges all of his time to finance department activities. He works 20 hours per week. The secretary splits his time evenly supporting employees working in the general accounting process and the financial reporting process. Thus, his time should be allocated by process. So, if he works throughout the year and supports these two processes, his time would be split evenly as:</p> $20\text{hrs}/40\text{hrs} = .5\text{FTE} * 50\% \text{ for general accounting} = .25\text{FTE for general accounting}$ $20\text{hrs}/40\text{hrs} = .5\text{FTE} * 50\% \text{ for financial reporting} = .25\text{FTE for financial reporting}$
Full-time Employee	<p>For the purpose of this survey, a regular full-time employee is hired for an indefinite period of time and is normally scheduled to work forty hours per week. Appointment is continuous, subject to satisfactory performance and availability of funding.</p>
Fully Implemented	<p>The system and/or process is completely implemented and ready for use.</p>
Fully Integrated	<p>Fully integrated means that all functions required to be performed by a company are linked and available in real time. Reports are immediately available to anyone authorized and requiring pertinent information. Stand-alone PCs are no longer required because all information is captured in one centralized unit.</p>
Function	<p>A function is an operating unit of an organization that performs a distinct range of tasks related to one arm of the organization (e.g. human resources or finance).</p>
Functionally Oriented	<p>Functionally oriented organizations are hierarchical in practice and manage people who are performing vertical, process activities. Functional organizations often find it difficult to respond to rapidly changing markets and customer needs.</p>
Funding and Treasury	<p>Funding and treasury processes involve the development of strategic and operational treasury functions that interface and contribute to the overall business. Risk factors (liquidity, interest and foreign exchange) and operational cash flow should be managed in the most efficient and effective manner in accordance with the overall objectives of the business. Activities would include obtaining financing, managing institutional relationships, developing treasury plans, managing cash and managing financial risks.</p>
Fungible	<p>A fungible product may be interchanged with a competing product with no significant difference, and still satisfies the requirements.</p>
Gain Sharing	<p>A gain-sharing program is a method of incentive compensation in which employees share collectively in savings from productivity improvements.</p>
Garnishment	<p>An authorized stoppage of a specified sum from wages to satisfy a creditor or legal debt (e.g., outstanding federal loans, child support payments). A payroll department is notified by a government agency or representative third party to garnish the specified amount from an employee's payment.</p>

Open Standards Benchmarking Glossary

Term	Definition
General Ledger	The general ledger is a book in which monetary transactions in the form of debits and credits are posted from a journal. Financial statements are produced from the general ledger; general ledger accounts are often control accounts that report totals of details included in subsidiary ledgers.
Generate New Product/Service Ideas	<p>For the purposes of this survey, the generation of new product/service ideas is to be considered the start of the new product/service development process. In this stage, ideas, whether totally new or improvements/extensions of existing products/services, are identified and documented as potentials for future projects. The actual starting point of this stage is ambiguous, however the conclusion of this phase is point at which an idea is actually analyzed for feasibility to become an actual project with assigned resources. Activities included in the generate new product/service ideas/process:</p> <ul style="list-style-type: none"> * Identify potential improvements to existing products/services * Identify extensions to existing products/services * Research customer and market needs * Propose and research new product/service opportunities * Identify generate new ideas performance indicators
Gross Asset Value	Represents the original cost of a fixed asset. For purposes of this survey fixed assets include property, plant, equipment and capital leases, but excludes intangible assets such as goodwill, trademarks and customer lists etc.
Gross Margin	<p>Gross Margin equals (net sales minus the cost of goods and services sold) divided by net sales, expressed as a percentage.</p> <p>Net sales are gross sales minus any discounts or rebates applied.</p> <p>Cost of goods and services sold is the direct cost of goods production or provision of service. It includes allocations of factory overhead but excludes any allocations of general overhead costs.</p>
Handling Charges	Handling charges are reductions to an invoice amount made by a customer when specified delivery instructions are not met. For example, Company A (the supplier) sells goods to Company B (the customer) that come packaged in 6" by 6" boxes allowing Company B to easily store the merchandise. Company A and Company B agree that if the goods are not delivered in the specified box size, Company B will reduce the amount to be paid to Company A by 5%. This 5% represents handling charges.
Hard Close	<p>Hard closes are typically done when external reporting is required such as annual and quarterly statements (but can be done at other intervals as well). Characteristics of a hard close include:</p> <p>Revenue, expenses, and net income are closed to retained earnings,</p> <p>Journal entry adjustments are made for accruals,</p> <p>Allocations are made, and</p> <p>Management adjustments and other non-standard adjustments are performed.</p>
Headcount	Actual people employed by the organization including full time, part time and contractual workers" during the specified time period.

Open Standards Benchmarking Glossary

Term	Definition
Hire/Rehire	The capture of required information to transition an external candidate into an employee of the organization. If the new employee is a rehire, defined as an employee that was employed by your organization within a specified time period, much of the information may have been captured and retained.
Host to Host	Host to host, in this case, refers the arrangement in which a customer and a supplier have linked systems to log and respond to customer inquiries.
HR/Benefits System Cut-Off	The final date that changes can be made to the HR/benefits system (e.g. employee data changes, new hires, terminations, etc.) in order to be effective in the period payroll run.
Human Resources	For the purposes of the survey, human resources includes those individuals responsible for: developing and managing HR strategies, plans and policies; sourcing talent; deploying the workforce; managing employment relationships; planning and delivering employee learning and development; and providing HR information management.
Human Resources (HR) Administration	HR administration includes processing data, developing employee record and data structure, maintaining career-related and life-event changes and employee status changes, secretarial, clerical work and management reporting (providing key data to various levels of management.)
Human Resources (HR) Budget	HR budget is the total of all expenditure on the HR function, such as remuneration for HR staff, training costs and spend on processing payroll.
Human Resources (HR) Strategy	The HR strategy is the overarching goal of HR operations in the organization. All processes and activities within the HR function should work towards achieving the HR strategy.
Human Resources Information System (HRIS)	HRIS is any information technology application used to enable the management of human resources information, e.g., payroll systems or enterprise resource planners.
Human Resources Information System (HRIS) Management	Day-to-day running of the HR information systems.
Idea Generation	All activities and processes that lead to creating new product or service ideas that may warrant development.
Identify and Schedule Resources to Meet Service Requirements	This process requires creating a resource plan/schedule and an order fulfillment schedule. The resources could include any of the following: personnel, raw materials, equipment, time frames, and finances. Customer service needs might require product development, shipping options, inventory management, order tracking, returns management, etc.
Imaging	Imaging is the process by which hard copy documents are scanned and converted to electronic format. Imaging is used for electronic storage, which is the practice of archiving files in the form of computer data to create a data warehouse.
Immediate Corporate Parent	The holding company or organization that owns your company.
In-transit Lead Time	In-transit lead-time is the time between the actual shipping date and the delivery date.
Incoming Inspection	Incoming inspection is the physical review of inbound products to ensure that they match the purchase order in quantity and type, and meet the product specifications.
Indirect Supplies	Indirect supplies are materials that are not used directly to produce product. Indirect supplies include machine maintenance supplies and office supplies.

Open Standards Benchmarking Glossary

Term	Definition
Industry Transformation	<p>This is the third of the four stages on the e-business Adoption Curve. It involves a complete restructuring of value chains and the creation of new virtual firms and cybersourcers. Developments in this stage include:</p> <p>Aligning the organization with its true core competencies, Blurring the line between businesses, and Leveraging on common strengths.</p>
Inflation	<p>Inflation occurs when the amount of money supply and business activity dramatically increases, accompanied by sharply rising prices.</p>
Information	<p>Focuses on how information is structured, how information is modeled, the method of access to enterprise data, abstraction of the data access from the functional aspects, data characteristics, data transformation capabilities, service and process definitions, handling of identifiers, security credentials, knowledge management, business information model, and content management.</p>
Information Technology	<p>Information Technology refers to the broad-based application of technology to the conduct of everyday business and personal activities.</p>
Infrastructure & Management	<p>Focuses on the organization's infrastructure capability, service management, IT operations, IT management and IT administration, how service level agreements are met, how monitoring is performed, and what types of integration platforms are provided.</p>
Initial	<p>At this level, processes and activities are (typically) undocumented, tending to be driven in an ad hoc, uncontrolled, and reactive manner by users or events (chaotic, ad hoc, and individual heroics).</p>
Insensitive	<p>In a price-insensitive environment, safety, quality/accuracy or delivery are of overriding importance, and so the customers' purchase decisions are not likely to be influenced by price.</p>
Integrated Front-end and Back-end Systems	<p>As it relates to customer order management, integrated front-end and back-end systems refer to the ability of the information systems within an enterprise to be electronically connected in real time. (I.e., the customer order management system is connected with inventory and distribution systems.)</p>
Integrity	<p>Integrity ensures that data have been not changed while in storage or transit by an unauthorized person.</p>
Interbank Transfer	<p>An intrabank transfer is the process of wiring money from one company's bank account into another company's account within the same bank.</p>
Intercompany Transactions	<p>An intercompany transaction represents a due to/due from balance between separate business units of the same organization. Intercompany sales transactions are eliminated for consolidated reporting purposes.</p>
Intercompany Transactions	<p>An intercompany transaction represents a due to/due from balance between separate business units of the same organization. Intercompany sales transactions are eliminated for consolidated reporting purposes. Business entity revenue needs to only include inter-company business segment revenue when the transactions between those business segments are intended to reflect an arm's length transfer price and would therefore meet the regulatory requirements for external revenue reporting.</p>

Open Standards Benchmarking Glossary

Term	Definition
Internal Audit	The main responsibility of the internal audit function is to monitor the performance of a business entity's controls. As such internal audit is responsible for providing analyses, evaluations, assurances, recommendations, and other information to management and board.
International Financial Reporting Standards (IFRS)	International Financial Reporting Standards (IFRS) is a set of accounting standards and interpretations, developed by the International Accounting Standards Board (IASB) which are considered to be a principles based set of standards in that they establish broad rules as well as dictate specific treatments. Used to prepare, present, and report financial statements for a wide variety of entities, including publicly-traded and privately-held companies, non-profit organizations, and governments IFRS is becoming the global standard for the preparation of financial statements.
Internet	The Internet is the worldwide collection of networks and gateways that use the Transmission Control Protocol/Internet Protocol (TCP/IP) suite of protocols to communicate with one another.
Intranet	An intranet is a private, secure Internet network that allows a company to communicate quickly and efficiently with all of its employees.
Inventory Accuracy	The absolute value of the sum of the variance between physical inventory and perpetual inventory.
Inventory Carrying Cost	Inventory carrying cost includes opportunity cost / cost of capital (for the money tied up in inventory value), storage space costs, insurance, taxes, handling/administration of inventory, shrinkage, and total obsolescence of all products' inventories (raw material, work in progress, finished goods, channel obsolescence, and field samples).
Inventory Days of Supply	Inventory Days of Supply is the amount of inventory (stock) expressed in days of sales. The average of gross value of inventory at standard cost] / [annual cost of goods sold (COGS) / 365] Example: If 2 items a day are sold and 20 items are held in inventory, this represents 10 days (20/2) sales in inventory. (Other names: Days cost-of-sales in inventory, Days sales in inventory)
Inventory Value	Inventory value is the amount of inventory (stock) expressed in currency.
Inventory Value	The amount of inventory (stock) expressed in dollars. The [5 point rolling average of gross value of inventory at standard cost]
Investment Management	The investment management process should ensure effective allocation of scarce capital and human resources on a continuous basis in a manner that optimizes shareholder value. Requires effective planning, management and control of investment programs from post-approval stage to eventual disposal.
Invoice	An invoice is a bill prepared by a seller of goods or services and submitted to the buyer. Generally, an invoice contains all pertinent information about the transaction including the date, price, quantity, item number, and credit terms. An invoice can be in either electronic or hard copy form.
Invoice Customers	The process of developing and delivering customer invoices. It includes creating methods and procedures for communicating and delivering invoices and statements for services and products. This does not include receiving payments; payment receipt is included in Process Accounts Receivable.
Invoice Line Items	An invoice line item is a single entry on an invoice. For example an invoice for 10 red books at \$1.00 each, and 20 blue books at \$3.00 each, would be considered to have two line items.

Open Standards Benchmarking Glossary

Term	Definition
ISO 14000	ISO 14000 describes standards and guidelines defined by the International Standards Organization for environmental-management systems.
ISO 9000	A quality management standard recognized globally as a means to ensure consistent product and service quality. Requires rigorous procedure documentation and adherence, in addition to periodic auditing and corrective action follow-up. Developed by the International Organization for Standardization in Switzerland.
IT Costs	Costs involved with procuring, installing, and maintaining information technology required in supply chain activities. This includes hardware and software such as ERP/MRP/CRM systems, distribution tech hardware and software, etc. This does not include warehouse equipment such as forklifts.
JIT	JIT (just in time) is a supply chain practice in which production parts are provided to the manufacturing operation immediately prior to use. Implementation of "just in time" techniques to reduce lot sizes, reduce set-up times, slash work-in-process inventory, reduce waste, minimize non-value-added activities, improve throughput, and reduce manufacturing cycle time. JIT production typically involves use of "pull" signals to initiate production activity, in contrast to work-order ("push") systems in which production scheduling is typically based on forecasted demand rather than actual orders. To achieve the maximum benefits of the approach, all manufacturing operations must be synchronized.
Job Data Changes	Changes to employee job information that occur independently of other processes. These types of changes may include lateral movements within a career model, status changes, reclassification of organizational data elements, etc.
Job Offer Acceptance	Job offer acceptance indicates the acceptance by the candidate of a job offer made based on interviews.
Job Requisition	For the purpose of this survey, the job requisition refers to the notification of recruiters that the organization has a need to fill a specific vacancy.
Journal Entry	A journal entry is the record of an accounting transaction. An entry is first made in a journal and then posted to the general ledger. A journal entry includes the date, accounts debited and credited, and a brief description of the underlying transaction.
Journal Entry Line Item	A journal entry line item is a single transaction line in a journal entry. For example, when a journal entry is used to record a receipt of cash, the debit to cash and the credit to accounts receivable are each separate line items. They would count as two journal entry line items.
Key Customer Growth	The sum of (revenue value for the current year less - revenue value for the previous year) divided by revenue value for the previous year for the top 20 percent of customers in terms of currency volume of sales.
Key Customer Profitability	Percent increase in sales/dollar volume from key customers from year to year. Key customers are the top 20 percent of customers determined by currency volume of sales.
Key Customer Retention Rate	Percent of top 10 customers (in terms of currency value of sales) retained from previous year
Labor Turnover	A measure of a plant's ability to retain workers, expressed as a percentage of the production workforce that departs annually; an annualized rate of employee departures. High turnover rates often indicate employee dissatisfaction with either working conditions or compensation.

Open Standards Benchmarking Glossary

Term	Definition
Last Year Plus Percentage	Last year plus percentage is a method of budgeting based on prior year figures plus a percentage to take into account inflation, exchange rate differences and other similar factors.
Lead Logistics Provider	A lead logistics provider (LLP) is a third-party entity that manages a range of subordinate logistical service providers, including transportation carriers, forwarders, freight payment vendors, warehouse providers, custom brokers, packaging services, financial services, information providers, and any other company that contracts for the provision of logistical services. The LLP will often be tasked with a management role that goes beyond simple transaction execution and enters the realm of proactive decision-making, dynamic optimization, real-time tradeoff management, and performance oversight over all other third-party providers that are subordinate to the LLP. The LLP is typically a network-wide role and can also span large geographies ranging from regions to the entire global marketplace. The LLP relieves its customer of having to manage multiple partners and instead provides its customers with one point-of-contact for its logistics requirements.
Lead-Time	Lead-time is defined as the span of time required for performing a process or operation.
Leadership Development	Leadership development is the planned growth of leadership capability in employees. May particularly focus on the ongoing development of individuals holding leadership roles within the organization.
Leap Frogging	Leap Frogging refers to an e-business that is able to skip certain stages and enter the market in a highly evolved state.
Learning Administration activities	Learning administration activities include the scheduling of courses, coordination of course attendance, printing &/or distribution of course/learning materials, booking of rooms/venues and organizing any other course related logistics.
Learning Management System	A learning management system (LMS) is a software application or Web-based technology used to plan, implement, and assess a specific learning process. Typically, a learning management system provides an instructor with a way to create and deliver content, monitor student participation, and assess student performance. A learning management system may also provide students with the ability to use interactive features such as threaded discussions, video conferencing, and discussion forums.
Learning Strategy	Provides a clear statement of an organization's business objectives, learning organization mission, learning vision, strategy, and goals.
Leave of Absence	Leave of absence is defined as an extended period of time away from your job without ending your employment status.
Life Cycle Costing	Life cycle costing is the practice of accounting for the costs and revenues that will be generated in the phases of a product life cycle. Examples include ensuring that development costs are included, understanding the revenues from a mature market, and ensuring that a disposal cost is allocated to the product.
Line Fill Rate	Line fill rate is defined as the number of order lines filled completely, as a percentage of the total number of order lines.
Load matching	Matching trucks with available space to freight loads that need to be moved.
Local Currency	Local currency is the reporting currency denomination of a business unit.

Open Standards Benchmarking Glossary

Term	Definition
Lockbox	A lockbox is a system whereby customers remit payments directly to a bank or other financial institution rather than to the supplier. The bank then automatically applies the receipts to the supplier's account. The bank provides the supplier with a list (generally provided daily) of all the remittances received.
Logistics	Logistics refers to that part of the supply chain process that plans, implements, and controls the forward and reverse flow and storage of goods, services, and related information between the point of origin and the point of consumption in order to meet customers' requirements.
Logistics Direct Labor Availability	Direct labor availability is defined as direct labor in logistics not used in direct logistics activities divided by total direct labor in logistics.
Logistics Network	The collection of both physical assets and transportation lanes utilized by a company in executing the movement of materials and finished goods
Logistics Planning	Logistics planning refers to the advance planning and coordination of the physical movement aspects of operations such that a flow of raw materials, parts, and finished goods is achieved in a manner that minimizes total cost for the level of service desired.
Lot Size	The lot size is the standard quantity of units produced in a single production run.
Maintain IT Services and Solutions	Maintaining IT services and solutions includes the tasks required to upkeep, repair, and develop minor (as defined by enterprise policy) enhancements to an existing solution or service and ensure that existing services or solutions continue to meet requirements. Tasks include understanding requirements or defect analysis, modifying the design of the service or solution, integrating newly required components, testing the change to a solution or service, and gaining customer acceptance and certification.
Make Cycle Time	Make cycle time is the average time associated with Make Processes and is calculated as Finalize Production Engineering Cycle Time + Schedule Production Activities Cycle Time + Issue Material/Product Cycle Time + Produce and Test Cycle Time + Package Cycle Time + Stage Finished Product Cycle Time + Release Finished Product To Deliver Cycle Time.
Make-to-Order Capability Model	Make-to-order (term used interchangeably with build-to-order) supply chain is a supply chain where products are manufactured, configured, or procured after receipt of a customer order and in response to a customer order.
Make-to-Stock Capability Model	Make-to-stock (term used interchangeably with build-to-stock) supply chain is a supply chain capable of shipping in-stock or off-the-shelf products. Products are positioned based on forecasted demand in anticipation of orders.
Manage and Process Adjustments/Deductions	The process of receiving, rectifying and monitoring customer adjustments and deductions resulting from warranties, claims, returns and recalls of products and/or services.
Manage and Process Collections	The process of coordinating and following through on collecting payments due. This includes the generation of letters and phone calls on delinquent accounts, the decision process of when to collect, and the selection of the collection vehicle (e.g., whether to outsource to a collection agency).
Manage Business Resiliency and Risk	Managing business resiliency and risk includes the processes required to enables firms to rapidly adapt and respond to any internal or external opportunity, demand, disruption or threat and continue operations without significant impact to the business and enables a more dynamic, strategic, and integrated approach to managing compliance obligations.

Open Standards Benchmarking Glossary

Term	Definition
Manage Demand for Products and Services	<p>"Manage demand for products and services" is the process that defines the activities used to predict demand for products and services, including forecast measurements (such as baseline and consensus), collaboration with customers, and allocating available-to-promise inventory or capable-to-promise capacity. Various types of demand are considered in this process, including firm demand, opportunity demand, and forecasted demand; these comprise the overall demand plan. Note that demand management can take on a different aspect through the use of promotions and pricing in cases where demand must be constrained due to limited availability, or where there is a goal to motivate purchases of certain products or services. An important measure for this process is forecast accuracy percentage.</p>
Manage employee information	<p>The manage information process consists of the following:</p> <ul style="list-style-type: none"> Management reporting Employee information inquiry Employee data maintenance Content management HRIS Employee metrics Time and attendance processing
Manage Enterprise Information	<p>Managing enterprise information is defined as understanding what information is important to the enterprise, determining how, when and from where that information is collected, defining how that information is structured and organized, and establishing the policies and controls needed for the collection and use of that information.</p>
Manage Financial Policies and Procedures	<p>The process of controlling and updating the policies and procedures relating to financial management and control. Establishing service level agreements with internal customers/suppliers and external financial service providers. Maintaining the financial procedures manual.</p>
Manage Information and IT Knowledge Resources	<p>Managing information and IT knowledge resources includes defining the enterprise information/data policies and standards, determining IT knowledge requirements and assigning knowledge area responsibility, and developing and implementing data and knowledge area administration.</p>
Manage IT Customer Satisfaction	<p>Management of IT customer satisfaction includes capturing and analyzing customer satisfaction and assessing and communicating customer satisfaction patterns. Capturing and analyzing customer satisfaction consists of tasks required to manage and monitor IT customer complaints and feedback, conduct qualitative and quantitative assessments, and identify customer satisfaction issues and opportunities for improvement. Assessing and communicating customer satisfaction patterns consists of tasks required to evaluate satisfaction with IT services and solutions, evaluate satisfaction with complaint resolution, and determine IT customer loyalty/lifetime value.</p>

Open Standards Benchmarking Glossary

Term	Definition
Manage IT Infrastructure Operations	Managing IT infrastructure operations consists of activities required to manage the organizational workload and operation of physical assets, irrespective of their physical location. This includes providing and executing the requested services, preparing and handling of customer input and data, managing security requests, and releasing resources employed in the delivery of the requested service and subsequently returning them to the resource pool.
Manage IT Infrastructure Resources	Managing IT infrastructure resources requires managing and maintaining the physical computing assets, including hardware and software, of the organization. Tasks include identifying configuration items to be maintained, establishing the information management system, collecting the configuration item information, populating the data base, and ensuring information is available to other components. Other tasks include preventive maintenance, facilities management, configuration management, and inventory (asset) management.
Manage IT Knowledge	Managing IT knowledge within an enterprise includes managing knowledge of the industry and business of the enterprise served by IT, managing knowledge of the important business processes and business functions supported by the services and solutions developed and maintained by IT, managing knowledge of the enterprise's information, application and technology infrastructure architectures and of the services and solutions provided, managing knowledge of processes and techniques for developing, maintaining and delivering services and solutions, and managing knowledge of the current and emerging technologies underlying the services and solutions provided. The goal of managing IT knowledge is to determine the knowledge requirements of the IT function, establish objectives and priorities for knowledge within IT that are aligned with IT strategies and priorities, establish knowledge management policy for the IT function, and monitor, analyze, and report on the use and management of knowledge by IT resources.
Manage IT Knowledge Life Cycle	Managing IT knowledge life cycle includes the processes to gather knowledge elements from IT knowledge sources, evaluate, create, and codify knowledge elements, deploy codified IT knowledge, update and retire IT knowledge, and evaluate and improve IT knowledge strategies and processes.
Manage IT Suppliers and Contracts	Managing IT suppliers and contracts includes activities to identify and negotiate with suppliers, negotiate contracts, and assess the performance of suppliers and contracts. Performance assessment for suppliers is typically based on a standard performance scorecard, whereas the assessment of contracts requires establishing targets or objectives. The resulting assessment and identification of possible trends and issues for suppliers and contracts are then communicated to the appropriate parties. The role of the IT organization to negotiate with suppliers consists of identifying contractual terms and conditions, identifying outstanding issues and proposing issue resolutions, and negotiating contract terms and conditions.
Manage Logistics and Warehousing	Logistics is the process that plans, implements, and controls the forward and reverse flow and storage of goods, services, and related information between the point of origin and the point of consumption in order to meet customers' requirements. This includes defining a logistics strategy, inbound and transportation, warehousing, outbound transportation, and managing reverse logistics.

Open Standards Benchmarking Glossary

Term	Definition
Manage Pay	Calculating employee payroll for each pay period, including bonus runs throughout the year, and transmitting payment to employee accounts or directly to employees. Maintaining and administering employee earnings and deductions, and monitoring changes in tax status in order to prepare the payroll each period. Responding to all payroll-related inquiries and processing adjustments and/or manual corrections as appropriate. This includes management activities and payroll system/interface maintenance to ensure accurate payments.
Manage Returns/Manage Reverse Logistics	Returns processing is the physical handling, information processing, and disposition of the product and packaging returned by the buyer to the seller or an intermediary. Returns management includes return approval, transportation coordination, advance communication, product tracking, receipt, disposition of the return (reuse of the material, waste disposal, refurbish, repair, re-sale, etc.) and processing warranty claims (crediting the customer account, material substitution, replacement, etc.).
Manage the Business of Information Technology	Defines and maintains the relevance of IT to the enterprise and its mission and communicates the strategy and role of IT within the enterprise, establishes the enterprise architecture and guiding principles, defines the IT management system and governance model, and manages the strategic activities which help ensure attainment of IT value.
Manage the IT Portfolio	Management of the IT portfolio results in the establishment of criteria for economic and strategic value and the provisioning of resources in accordance with strategic priorities and work to achieve a balanced portfolio. The activities included within the IT portfolio management process are maximizing the value of the IT portfolio for the enterprise, provisioning resources in accordance with strategic priorities, and achieving a balanced portfolio.
Managed	At this level, processes and activities are repeatable, possibly with consistent results.
Management Activities	For the purpose of this study, management refers to the day-to-day operation, handling or controlling of a financial process or department. Management will appoint duties and tasks to be performed by staff. Management includes activities such as assigning tasks, prioritization of duties, reviewing of important accounting activities, resolving unusual/complex problems, providing guidance, approvals/ authorizations, organizing projects, and evaluating subordinate employee performance. Management attributes include the ability to make decisions, objectivity, and technical and interpersonal experience.
Management Reporting (HR)	Providing key data and reporting capabilities for varying levels of management.
Management Reports	A management report is any document prepared for internal use only. Its audience may be within the business unit, corporate management, or any other internal party. Management reports include reports prepared and presented to senior management for the purpose of performance assessment for that period. These reports typically include financial highlights, graphical analysis and comments on trends or variance from expected results. Management reports also include reports that are prepared on an ad-hoc basis.

Open Standards Benchmarking Glossary

Term	Definition
Manager Self Service	The ability for non-payroll, non-benefits and non-HR managers to perform an entire transaction by making changes or entering new information into the system of record from their computer terminals using a web portal or a system that supports self-service transactions. These transactions are typically limited by strict security to ensure that managers have access to the appropriate transactions and the employee files for their personnel only.
Manager Self Service	The ability for non-payroll, non-benefits and non-HR managers to perform an entire transaction by making changes or entering new information into the system of record from their computer terminals using a web portal or a system that supports self-service transactions. This enables managers to access and update the HR information on employees who report to them. These transactions are typically limited by strict security to ensure that managers have access to the appropriate transactions and the employee files for their personnel only.
Managing sales orders (Enter, process and track orders)	Taking, receiving, processing and acknowledging new customer orders or amendments to outstanding customer orders. Monitoring status from order receipt to customer delivery/customer invoicing.
Manual (Hard Copy)	Manual (hard copy) refers to the practice of submitting information on paper only. It usually involves writing or typing the information onto a standard paper form.
Manual (Input by Employee)	Manual (input by employee) in this case refers to an entry that is calculated and posted through human effort on a non-recurring basis.
Manual Checks from Payroll	An off-system check produced and signed manually by payroll personnel to correct a payroll system irregularity (e.g. new hire not yet on payroll, processing errors, etc.).
Manual Disbursement	For the purpose of this study, a manual disbursement is considered to be any individual check, bill of exchange, cash payment or any other manual payment made to a supplier.
Manual Non-recurring	Manual non-recurring refers to an entry that is calculated and posted through human effort on a non-recurring basis.
Manual Receipt	For the purpose of this survey, a manual receipt is considered to be any individual check, bill of exchange, cash payment or any other manual payment received from a customer.
Manual Recurring	Manual recurring refers to an entry that is calculated and posted through human effort at a specified time interval.
Manually Keyed	A document (invoice, purchase order, etc.) is considered to be manually keyed when the applicable information is typed into the computer system by an employee.
Manufacturing	The physical production of finished goods.
Manufacturing Cycle Time	The length of time from the start of production and assembly operations for a particular (finished) product to the completion of all manufacturing, assembly, and testing for that product or specific customer order. (Does not include front-end order-entry time or engineering time spent on customized configuration of non-standard items.)
Manufacturing Direct Labor Availability	Direct labor availability is defined as the percentage of direct labor full-time equivalents (FTEs) in manufacturing which is not used/dedicated for direct manufacturing activity which would be available for scheduling. Direct labor availability is calculated as direct labor FTEs in manufacturing not used/dedicated in direct manufacturing activities divided by total direct labor FTEs in manufacturing.

Open Standards Benchmarking Glossary

Term	Definition
Manufacturing Execution System	Manufacturing execution systems are software applications used to track production inventory and manage plant floor operations. Systems are usually integrated in real-time fashion with production equipment, and often integrated into ERP systems. At its core, an MES tracks work-in-process through detailed product routing and tracking, labor reporting, resource and rework management, production measurement, and data collection. By capturing "live" information about set ups, run times, throughput, and yields, managers are able to measure constraints, identify bottlenecks, and get a better understanding of capacity.
Manufacturing Unit/Operating Unit	A manufacturing unit/operating unit is a business site that is a primary producer of goods or the provider of services.
Manufacturing/Logistics	The manufacturing/logistics department is responsible for inventory management, order fulfillment, and preparation of orders for shipment.
Market Capitalization	Market Capitalization denotes the amount that could be expected to be received if your company's shares were sold at today's share price taking account of costs expected to be incurred in realizing the proceeds of such a disposal.
Market IT Services and Solutions	Marketing IT services and solution includes the development of the IT services and solutions marketing strategy, developing and managing the IT customer strategy, managing IT services and solutions advertising and promotional campaigns, and processing and tracking IT services and solutions orders. Developing the services and solution marketing strategy requires the IT organization to understand IT services and solutions requirements, predict user consumption behavior, and identify common usage/consumption profiles and target IT customers. Developing and managing the IT customer strategy includes tasks to develop and maintain IT customer management goals and strategies, develop a sales forecast and budget, and evaluate IT customer management results. Managing IT services and solutions advertising and promotional campaigns is defined as developing and managing IT services and solutions advertising and promotions, developing and manage marketing communications, and managing IT services and solutions sales opportunities. Processing and tracking IT services and solution orders consists of collecting and maintaining IT customer account information, processing orders, and establishing delivery of the IT services and solutions.
Master File	A master file is a complete listing of any trackable data set (i.e., customers, suppliers). Information maintained includes payment terms, mailing address, wire transfer instructions, and other similar data.
Material Acquisition Cost	Material acquisition costs are costs that are incurred to acquire material used in product. It is the sum of material management, planning, quality engineering, inbound freight and duties, receiving and material storage, incoming inspection, process engineering, and tooling costs.
Material Acquisition Management Cost	Material acquisition management cost includes bidding and quotes, ordering, receiving, incoming material inspection, material storage payment authorization, sourcing business rules and requirements, inbound freight and duties, etc. Materials acquisition management cost does not include the cost of the materials.
Materiality Level	Materiality level refers to the magnitude of an omission or error that would result in issue follow-up.
Maximum Capable Rate	The maximum capable rate is the highest rate sustained for a given shift within an acceptable tolerance.

Open Standards Benchmarking Glossary

Term	Definition
Merge-in-Transit	Merge-in-transit is a logistics practice in which order components from different origin points are brought together at a merge hub, consolidated into a single order, and then shipped for final delivery to customers.
Method	Focuses on the methods and processes employed by the organization for its IT and business transformation, and the organization's maturity concerning its software development lifecycle E.g., the use of requirements management, estimation techniques, project management, quality assurance processes, design methodologies and techniques, and tools for designing solutions).
Middle Management/Specialist	Middle management/specialist refers to managers with budgetary and/or supervisory responsibility who report to senior management and/or line managers. Typically they would have supervisors and/or line managers report to them. This staff level also includes specialists. Sample titles might include functional vice president, function/department manager, and process/line manager.
MRO (Maintenance, Repair; Operating equipment)	Routine purchases such as office supplies, travel services, or computers needed to run a business but not central to the business's output. Ariba and CommerceOne sell buy-side procurement software for MRO.
MRP II System	MRPII (material requirements planning) systems are applications that translate forecasts into master production schedules; maintain bills of material (lists of product components); create work orders for each step in the production routing; track inventory levels; coordinate materials purchases with production requirements; generate "exception" reports identifying expected material shortages or other potential production problems; record shop-floor data; collect data for financial reporting purposes; and perform other tasks depending on the configuration of the MRP II package.
Multiple Basis	Multiple basis is the method whereby more than one criterion is used for allocating overhead costs. For example, a combination of labor hours, volume, factory area, and other similar criteria could be used in allocation.
Net Assets/Equity	Net assets/equity is the residual interest in the assets of an entity that remains after deducting its liabilities. In a business enterprise, the equity is the ownership interest.
Net Book Value	Net book value is calculated as gross asset value less accumulated depreciation for fixed assets. For purposes of this survey fixed assets include property, plant, equipment and capital leases, but excludes intangible assets such as goodwill, trademarks and customer lists etc.
Net Income	Net Income is titled as such on the entity's financial statements, and is defined and designated by the Government Accounting Standards Board (GASB) or the Financial Accounting Standards Board (FASB), as applicable to each specific entity.
Net Sales	Net sales are gross sales minus any discounts or rebates applied.
New Business	For the purposes of this survey new business includes new ways of generating revenue and profits (e.g. moving from physical sale of music to digital distribution, moving from products to services), or new ways of operating within your value networks (e.g. outsourcing, alliances, go to market).
New Hire Requisition	This process involves developing a job description, managing internal and external posting of requisition on websites, notifying hiring manager and managing requisition date.

Open Standards Benchmarking Glossary

Term	Definition
New Violations	New control violations are unique new instances of violation identified during the 12 month survey period.
No Plans to Implement	The organization has no plans to implement the system and/or process.
Non-controllable Expenses	Non-controllable expenses refer to items beyond your sphere of influence (e.g., depreciation, interest).
Non-entry level	Non-entry level positions are positions requiring some basic skills or experience level.
Non-financial Information	Non-financial information is information that the finance function has not historically collected and/or disseminated. Examples include customer satisfaction and retention, response times and service, delivery times and service and even health, safety and IT efficiency.
Non-routine enquiries	Enquires that require complex responses and may require SME (subject matter expert) escalation to be resolved.
Non-routine Inquiry	Inquires that require complex responses and may require SME (subject matter expert) escalation to be resolved.
Not Adopted	This practice has not been adopted by the facility.
Not Effective	Implementation of this initiative has not delivered the desired results.
Number of Different Products/Services	The number of different products or services currently offered in the marketplace. For purposes of this response, multiple products and/or services with minor feature variations (e.g., color, package size) should be reflected as a single product or service. You may wish to see how many products and services are listed when financial analysis is performed by product/service (e.g. identifying revenue for a particular product or service).
Number of Finance Employees	To calculate headcount for the finance function, include all temporary, part-time and full-time employees that work within the finance function/departments. This would include finance employees working from another location but who are part of your business unit and perform finance function activities. Exclude any employees that work in the finance function but who are not performing or supporting finance function activities.
On-time Delivery Rate	On-time delivery rate is the percent of orders delivered within the time frame requested by the customer and is calculated as the number of annual sales orders delivered on-time divided by the total number of annual sales orders.
One-Click Technology	For purposes of this survey, one-click technology refers to the ability for customers to maintain an account that holds pertinent address and credit card information and allows simplified checkout.

Open Standards Benchmarking Glossary

Term	Definition
Operate Outbound Transportation	<p>Operate outbound transportation is the process of preparing the goods for delivery from a warehouse to a receiving location. It typically comprises activities like the notification of goods to be supplied from a warehouse to a customer, carrier selection, loading, advanced shipping notification, proof-of-delivery from the receiving location and freight bill auditing. Many of these services are provided by transportation management systems. Activities included in the operate outbound transportation process:</p> <ul style="list-style-type: none"> * Perform management activities * Plan, transport, and deliver outbound product * Track carrier delivery performance * Manage transportation fleet * Process and audit carrier invoices and documents
Operate Warehousing	<p>Warehousing is the process of receiving, inspecting, and storing incoming materials; picking, packing, and shipping product for outbound delivery; and tracking inventory deployment. Warehousing supports inbound and outbound transportation services. It may include raw materials, finished goods, products for consumer fulfillment, and/or vendor-managed inventory (VMI). It also includes the evaluation and implementation of private, contract, and public warehousing options. Activities included in the operate warehousing process:</p> <ul style="list-style-type: none"> * Perform management activities * Track inventory deployment * Receive, inspect, and store inbound deliveries * Track product availability * Pick, pack, and ship product for delivery * Track inventory accuracy * Track third-party logistics storage and shipping performance
Operating system	<p>An operating system is the set of programs that translates user commands from applications, such as clicking the web page, to computer hardware actions, such as reading the hard drive to retrieve a web page. Operating systems also supervise and monitor activity on a system.</p>
Operational Workers/Office Staff	<p>For the purpose of this study, operational workers/office staff refers to all employees who do not have any management responsibility. For example, this would include white-collar non managerial employees.</p>
Operator-Based Maintenance	<p>Operator-based maintenance is the practice of performing equipment maintenance using the same worker(s) who regularly operate the equipment, rather than maintenance staff.</p>
Optimizing	<p>At this level, the focus is on continually improving process performance through both incremental and innovative technological changes/improvements.</p>
Order Fill Rate	<p>Order fill rate is defined as the number of sales orders filled completely, as a percentage of the total number of sales orders.</p>
Order Fulfillment Cycle Time	<p>Order fulfillment cycle time (used interchangeable with customer order cycle time) is the average actual cycle time consistently achieved to fulfill customer orders. For each individual order, this cycle time starts from the order receipt and ends with customer acceptance of the order. Order Fulfillment Cycle Time = Source Cycle Time + Make Cycle Time + Deliver Cycle Time.</p>

Open Standards Benchmarking Glossary

Term	Definition
Order Management Costs	<p>Order management costs consists of the following cost areas:</p> <p>Create customer order costs - Includes costs for creating and pricing configurations to order and preparing order documents.</p> <p>Order Entry and Maintenance Costs - Includes costs for maintaining the customer database, credit check, accepting new orders and adding them to the order system as well as later order modifications.</p> <p>Installation Planning Costs - Includes costs for verifying site preparation, installing, certifying, and authorizing billing.</p> <p>Order Fulfillment Costs - Includes costs for processing the order, allocating inventory, ordering from the internal or external supplier, scheduling the shipment, reporting order status and initiating shipment.</p> <p>Distribution Costs - Includes costs for warehouse space and management, finished goods receiving and stocking, processing shipments, picking and consolidating, selecting carrier, and staging products/systems.</p> <p>Transportation Costs - Includes all company paid freight and duties from point of manufacture to end-customer or channel.</p> <p>Installation Costs - Includes costs for verifying site preparation, installing, certifying, and authorizing billing.</p> <p>Customer Invoicing/Accounting Costs - Includes costs for invoicing, processing customer payments, and verifying customer satisfaction.</p>
Order Materials and Services	<p>Order materials and services is the process of planning, ordering, and executing the physical delivery of materials and services from suppliers to the points of need and use. Activities included in the order materials/services process:</p> <ul style="list-style-type: none"> * Process/review requisitions * Approve requisitions * Solicit/track vendor quotes * Create/distribute PO * Expedite orders and satisfy inquiries * Record receipt of goods * Research/resolve exceptions
Order Processing Time	<p>Order processing time is defined as the time between receipt of a customer order to the time the order is successfully loaded for transportation.</p>
Order Status Inquiry	<p>For purposes of this survey, an order status inquiry is any information request from the customer regarding an existing sales order (i.e., delivery date, quantity, product type, pricing etc.).</p>
Organization & Governance	<p>Focuses on organizational structure, relationships, roles, and the empowerment necessary to adopt a service-oriented strategy. This includes the types and extent of skills, training, and education that are available within the organization.</p>
Other Cost	<p>Other costs are costs associated with the specified process, but not specifically covered in personnel cost, systems cost, overhead cost and outsourced cost in this questionnaire. These other costs include costs for supplies and office equipment, travel, training and seminars. Include the cost of telephones, except for that portion captured in systems cost.</p>

Open Standards Benchmarking Glossary

Term	Definition
Outcome Based Supplier	The relationship is focused on a set of specific outcomes defined as measurable objectives that focus on what will be accomplished as a result of the work performed. Typically it is an outsourced relationship that does not require as much operational infrastructure as a Strategic Alliance. The outsource provider looks at how it can best apply processes, technologies, and capabilities that will drive value to the company that is outsourcing.
Outlet Sales	Outlets are secondary channels for selling over-stock, damaged, and refurbished goods; these products are often sold at a discount.
Outsource	The long-term contracting of services which internal personnel previously performed. Examples of outsourced processes may include payroll processing, disbursements, distribution center management, or transportation management.
Outsourced Cost	In determining outsourced cost, include the total cost of outsourcing all aspects of the specified process to a third-party supplier. Exclude one-time charges for any type of restructuring or reorganization. Outsourced costs should also include costs for intracompany outsourcing (i.e., reliance on a shared services center).
Outsourced Cost Excluding Freight Charges	THIS GLOSSARY TERM IS TO BE USED FOR THE PROCESS OPERATE OUTBOUND TRANSPORTATION ONLY. For Outsourced Cost of all other processes please use the glossary term Outsourced Cost. In determining outsourced cost for operate outbound transportation; include the total cost of outsourcing all aspects of the specified process to a third-party supplier or third Party logistics provider (i.e. a fleet maintenance provider or a freight audit and payment firm). If possible, exclude the actual freight bill and apply the cost to freight cost. If it is not possible to exclude the cost of the freight bill from the outsourced function (i.e. a carrier management company or a freight payment company where the cost of the process or upcharge is allocated to each freight transaction and cannot be separated) then apply the entire cost to freight cost.
Outsourced Cost for Outbound Transportation	FOR OUTSOURCING THE PROCESS OPERATE OUTBOUND TRANSPORTATION, please use the glossary term Outsourced cost excluding freight charges. In determining outsourced cost for all other processes, include the total cost of outsourcing all aspects of the specified process to a third-party supplier or third party logistics provider. Exclude one-time charges for any type of restructuring or reorganization. Outsourced costs should also include costs for intracompany outsourcing (i.e.,reliance on a shared services center).
Overhead Costs	For the purpose of this study, provide the total actual overhead costs for the year related to the specified process. These are costs that cannot be identified as a direct cost of providing a product or a service. Include the primary allocated costs such as occupancy, facilities, utilities, maintenance costs, and other major costs allocated to the consuming departments. Exclude systems costs that are allocated, since these will be captured separately as systems cost.
Paid in Full First Time	An obligation is considered to have been paid in full first time if the entire balance of the receivable is paid by the customer in a single remittance.
Paid on Time	Paid on time refers to a payment that is sent by the customer within the payment terms indicated on the invoice. An example would be if terms are "2/10, net 30," payments have been satisfied if payment has been sent on or before the thirtieth day.
Part Order Line Item	A part order line item is an individual transaction listed on a part order. For example, one case of product X and two cases of product Y on the same order would be counted as two line items.

Open Standards Benchmarking Glossary

Term	Definition
Part-time Employee	For the purpose of this survey, a regular part-time employee is hired for an indefinite period of time and is scheduled to work less than forty hours per week.
Partially Implemented	Portions of a system and/or process are completely implemented and ready for use OR a system and/or process is completely implemented, but ready for use by only a select population (e.g. test pilot).
Partially System/Partially Manual	Partially system/partially manual in this case describes a process in which an automated entry is brought to the attention of a human operator who then reviews, adjusts, and posts the entry.
Partnering Agreements	A partnering agreement is an agreement between a supplier and a customer whereby the customer guarantees a specified level of purchases to be made with that supplier, and in return, the customer receives a discount. Examples include airlines, rental car companies, and hotels.
Pay Rate Changes	Changes to the base compensation rate of an employee, which build the employee salary history. This process may be incorporated with other data changes, such as a promotion, demotion or transfer.
Payables Outstanding	Payables Outstanding is the amount of purchased materials, labor and/or conversion resources expressed in currency that are to be paid (A/P or accounts payable); the average of gross accounts payable (A/P).
Payback Period	The time, usually in years, from some point in the development process until the commercialized product or service has recovered its costs of development and marketing. While some firms take the point of full-scale market introduction of a new product as the starting point, others begin the clock at the start of development expense. For this survey, the time is to be from the start of development, idea generation.
Payment Address	For purposes of this study, the payment address is any unique address to which payments should be remitted. For example, IBM may ship your site a personal computer and may perform consulting services for your site. If they request you send the payment for the computer to Raleigh, NC and the consulting services payment to White Plains, NY, list two addresses for the purposes of this question.
Payroll Administration	For the purpose of this survey, payroll administration includes the activities related to maintaining and administering employee earnings and deduction information, in order to keep employee data current for preparing the payroll. These activities may be part of the HR or payroll function. The activities of processing and distributing of payments are not included in payroll administration and instead are an activity within the process "manage pay" included in the payroll survey module.
Payroll Disbursements	Any transfer of funds from the payroll department to an employee including all methods of payment (e.g. paychecks, direct deposits, manual checks, etc.) and all types of payment (e.g. salary, bonuses, advances, etc.).
Payroll Function	The payroll function determines amounts of wage or salary due to each employee.
Payroll Processing	The payment of salaries and wages in accordance with organizational policies and government regulations. This includes maintenance of records, calculations of salaries, wages, allowances, deductions, and distributions of paychecks. Payment of incentives and "banking" of future incentive amounts as appropriate.

Open Standards Benchmarking Glossary

Term	Definition
Payroll Processing Cycle	The length of time it takes the payroll department to process the payroll each period including all activities through the transmit date. The payroll processing cycle begins at HR/Benefits system cut-off and is completed on the payroll transmit date.
Payroll Run	The calculation of payroll for a given payroll period. Once the payroll system is closed to changes and the appropriate controls are conducted, the payroll is run and prepared for transmit. If payroll is outsourced, the third party vendor calculates the payroll at this point.
Payroll System Cut-Off	The final date that changes can be made to the payroll system (e.g. report time, paid and unpaid leave, garnishments, etc.) for inclusion in the period payroll run.
Payroll Transmit Date	The date that payroll is disbursed to employees and direct deposit accounts.
Peer Group	A peer group is a collection of participation instances sharing similar characteristics that can be used for benchmarking. The collection can then be analyzed as a sample to determine relative performance within the peer group and against other peer groups.
	For example:
	A "region" peer group would focus on the geographic region that the participation instance's business entity lies within. Potential peer group members could be: Americas, EMEA, and AsiaPac. If we have a sufficient number of business entities within each region, we can then generalize about the performance of all entities within that region and compare regions against each other to determine relative rankings. A revenue peer group would focus on the revenue for each participation instance's business entity at a point in time. Potential peer group members could be: less than \$1 billion and greater than \$1 billion. Again, if we have a sufficient number of business entities within each revenue grouping, we can make generalizations about all entities within that grouping and compare revenue groupings against each other to determine relative rankings.
Percentage of Orders Delivered in Full	Percentage of orders delivered in full (Ship-From-Stock) is the percentage of ship-from-stock orders shipped within 24 hours of order receipt.
Percentage of Projects Launched On Budget	The percentage of new product/service development projects that are completed and made ready for marketing/sale within or on budget, relative to the budget established in the project business case. Generally, the project business case will establish both time and budget targets at the start of the 'design and develop product/service' process.
Percentage of Projects Launched On Time	The percentage of new product/service development projects that are completed and made ready for marketing/sale on time, relative to the launch date established by the project business case. Generally, the project business case will establish both time and budget targets at the start of the 'design and develop product/service' process.
Perfect Condition	Perfect condition rate is expressed as a percentage and refers to orders that are delivered undamaged, meeting specifications and having correct configuration (as applicable), faultlessly installed (as applicable) and accepted by the customer, not returned for repair or replacement and is calculated as the number of annual sales orders delivered in perfect condition divided by the total number of annual sales orders.

Open Standards Benchmarking Glossary

Term	Definition
Perfect Order Performance	For purposes of this survey, perfect order performance refers to flawlessly taking and fulfilling a customer order and includes taking the order correctly, allocating inventory immediately, delivering product on time, and sending an accurate invoice. Perfect order performance is calculated as follows: (% on time delivery) multiplied by (% complete orders) multiplied by (% damage free) multiplied by (% accurate documentation) then multiplied by 100. Appropriate values are in the range of 0 to 100, for example: $.98 \times .97 \times .99 \times .82 = 0.7716 * 100 = 77.16$.
Perform Capital Planning and Project Approval	Developing capital investment policies and procedures and implementing them to create and approve the capital expenditure plan and budget. This includes performing justification for project approvals as well as reviewing and approving capital projects and fixed asset acquisitions.
Perform Cost Accounting and Control	The process of developing and implementing methods and models for the allocation of operating and overhead costs across products and/or services. This is typically used to evaluate and control product/service pricing, profitability and trends.
Perform Cost Management	The process of developing and implementing methods and approaches for cost driver analysis, benchmarking, business process improvement, asset resource deployment/utilization and value driver evaluation. Critical success factors and performance indicators for the business should be integrated with activity-based measures.
Perform Demand Side Management (DSM) for IT Services	Performing DSM for IT services consists of understanding IT services and solutions consumption and usage, developing and implementing incentive programs that improve consumption efficiency, and developing the volume/unit forecast for IT services and solutions. Development of IT services and solutions requires modeling the effect of incentive programs on the baseline forecast, and generating a DSM-influenced volume/unit forecast.
Perform Enterprise Data and Content Management	Performing enterprise data and content management requires the IT organization to ensure that the collection, storage, and use of information and data are in accord with the established information/data policies. Tasks include monitoring, controlling, and managing exceptions per policies and standards.
Perform Fixed Asset Accounting	Managing and accounting for fixed asset transactions including additions, retires, transfers, adjustments and depreciation expense. This includes recording entries to the fixed asset register and tracking fixed assets through physical inventories. This process often supports tax, statutory and regulatory reporting by providing data on fixed assets to the appropriate department.
Perform General Accounting	The process of managing an organization's ongoing financial records. This includes maintaining the chart of accounts, processing journal entries and adjustments to the organization's general ledger accounts. This also includes all operational activities performed to close the books on a monthly, quarterly and yearly basis.

Open Standards Benchmarking Glossary

Term	Definition
Perform Integrated Risk Management	Performing integrated risk management consists of activities to develop an integrated risk strategy and manage integrated risks. Developing an integrated risk strategy includes determining the risks related to information security, business continuity, project management, regulatory compliance, and sourcing, evaluating the ability of current architectures and processes to mitigate risks, and creating integrated strategies to mitigate risk. Managing integrated risks includes tasks to track risks related to information security, business continuity, project management, regulatory compliance, and sourcing, create and implement procedures and architectures to mitigate risk, and perform risk monitoring and reporting.
Perform IT Financial Management	Performing IT financial management is defined by the establishment of unit-level visibility into the costs of services in order to provide internal customers with the ability to manage demand which requires publishing service rates and cost structure, and to establish project based accounting. It interlocks project and functional expense accounting, tying project funding to business case development checkpoints.
Perform IT Human Resources Management	Performing IT HR for purposes of this survey shall consist of staff development activities to develop business technology leadership, develop IT staff skills, and administer HR performance. Developing business technology leadership includes identifying high potential staff for leadership positions, providing training, rotations, and project-based work experience, and managing a leadership succession plan. Developing IT staff would include providing role-specific competency requirements, providing opportunities for developing technical and business skills, and managing the IT staff development plan. Administering HR performance is defined by compensation of the leadership team based on business outcomes realized and compensation of the IT staff based on business technology performance achieved.
Perform IT Research and Innovation	This consists of exploring new technologies to innovate IT services and solutions and transitioning viable technologies for IT services solution and deployment by formulating a development project to build and deploy selected technologies and transition those technologies to the development pipeline.
Perform IT Services and Solutions Lifecycle Planning	Performing IT services and solutions lifecycle planning includes tasks to maintain the long term viability for a family of services and solutions from "cradle to grave". This includes ensuring that new solutions are created and new services enabled when needed and existing services and solutions are properly repaired/enhanced or sunset/discontinued in an orderly fashion when no longer needed.
Perform Planning/Budgeting/Forecasting	The process of developing periodic plans, budgets, and forecasts to enable achievement of organizational performance goals. This includes defining policies and assumptions, preparing, renewing, and reworking budgets and forecasts. Budgets and forecasts include strategic plans, operational, and cash flow projections.
Perform Project Accounting	Managing and accounting for the ongoing activities related to capital projects including setting up new projects; recording project transactions; monitoring and tracking spending; closing and capitalizing projects; and measuring financial returns on completed projects. Once a project is closed and the asset is capitalized the accounting for that asset is no longer part of the 'perform project accounting' process and instead is part of 'perform fixed asset accounting' process. Once the project is capitalized it is a fixed asset.
Performance Appraisal	Performance appraisals involve the qualitative or quantitative assessment of employee performance, normally through a formal review.

Open Standards Benchmarking Glossary

Term	Definition
Perpetual/Rolling	The process of recurring or continuous updating without interruption of forecast and budget figures to ensure that management is aware of business conditions as they appear and can react as a normal part of operations.
Personal Data Changes	Personal information provided by the employee and non-organizational related information. Examples of these elements include name, address, marital status, e-mail address, emergency information, licenses and certifications.
Personalization	Personalization enables employees to add/select additional intercompany information and external content to appear on their individual web pages.
Personnel Cost	<p>Personnel cost is the cost associated with personnel compensation and fringe benefits of employees (i.e., those classified as FTEs which includes both full-time and salaried/hourly employees) contributing to each respective process. Personnel cost should include all of the following costs.</p> <p>Employee Compensation: Includes salaries and wages, bonuses, overtime and benefits.</p> <p>Fringe: Includes contributions made towards the employees' government retirement fund, workers compensation, insurance plans, savings plans, pension funds/retirement plans, and stock purchase plans. This should also include special allowances, such as relocation expenses and car allowances.</p>
Pick-to-Ship Cycle Time	Pick-to-ship cycle time is the number of hours from when an order is released to be picked until the time the order has been shipped. This cycle time represents elapsed time to pick an order, prepare for shipping and place with the carrier. It does not include the time in transit from shipment until delivery to the customer.
Plan and Implement Changes	Plan and implement changes includes all tasks necessary to administer and plan individual change requests (including accepting or rejecting the request), assessing the business and technical risks of changes, determining which individual changes can be performed simultaneously without increasing overall risk factors, and creating a master change schedule. Other tasks include requesting services, such as procurement and security, from other components to ensure component availability and obtainment of necessary security authorities.
Plan and Manage Inbound Material Flow	<p>This is the process of planning, transporting, and tracking the delivery of all incoming materials; monitoring inbound transportation carrier performance; and managing the flow of returned materials.</p> <p>Activities included in the plan and manage inbound material flow process are:</p> <ul style="list-style-type: none"> * Perform management activities * Plan inbound material receipts * Manage inbound material flow * Monitor inbound delivery performance * Manage flow of returned products
Plan and Manage Releases	Planning and managing releases establishes priority for changes and executes all necessary planning activities to prepare for the actual release implementation. Tasks include understanding release design, coordinating release acceptance, planning rollout, and coordinating training.

Open Standards Benchmarking Glossary

Term	Definition
Plan for and acquire necessary resources (Supply Chain Planning)	This process group includes all processes that are involved in planning, including managing the demand for products and services, creating a materials plan, and scheduling production to meet actual demand. Sales and operations planning activities are included in this process group. Key sales and operations planning activities result in the development of the sales and production plan. The processes in this group may be performed regularly (i.e. at the beginning of each period).
Plan to Implement	A project and budget are in place to implement within the next 24 months. This would include ongoing initiatives that are close to completion, but are not ready for use.
Planning and Scheduling Strategies	The use of methods to plan and schedule production. Includes both automated and manual techniques.
Plant Maintenance	Refers to the maintenance and repair of factory machinery and similar capital assets.
Platform product	The designs and components that are shared by a set of products in a product family. From this platform, numerous derivative products can be designed.
Poka Yoke	Poka yoke, Japanese for "mistake-proofing," is a manufacturing improvement approach that uses visible aids to avoid production errors or upsets. For example, lines may be painted on the plant floor to indicate the allowable amount of WIP inventory that can be stored ahead of an operation. Any WIP storage outside the lines is an indication of a work center that is falling behind, and may require assistance to keep up with target production.
Policy Administration	The process of administering human resource policies which includes measuring contribution to business strategy and realization of objectives, communicating plans providing updates to stakeholders as well as reviewing and revising HR plans.
Policy Development	Development of organizational principles and methods covering management of employee services. Policies describe the principles behind the processes and related functions and tasks.
Popularity-based SKU Placement	Popularity-based SKU placement refers to the practice of locating products within a distribution center such that those products that are accessed most frequently are placed closest to the point of loading/unloading.
Portal	A "portal" is a virtual gateway from one Web site to another. The term is generally synonymous with a gateway for a Web site proposing to be a starting site for users connecting to the Web or as an anchor site. However, any of the distribution, value chain or market consolidator business models may develop into a niche portal as the breadth of complementary products, information and services available to users (customers) increases.
Portal Navigation	Portal navigation is the means by which a user signs in, locates and processes information found on a company's web portal.
Position (Job Title)	Each individual position has a specific job description. If five employees have the same job description / responsibilities then these five employees would be counted as one position.
Pre-placement Verification	This process involves completing candidate background information, conducting background checks and recommending or not recommending a candidate.

Open Standards Benchmarking Glossary

Term	Definition
Predictive or Preventative Maintenance	Predictive or preventive maintenance practices seek to prevent unscheduled machine downtime by collecting and analyzing data on equipment conditions. The analysis is then used to predict time to failure, plan maintenance, and restore machinery to good operating condition. Predictive maintenance systems typically measure parameters on machine operations, such as vibration, heat, pressure, noise, and lubricant condition. In conjunction with computerized maintenance management systems (CMMS), predictive maintenance enables repair-work orders to be released automatically, repair-parts inventories checked, or routine maintenance scheduled.
Preferred (Prequalified) Supplier	Supplier is pre-qualified, either through a company's formal certification process or informally by having a positive track record of proven years of positive experience. A preferred supplier often is often granted certain procedures, such as blanket purchase orders. Typically recognized as high-performing, best-in-class suppliers that support the company's core products.
President	The president is the highest ranking officer in a corporation after the chairman of the board unless the title Chief Executive Officer (CEO) is used, in which case the president can outrank the chairman. The president is appointed by the board of directors and usually reports directly to the board. Source: www.allbusiness.com
Previously Identified Control Violations	Previously identified control violations are repeats of violations that were identified prior to the 12 month survey period.
Primary Sourcing Location	The primary sourcing location for a product is the pre-determined warehouse or distribution center from which the product should be obtained when ordered. Alternative sourcing locations may be used to offset order fulfillment problems resulting from such issues as product back-orders (either production-based or supplier-based), demand spikes, or delivery service constraints.
Private Query Reports	Non-standard management reports designed for a specific purpose to satisfy a distinct set of criteria.
Process Accounts Payable	Processing payments of operating expenses and other supplier charges. This includes the development of policies and procedures around processing of accounts payable and all operations. This process is often supported by key technology enablers.
Process Accounts Receivable	Processing payments due from customers. This includes all processing of funds received, whether by check or electronically. This does not include the generation of invoices.
Process Based	Process based organizations reorganize and manage completely around processes with an end-to-end focus on work flow that creates value for the customer. Functional activities are embedded in the processes, and a senior executive is responsible for the inter-enterprise process. Process-based enterprises organize work starting at the customer interface to final service or product delivery.
Process Capability Measurements	Process capability measurements are measures used to confirm that parts are being produced according to specifications.
Process Customer Credit	The process of evaluating customers' credit-worthiness. This is typically performed in conjunction with the generation of an order or creation of a new customer. This includes all operations involved with credit checking.
Process Expense Reimbursements	Processing of advancements and reimbursements for employee expenses on the organization's behalf. This process often dovetails with the processing of accounts payable. This process also includes development and use of policies and procedures.

Open Standards Benchmarking Glossary

Term	Definition
Process Focused	Process focused organizations integrate design and manage end-to-end, customer-driven processes that are tied to functional activities and goals. The focus for management shifts from hierarchical to horizontal management. Process-focused organizations take action to integrate process thinking with the organizational structures (functions), business objectives, and people that drive changes in work and cause behaviors to change.
Process Manufacturing	Process manufacturing is the manufacturing of products such as chemicals, gasoline, beverages, and food products that typically are produced in "batch" quantities rather than discrete units. Many process operations require inputs such as heat, pressure, and time (for thermal or chemical conversion). Such products typically are measured by weight, volume, or length rather than by distinct numeric quantities.
Process New Hire/Re-hire	The process begins with the accepted offer of employment. It includes the completion of all required administrative activities associated with on-boarding and system updates. The process is concluded when an employee begins work and receives their first paycheck.
Process Payroll Taxes	Ensuring regulatory and statutory compliance for payroll tax obligations on behalf of the company. This includes filing regulatory payroll tax forms in a timely manner, and calculating and paying applicable company payroll taxes. In addition, the 'report payroll taxes' process includes the production and distribution of employee tax statements on annual basis (e.g. W-2s).
Process Thinking	Process thinking organizations conceptualize groups of activities as processes and seek to understand how all of the processes in the organization work together to take inputs and produce outputs, services, and profits. Process thinking leads to the development of definitions and documentation of processes but does not involve action to integrate people and the business.
Procure Materials and Services	The group of processes used to procure materials and services includes the business activities of procurement planning, purchasing, sourcing, and inventory management. This process can be further broken down into sourcing strategies, selecting suppliers and developing contracts, ordering materials and services, and appraising and developing suppliers. Procurement includes both direct and general items, for example production parts and products (OEM); repair parts; maintenance, repair, and operating (MRO) supplies; and services (administrative and technical). Procurement may also include subcontracted labor resources. Commodity management also falls under the procurement umbrella.
Procurement	Procurement refers to the business functions of procurement planning, purchasing, inventory control, traffic, receiving, incoming inspection, and salvage operations.
Procurement Cards	Procurement cards are arrangements between a customer and supplier in which the supplier takes responsibility for keeping the customer's inventory at a predetermined level. The supplier does not require receipt of an individual sales order each time inventory is supplied to the customer. Billing is generally done at an agreed time interval.

Open Standards Benchmarking Glossary

Term	Definition
Produce Product	Through the production process, it is most efficient to execute the detailed schedule that was created during the "schedule production" step. This process will vary depending on the product produced, level of automation, labor force skill, and manufacturing strategy. Some common manufacturing practices include quick changeover techniques, focused factory production systems, employee empowerment, ISO 9000, TPS/lean/pull, kaizen events, error-proofing, JIT/continuous flow, 5S, standardized work, and cellular manufacturing.
Produce/Manufacture/Deliver Product	The process group "produce/manufacture/deliver product" comprises three main high-level processes: scheduling production, producing the product and delivering it to the appropriate site, and scheduling and performing maintenance on the capital equipment used during production. Manufacturing is the physical production of finished goods.
Product Configuration	Product Configurator software tools simplify order entry by asking which options the customer needs, then applying predefined rules to correctly configure the end product. The configurator populates the attributes of the newly configured item, tests for conflicts, and generates the appropriate bill of material, routing, and price based on rules and calculations. As configurators have grown to include more sales, marketing, and financial functions, such as pricing, cost analysis, and order status, the term "sales" configurator is being applied to more aptly describe their extended role.
Product Data Management (PDM)	Product data management systems provide a single, centralized data repository that enables authorized users throughout a company to access and update current product information, while ensuring they follow specific procedures. The systems link, manage, and organize product-related data from various sources - internally and externally (from suppliers) - across various computer platforms, divisions, departments, and geographic locations. PDM incorporates CAD files, manufacturing data, and documents to reduce engineering design times; ensures timely access to consistent up-to-date product information; and improves information flow, cross-functional communications, and support services. Besides ensuring data integrity using relational database technology, the systems include workflow and web-based applications that ease collaboration efforts.
Product Mix	The product mix is the relative proportion of the individual products that make up the total production or sales volume. Changes in the product mix can result in significant changes in the manufacturing requirements for certain types of labor and material.
Product or Service Differentiation	The strategy of growth via product/service differentiation, or high perceived value through distinctive but standard features, aims to achieve superior performance, features, service or image, which may include a policy of premium pricing.
Product Support Incident	A product support incident is a single reported instance of a problem with a product. In this single reported instance, the customer may contact the product support staff numerous times, although the root-cause of each communication is the single reported problem instance. For example, if a customer purchases a television and requires support to resolve a defect, the customer will report the instance to the contact center. The contact center maintains records of all communication related to the customer's problem. This aggregation of the components of the customer's situation represents the entire product support incident for the customer, including all communication in both directions as well as any replacement parts or warranty items used to resolve the issue.
Production Rate	The production rate refers to the rate of production in units, cases, or some other broad measure, expressed by a period of time (i.e. per hour, per shift etc.).

Open Standards Benchmarking Glossary

Term	Definition
Profit Sharing	Profit sharing is an incentive program in which employees receive a portion of the company's total profit.
Program Design (HR)	The process of designing Human Capital Programs to meet business and workforce needs. It encompasses health and welfare, compensation, employee development, etc.
Promotion/Demotion	Movement along the career model either ascending, in the case of a promotion, or descending, in the case of a demotion.
Promotion/Demotion Transfer Processing	The administration and execution of employee promotion, demotion or transfers due to career changes or organizational changes, including processing of the transfer, promotion or demotion, employee records, and payroll and benefits records.
Proportion of Direct Labor in Logistics	(Also known as proportion of logistics labor that is direct labor.) Direct labor is defined as labor employee full-time equivalents (FTEs) used solely in performing logistics processes. Proportion of direct labor is defined as direct FTE in logistics divided by total labor in logistics.
Proportion of Direct Labor in Manufacturing	(Also known as proportion of manufacturing labor that is direct labor.) Proportion of total labor that is direct labor is calculated as direct labor full-time equivalents (FTEs) in manufacturing divided by total labor FTEs in manufacturing. Direct labor is defined as labor FTEs used solely in producing specific product or in providing a specific service in manufacturing.
Prototype	A physical model of the new product concept. Depending on the purpose, prototypes may be non-working, functionally working or both functionally and aesthetically complete.
Provide Financial Reporting	The process of compiling financial data and developing corporate or business unit financial reports.
Provide the Service to Specific Customers	This process involves organizing the daily product service order fulfillment schedule, dispatching resources, managing the order fulfillment request, and validating the order fulfillment block completion. This process does not address planning and management of ongoing service and service agreements; it only addresses the specific one-time product fix or replacement activities.
Public Key Cryptography	Public key cryptography is significantly slower than the symmetric key system. The public key and the private key are very large numbers, literally hundreds of digits that have a very special mathematical relationship to each other. The public key is widely known and freely distributed; the private key must always remain a secret.
Public Query Reports	Public query reports are management reports that are stored in a secure public database and are available for manager manipulation to include the appropriate set of data (e.g., dates and employees).
Pull System/Kanban	A pull system is a manufacturing practice used in a make-to-order production environment with a JIT approach. The practice uses minimum inventory level to establish a reorder point to pull additional inventory into the system. In kanban systems, material is pulled into storage areas using signals (i.e., cards).
Purchase AGREEMENT	A purchase arrangement is the agreement between a supplier and customer relating to the transfer of goods.

Open Standards Benchmarking Glossary

Term	Definition
Purchase Order (P.O.)	A purchase order is a form used by the purchasing department to order goods or services. Typically, a purchase order contains information regarding the items to be purchased, the person or department placing the order, and any special delivery terms the circumstances may dictate. A purchase order may be in either hard copy or electronic form.
Purchase Order Line Item	A purchase order line item is a unique entry that appears on a purchase order. For example a purchase order for office furniture, which includes two chairs, two desks and one floor lamp, would be considered to contain three line items.
Purchase Requisition Line Item	A purchase requisition is generated when a department requires goods or services. Each individual item by line on the requisition is considered to be a purchase requisition line item for purposes of this survey. For example, a requisition for one line requesting three 5 lb. bags of red material and a second line requesting five 10 lb. bags of white material would be considered two purchase requisition line items. The requisition will then be submitted to the purchasing department for processing and approval before the purchase order is placed.
Purchasing Circles	Purchasing circles are customer groups who are offered discounts and/or other special offers (i.e., preferred customer clubs).
QS 9000	QS 9000 is a common quality certification program for auto industry suppliers that uses ISO 9000 as a baseline.
Quality Management Program	A formal program designed to monitor and maintain high levels of quality throughout the organization. Examples include ISO-9000 and QS-9000 certification.
Quantitatively Managed	At this level, in addition to standardized processes and activities, metrics are collected and used to help identify ways to adjust and adapt the process to particular projects without measurable losses of quality or deviations from specifications (process capability).
Quick Changeover Techniques	Quick changeover techniques include a variety of techniques, such as SMED (single-minute exchange of dies), which reduce equipment set-up time and permit more frequent set-ups, thus improving flexibility and reducing lot sizes and manufacturing cycle times.
Radio Frequency (RF) Product Tracking	Radio frequency product tracking refers to the use of radio-frequency technologies in the form of smart tags/microchips and readers to track lots, batches, pallets, cases, individual units or inventory levels of products at any point in the supply chain. This technology is not line-of-sight by nature, and so it is differentiated from traditional barcode technologies. It can be implemented in the form of a closed/proprietary system or as part of an open standard.
Rate Change	Rate changes occur as a result of changes in material prices, foreign exchange rates, labor rates, and other similar cost variances.
Rationalization	Rationalization is the act, process, or practice of making a more efficient method.
Raw Material Days of Supply	Calculated as gross raw material divided by (value of transfers divided by 365 days).
Raw Material Turns	Raw material inventory turns is calculated as the cost of goods sold for the year divided by the average value of month-end raw material inventory for the most recently completed fiscal year. For purposes of APQC's surveys, average value of month-end raw material inventory can be calculated as beginning of the year inventory plus end of year inventory divided by two.

Open Standards Benchmarking Glossary

Term	Definition
Real Time	For purposes of this survey, real time refers to the practice of coordinating data-processing activity timing with external causal factors (events), as those events occur.
Real-Time Order Data from Customers	Real-time order data refers to the ability to receive order data from customers directly into a company's order management system without human intervention.
Receipts	A single receipt is considered to be an individual check, an individual wire transfer, or any other unique payment. For example, if a customer mails two checks in one envelope, and each applies to a different purchase, this is considered two receipts.
Record Time	The capture of standard time information (e.g., hours, project/budget codes, overtime) and entry of this information into the time reporting system.
Recruit, source and select	<p>The recruit, source and select process, consists of:</p> <ul style="list-style-type: none"> New hire requisition Recruiting Candidate tracking Candidate screening Pre-placement verification Process new hire/re-hire
Recruiting	The process of finding and attracting capable applicants to apply for employment.
Redeploy and retire	<p>The redeploy and retire process consists of the following:</p> <ul style="list-style-type: none"> Promotion/demotion/transfer processing Separation/Retirement process Leave of absence administration Employee outplacement Relocation
Reengineered Production Processes	Refers to re-designed manufacturing processes. Examples include production that has been streamlined through elimination of non-value added steps.
Regulatory Reports	These reports must be submitted to a regulatory agency to maintain compliance with laws governing the entity's location. Examples include environmental reports, securities reporting, and some human resource reports.
Relocation	See "employee relocation".
Remanufacturing/Refurbishing	Remanufacturing / refurbishing refers to the re-work performed on returned items to make the items saleable.
Remove Users	The user is allowed to remove existing users from user assignments.
Repair and Maintenance Costs	The total amount spent to maintain the fixed asset base in a productive capacity. Includes both regular maintenance costs as well as repairs.
Repatriation	The process by which expatriate employees (see "expatriation") are moved back to their country of origin/permanent residence.

Open Standards Benchmarking Glossary

Term	Definition
Replenishment/Vendor Managed Inventory	Vendor-managed inventory (VMI) is an arrangement between a customer and supplier whereby the supplier takes responsibility for keeping the customer's stock at a predetermined level. The supplier does not require receipt of an individual sales order each time inventory is supplied to the customer. Billing is generally done at an agreed time interval.
Report Time	Capturing employee time information and recording data in the time reporting system for usage by payroll, benefits, billing (depending on business model), etc. Preparing the data for payroll and benefits usage by analyzing and reporting paid and unpaid leave, monitoring regular, overtime and other hours, and analyzing and reporting employee utilization. This includes establishing policies and procedures for reporting time, management activities and system maintenance to effectively capture and report on employee time.
Research and Development Costs	All cost elements, including labor costs, material costs, allocations of depreciation and other overhead costs, that are consumed for research and development activities should be included in research and development costs. Research is a planned search and exploration for discovering new knowledge. Development is a process of translation of research findings and other knowledge into a plan or design for new products, services, and processes (hereafter, collectively "products") or a plan or design for bringing significant improvements on the existing products.
Resource Allocations	The act of defining and assigning all forms of resources that are required for a product development project. The resources will include personnel, equipment, time frames, and finances.
Resource Re-allocations	Adjusting and/or reassigning any resources that were previously assigned to other projects.
Retail Capability Model	A Retail supply-chain is a unique make-to-stock supply chain selling direct to the consumer at a retail store. A retail store is a physical location that sells products and services using a point of sale process.
Retention Rate	The number of employees at the end of the year that were present at the beginning of the year divided by total number of employees at the beginning of the year.
Retroactive Pay Increase	A retroactive pay increase is a pay increase that should be made effective in the system on a date prior to the current date.
Return on Assets	Return on assets (expressed as a percentage) is the net income of a company divided by its total assets in the same period.
Return on Supply Chain Fixed Assets	Return on supply chain fixed assets measures the return an organization receives on its invested capital in supply chain fixed assets. This includes the fixed assets used in Plan, Source, Make, Deliver, and Return. Return on supply chain fixed assets is calculated as (Supply Chain Revenue + COGS + Supply Chain Management Costs) / Supply-Chain Fixed Assets. "Supply Chain Revenue" is used in the metric rather than just Net Revenue. SC Revenue is calculated as: Supply Chain Revenue - COGS - Total Supply Chain Management Costs. This provides the revenue generated through the supply chain less the total costs associated with the supply chain.

Open Standards Benchmarking Glossary

Term	Definition
Return on Working Capital	Return on working capital is a measurement which assesses the magnitude of investment relative to a company's working capital position verses the revenue generated from a supply chain. Components include accounts receivable, accounts payable, inventory, supply chain revenue, cost of goods sold and supply chain management costs. Return on Working Capital is calculated as (Supply Chain Revenue + COGS + Supply Chain Management Costs) / (Inventory + Accounts Receivable + Accounts Payable)
Return Processing Time	Return processing cycle time equals the time (typically measured in days including weekends) between initial product return and final product disposition. Product return occurs when a customer relinquishes control of the product to the seller, to the manufacturer, or to a third-party intermediary; final product disposition occurs when the method of disposition (remanufacture, salvage, return to OEM, etc.) has been determined and has actually occurred.
Returns Management	Reverse Management is a general term used to describe the management of product returns and includes such processes as recycling, materials substitution, reuse of materials, and waste disposal, as well as refurbishing, repairing, and re-manufacturing returned products.
Revenue	Total annual revenue is net revenue generated from the sale of products or services. This should reflect the selling price less any allowances such as quantity, discounts, rebates and returns. (Note: Business entity revenue needs to only include inter-company business segment revenue when the transactions between those business segments are intended to reflect an arm's length transfer price and would therefore meet the regulatory requirements for external revenue reporting.)
Revenue for Government Agencies	"Revenue" for government agencies participating in benchmarking surveys is defined as budget authority, fees and other funding that is associated with the delivery of services under the agency's mission. To avoid potential distortions of revenue as compared with private sector organizations, government agencies should exclude from revenue funds that "pass through" the agency to other organizations. These exclusions cover grants, benefit payments, and royalties, fees, debt collections, etc. where the funds are not retained within the agency for internal use.
Revenue/Net Revenue	See "total annual revenue."
Reward and retain	<p>The reward and retain process consists of the following:</p> <ul style="list-style-type: none"> Compensation administration Award/incentive administration Employee assistance Benefits administration Payroll processing
Right-Sizing the Supplier Base	Right sizing refers to establishing and managing the appropriate number of suppliers that will maximize supply chain performance and minimize costs, where suppliers includes brokers, carriers, 3PL DC operators, craters, etc.
Rolling Forecast	A rolling forecast requires regular updates to forecast figures, and may or may not replace traditional budgeting. The goal is to maintain a continuous planning horizon, ensuring that management is aware of business conditions as they appear and can react as a normal part of business operations.

Open Standards Benchmarking Glossary

Term	Definition
Round-Trip Carrier Routing	Round-trip carrier routing refers to the practice of planning and scheduling deliveries both to and from a destination so as to minimize total costs and maximize asset utilization.
Routine enquiries	Enquiries received on a regular basis requiring a standard response.
Routine Inquiry	Inquiries received on a regular basis requiring a standard response.
Sales Force Automation	The use of automated tools to manage customers and/or track and process sales orders (e.g., hand-held terminals, scanning devices, laptop computers, etc.).
Sales Order	A sales order is any request to deliver goods or services to a customer. A sales order may be in any form (i.e., written, oral, electronic) and need not be initiated by a member of the sales force.
Sales Order Line Items	A sales order line item is an individual transaction listed on a sales order. For example, one case of product X and two cases of product Y on the same sales order would be counted as two line items.
Sales Order Management	Sales order management includes inquiry and quotations, order entry and maintenance, channel management, order fulfillment, distribution, transportation, outbound freight and duties, installation, customer invoicing/accounting, new product release, phase-in, etc.)
Sales Outstanding	Sales Outstanding is the amount of accounts receivable outstanding expressed in currency. It is calculated as the average of gross accounts receivable (AR).
Salvage	The sale of products or components to be recycled for uses other than the originally intended functionality.
Sample	A sample taken for survey purposes selects a portion, piece, or segment that is representative the entire population.
Scanned	Scanning is the process whereby data is entered into a computer system using a bar code reader or other electronic input device.
Schedule and Perform Maintenance	This process addresses the activities where capital equipment and supply chain processes are maintained. For capital equipment, this means scheduling downtime, relocating production as needed to meet production demands during downtime, and coordinating all aspects of the downtime. For supply chain processes, this includes implementation of process improvement activities defined during supply chain planning activities.
Schedule Production	The process of scheduling production begins with generating a site-level plan, as well as managing work-in-process inventory, collaborating with suppliers, generating a master production schedule, and executing a detailed schedule for production. The goal of scheduling production is to minimize production costs, while maintaining the desired level of inventory, cycle times, quality, and service. Some services-related businesses focus on maximization of service delivery resource utilization rather than minimized production costs. Inventory, setup and changeover, and transportation and ordering costs must be understood across the business. The impacts associated with any outsourced production and distribution operations must be considered during the scheduling process, and supply chain partners must be committed to production schedules.

Open Standards Benchmarking Glossary

Term	Definition
Schedule Production (Manufacturing)	This process includes two activities: generating a site-level plan and generating an optional detailed schedule. The site-level plan should include the rough forecast quantities of each product to be produced by the site over a given time period (e.g., one month). The optional detailed schedule comprises the exact quantities of each product to be produced on a given day or week, as well as the machines the products will be run on, setup times, etc.
Scrap and Rework	Scrap and rework is defined as material that is added into production but is not part of a finished product.
Secondary Channel	A secondary channel is a sales channel outside of a company's primary sales channel (i.e., outlet stores, foreign markets, different prices, etc.).
Security overhead cost	Operating cost directly associated with security management of production facilities. Exclude standard property taxes, etc. Money paid above and beyond should be included.
See Extended User Details	This role confers the ability to see the user's survey assignments, owned entities, and entity assignments, in addition to the user's demographics data
Select Suppliers & Develop/Maintain Contracts	<p>The process to select suppliers and develop/maintain contracts is responsible for selecting suppliers (typically through a request for information [RFI], request for proposal [RFP], or request for quote [RFQ] process) to create business value, reduce cost, and ensure quality. Activities included in the select suppliers and develop/maintain contracts process:</p> <ul style="list-style-type: none"> * Identify categories of purchase * Identify suppliers * Match suppliers by category * Certify/validate suppliers * Negotiate and manage contracts
Self Service	Self service is the ability for non-payroll, non-benefits and non-HR employees and managers to perform an entire transaction by making changes or entering new information into the system of record from their computer terminals, using a web portal or a system that supports self-service transactions.
Self-Directed or Empower Work Teams	Self-directed or empowered teams share a common workspace and/or responsibility for a particular process or process segment. Typically empowered teams have clearly defined goals and objectives related to day-to-day production activities, such as quality assurance and meeting production schedules, as well as authority to plan and implement process improvements. Empowered work teams typically do not assume traditional managerial responsibilities.
Selling, General, and Administrative (SG&A) Costs	Includes marketing and selling of products/services, accounting, planning, human resources, research and development and maintenance of facilities. SG&A costs include all compensation and benefits (excluding incentive compensation); direct operating costs, maintenance time and expenses, subscriptions, publications, and related costs.
Senior Management/Executive	Senior management/executive refers to the highest-ranking officers and the managers below executives. These managers would typically have several managers reporting to them and have functional or business unit responsibility. Sample titles might include CxO, Executive vice president, Director, and Sr. Vice President.
Sensitive	In a price-sensitive environment, sufficient competitors or substitute products exist such that cost is a key differentiator between product groups or products within a group. Customers' purchase decisions are likely to be influenced by price.

Open Standards Benchmarking Glossary

Term	Definition
Sensitivity Analysis Analysis	A technique of conducting "what if?" scenarios by adjusting specific variables in order to isolate their effect on profits or cash flows. Examples of such variables are differences in the level of activity and differences in selling prices.
Separation/Retirement Processing	The administration and execution of employee retirement and separation, including calculation of pension benefits, communications with former employees regarding benefits options, and tracking and maintaining retiree data. Separation is when an employee voluntarily or involuntarily is terminated or employee dies.
Server	The server is the source computer that you request or that serves a URL, but it is also the software that provides you, the 'client', with this particular 'service'.
Service Customers	For purposes of this survey, servicing customers is the function of developing customer relationships through performing customer support (other than standard order inquiries), providing technical support, and performing after-sales services.
Service Level Agreements (SLAs)	Service Level Agreements (SLAs) define and document the cost, quality, and specification of services provided by a shared services center or other service provider. The terms in the agreement help to commit the service provider to a predetermined level of performance with penalties if the provider fails to meet these commitments.
Shared Services Center	Shared services are created by combining common or repetitive processes from multiple business units and centralizing them into one location, which is the shared services center. Service Level Agreements (SLAs) are often used to define and document the cost, quality, and specification of services provided by the shared services center. The goal of creating a shared services center is to achieve improved efficiencies and economies of scale while providing a high level of service to business units. As a result, business units are able to spend more time performing higher-value-added tasks.
Shareholder	Person or entity that owns shares or equity in a corporation.
Shareholder Financial Report	Quarterly and/or annual reports provided to all shareholders, disclosing the company's financial condition. Generally includes a description of the firm's operations as well as balance sheet, income statement and cash flow statement information.
Ship from Stock	Percentage of orders delivered in full (Ship-From-Stock) is the percentage of ship-from-stock orders shipped within 24 hours of order receipt.
Shrinkage	The costs associated with breakage, pilferage, and deterioration of inventories.
Single BasisBasis	Single basis refers to the method whereby only one criterion is used to allocate overhead costs. For example, labor hours only, or volume only might be used as the basis for allocation.
Site	For purposes of this survey, a 'site' is defined as the total business operations for which you are best able to report. For example, company ABC has their corporate headquarters in the United States and operates in multiple locations within the US, but also operates in Canada, Switzerland, London, Australia, and Japan. Each of these operations would be considered a 'site', and each would complete a separate survey.
Site Flash Report	A site flash report is an initial view of the site's financial position after initial allocations, accrual corrections, and intercompany eliminations. It is presented to site management for first review prior to management adjustments.

Open Standards Benchmarking Glossary

Term	Definition
Six Sigma	Six Sigma is a term coined to stress the continuous reduction in process variation to achieve near-flawless quality. When a six-sigma rate of improvement has been achieved, defects are limited to 3.4 per million opportunities.
SKU	Stock keeping unit.
Social Media	Internet technology that allows people to generate content and interact in a way that creates new information and value. Social media becomes social computing when applied to a noncommercial intent among people to share and co-create.
Soft Close	<p>A soft close includes all of the following:</p> <p>nominal (P&L) accounts are not closed to retained earnings management adjustments are not considered in the closing process all adjustments and balancing entries are not necessarily booked.</p>
Somewhat Adopted	Some parts of the practice have been adopted, but not all elements.
Somewhat Effective	Some, but not all, of the desired results of the initiative have been achieved.
Somewhat Sensitive	In an environment that is somewhat sensitive to price, customers may have been historically insensitive to price, but new competition from new providers, substitute products, deregulation or other market changes are increasing price sensitivity. Customers' purchase decisions are likely to be at least somewhat influenced by price.
Source and select	The process of looking for and hiring the most suitable candidate for a vacant position.
Source Cycle Time	Source cycle time is the average time associated with source processes and is calculated as (Identify Sources of Supply Cycle Time + Select Supplier and Negotiate Cycle Time + Schedule Product Deliveries Cycle Time + Receive Product Cycle Time + Verify Product Cycle Time + Transfer Product Cycle Time + Authorize Supplier Payment Cycle Time).
Sourcing Optimization	Sourcing optimization refers to the process of reviewing and realigning the supplier base of an organization in order to leverage the organization's purchasing power, and to achieve better performance. This is commonly included in strategic procurement planning, whereby purchasing decisions are made in a global context and are directly linked to a corporation's long-term strategic goals. In order for this concept to work, suppliers and supplier alliances must be managed with the sophistication that they demand.

Open Standards Benchmarking Glossary

Term	Definition
Stage of evolution and the manner in which growth is achieved:	<p>Creativity: Emphasis on creating a product or market - An organization in this stage has an emphasis on creating a product or market, characterized by founders who are technically / entrepreneurially oriented, informal communications, usually modest salaries and promise of ownership benefits, and direct market feedback.</p> <p>Direction: Emphasis on sustained organizational growth - An organization in this stage is embarking on a period of sustained growth, and characterized by functional organization, accounting systems, incentives and budgets, more formal and impersonal communications, and upper-level managerial responsibility for instituting direction.</p> <p>Delegation: Emphasis on delegating responsibility in a decentralized organization - An organization in this stage is decentralized with much greater responsibility given to plant managers and market executives, infrequent communication from the top, and use of profit centers and bonuses for motivation.</p> <p>Coordination: Emphasis on greater coordination across product groups - An organization in this stage uses formal systems extensively to achieve greater coordination, characterized by product groups, formal planning procedures, careful review of cross organization capital expenditures, centralization of technical functions such as data processing, and use of company wide profit sharing and stock options as incentives.</p> <p>Collaboration: Emphasis on a collaborative culture - An organization in this stage builds a more flexible behavioral approach to managing, focused on cross-functional teams and problem solving, matrix-type structure, real-time information systems for decision making, team performance rewards rather than individual achievement, and increased experimentation.</p>
Stage-Gate Process	<p>A widely-employed product development process for managing product development that divides the effort into distinct time-sequenced stages separated by management decision gates. Multifunctional teams must successfully complete a prescribed set of related cross-functional tasks in each stage prior to obtaining management approval to proceed to the next stage of product development. The framework of the stage-gate process includes workflow and decision-flow paths and defines the supporting systems and practices necessary to ensure the process's ongoing smooth operation.</p>
Stage-Gate Review Committee	<p>A cross-functional group of managers and executives who serve as advisors, evaluators and decision-makers in a Stage-Gate Process. They will use established criteria to review product development projects at each gate in the process.</p>
Standard Accounts	<p>For the purpose of this survey, standard accounts are records of company financial and/or other data classified in an agreed and consistent manner for comparison within and across the organization.</p>
Standard Cost	<p>Inventory costing method used in manufacturing environments that uses the materials costs in the bill of materials combined with the labor costs (based upon standard labor hours and rates per operation) and machine costs in the routing to calculate the cost of the finished or semi-finished item.</p>
Standard Production Reports	<p>Standard management reports that are produced by the system via batch jobs according to a predetermined schedule and made available to appropriate users.</p>
Standard yearly working days	<p>We use a standard of 250 working days per annum. Calculated by 365 days - 104 days (weekends) - 10 days (public holidays).</p>

Open Standards Benchmarking Glossary

Term	Definition
Statistical Process Control (SPC)	Statistical process control is a quality-control method focusing on continuous monitoring of the process rather than inspection of finished products. Process measures are established with a high bound and a low bound; when the process measurements move out of the established acceptable bounds, corrective action is initiated. The intent of SPC is to achieve control of the process to minimize defective product.
Stockouts	The inability to fulfill a sales request due to lack of item availability at the time the item is required by the customer.
Strategic Alliance Supplier	This relationship is characterized by a “C-level” relationship between two companies with shared intelligence and operational tie-ins. These relationships are efforts to meet a business need while still remaining separate companies and often require the strategic interweaving of infrastructure and technologies.
Strategic Flexibility	Strategic flexibility, as used in logistics, refers to the ability to accommodate the range of order types, service bundles, product types, cycle time requirements, customer markets, and information needs necessary to play in a differentiated marketplace.
Strategic Suppliers	Strategic suppliers are key suppliers with whom the organization has special arrangements that make a strategic difference to both parties beyond the standard buying/selling relationship.
Stretch Targets	Stretch targets are a means of generating nearly impossible targets in order to encourage persons to explore and implement extraordinary ways to reach those targets. They will have no other choice than to think outside of normal processes.
Strong Interface	<p>A strong interface is automatic with no manual steps; it is complete with all required data and requires no manual supplements or adjustments; and it is direct and does not pass through more than one system or type of system.</p> <p>An example of a strong interface would be one between two systems that processes automatically and transfers data from the sender to the receiver in one step. The system may require human confirmation that the data transfer was successful, but this would be the only human intervention.</p>
Subsidiary	A subsidiary is an enterprise that is controlled by another enterprise (known as the parent).
Succession Planning	Succession planning is a process whereby an organization ensures that employees are recruited and developed to fill each key role within the company. Succession planning ensures you can fill key roles from within your organization.
Supplier	A supplier is an entity from which a business unit purchases goods or services.
Supplier Lead Time	The supplier lead time begins with the transmission of the purchase order and ends when your business entity receives delivery.
Supplier Management Cost	Supplier management cost includes material planning, planning procurement staff, supplier negotiation and qualification, etc.
Supplier Performance Scorecard	A supplier performance scorecard is a report card that details supplier performance on a number of key performance indicators. Typical metrics may include on-time delivery and order cycle time.
Supplier Rationalization	Supplier rationalization is the practice of reducing the supplier base to increase buyer influences and to decrease buyer complexity. Fewer suppliers allow the buyer to form more strategic relationships, reduce transaction costs, and leverage total spend.

Open Standards Benchmarking Glossary

Term	Definition
Supplier-Managed Content	Refers to catalogue content maintained and updated by your supplier(s).
Suppliers in Quartiles (Example)	<p>For example, your site has \$1,000,000 in annual spending. Your top 2 suppliers account for \$250,000 of annual purchases; 10 suppliers account for the next \$250,000 of annual spend, and so on. A more detailed example follows.</p> <p>Company XYZ has 20 suppliers from which it purchases goods and services. During the current year, Company XYZ made total purchases of \$1million. The Company spent \$150,000, \$125,000, \$100,000, \$90,000 and \$60,000 with suppliers A, B, C, D, and E respectively. Since \$250,000 represents the top quartile of the total \$1 million spent, Supplier A and Supplier B with which a combined \$275,000 was spent, fall into this top quartile grouping. (Although purchases from Supplier B were \$125,000, exceeding the remaining \$100,000 [\$250,000 for the top quartile - \$150,000 from Supplier A], in the top quartile, the first dollar of Supplier B's spend fell within this quartile. Thus, place two companies in the top quartile).</p> <p>There are three companies in the second quartile. The second quartile will represent the second highest number of suppliers and will fall into the next range of \$250,000 spent with suppliers. Suppliers C, D, and E are represented here. This is determined by the fact that in the first quartile, Suppliers A and B accounted for a combined \$275,000, leaving \$225,000 in the next quartile. Suppliers C and D accounted for a combined \$190,000 of this. Although, in Supplier E there were \$60,000 of purchases, exceeding the remaining \$35,000 (\$225,000 - \$190,000) in the second quartile, the first dollar of Supplier E's spend fell within this quartile. This same exercise should be completed to determine the number of suppliers in each of the two remaining quartiles.</p>
Supply Chain	A supply chain is composed of the links between supplier to manufacturer, distributor, retailer, and finally, consumer. Along this chain, products and services flow downstream, moving from supplier to consumer. Cash flows upstream, in the direction from consumer to the supplier. Information flows in both directions.
Supply Chain Fixed Assets	Supply chain fixed assets is the current value of the supply chain assets, including assets used in supply chain integration (plan), source, make deliver and return processes.
Supply Chain Integration	The concept of supply chain integration evolves from the fact that no single vendor can provide a solution, which will satisfy the entire supply chain needs of an organization. An integrated supply chain will generally align various systems like DRP, warehouse management, Scheduling software, Transport Management, order processing etc. to meet the specific needs of an organization.
Supply Chain Management Costs	Total supply chain management cost is the sum of the costs associated with the processes to plan, source, deliver, and return. This includes supply chain IT costs, finance and planning costs, inventory carrying costs, material acquisition costs, order management costs, and returns management costs.
Supply Chain Optimization	Optimizing the supply chain refers to the ideal that an organization has made the best possible use of their supply chain so that each movement and transaction is highly productive. It does not necessarily follow that an optimized supply chain is well integrated.
Supply Chain Revenue	Supply chain revenue is the revenue generated through the supply chain. This does not include non-operating revenue, such as leasing real estate, investments, court settlements, sale of office buildings, etc.

Open Standards Benchmarking Glossary

Term	Definition
Support and Implement Changes to Product Manufacturing and Service Delivery	<p>Activities included in the support and implement changes to product manufacturing and service delivery process are:</p> <ul style="list-style-type: none"> * Monitor production runs * Request engineering change * Manage engineering change order * Identify product/service design and configuration changes * Capture feedback to "refine existing products and services" process * Identify manufacturing/service delivery process performance indicators
Support IT Services and Solutions	<p>Supporting IT services and solutions includes contributing to the attainment of service-level targets, managing end-users perceptions of IT services, providing assistance to customers in their use of IT, and ensuring that IT resources are available and performing within the agreed upon service levels. Without the support this group provides, there can be no accountability for a viable operational environment. This activity serves as input to the process by which the enterprise plans and manages overall business continuity, and is responsible for executing the plan to restore IT service in the event of a service interruption or outage due to catastrophe. Part of that responsibility may include informing key executives as to the exposures, costs, and trade-offs. Tasks include request management, problem management, IT service continuity management, end user support, desk-side support, and incident management.</p>
Support Product/Service Manufacturing/Delivery	<p>Although manufacturing of the product/service is key to the overall new product/service development (NPD) process, NPD personnel are in a support role during this final stage of the NPD process. NPD staff monitor the initial set of commercial runs and collect data and information that would lead directly into product/service improvements and/or extensions.</p>
Surge Capacity	<p>Surge capacity refers to buffer capacity within distributions centers (DCs) reserved for handling planned or unplanned volume spikes.</p>
Suspensions and Recall from Suspensions	<p>Information regarding the temporary deferment of employment as a result of disciplinary misconduct, and/or changing an employee status from suspended to active.</p>
Systems Cost	<p>Systems costs include all expenses, paid or incurred, in conjunction with: Computer hardware or computer software acquired by the organization or provided to the organization through service contracts.</p> <p>Any related costs to process, service and maintain computer hardware or computer software. The costs of providing and maintaining services for each applicable process (e.g., computer system(s) processing (CPU) time, network/system communication charges, maintenance costs for applications and data storage). This includes the costs related to LANs, WANs, etc. This does not include one-time costs for major new systems developments/replacements. Consultant fees should not be included in depreciation of new system implementations. Include only those costs that occur more than six (6) months after implementation, as normal system maintenance costs. Any systems cost (e.g., maintenance) which is outsourced to a third party supplier should be captured in the separate cost category labeled outsourced cost.</p> <p>All salaries, overtime, employee benefits, bonuses or fees paid to full-time, part-time or temporary employees or independent contractors who perform services relating to computer hardware, computer software, processing or systems support.</p>

Open Standards Benchmarking Glossary

Term	Definition
Talent Management	The process organizations apply to make the best possible use of employees, to cultivate their talents and to retain them.
Tax	The tax management process should combine the knowledge of the existing commercial and tax profile of the company with an understanding of current legislation to deliver the lowest acceptable cash and accounting liabilities. This includes activities such as developing, implementing and managing the tax plan as well as managing tax and regulatory relationships.
Temporary Employee	A temporary employee is employed for a finite period of time, to fulfill a time-limited role, or to fill the role of a permanent employee who is absent from work. The length of time an employee can work for the organization and be considered a temporary employee may be governed by employment legislation.
Terminations	The termination of an employee record in the system; the record becomes categorized as inactive and the person ceases to be recognized as employee.
Test Market Product/Service	<p>In this stage of the new product/service development process, prototypes are used to assess the market potential for acceptance of the product/service to be developed. As a result of feedback from customer and/or field tests, the projects are scrutinized to determine whether to actually devote plant/manufacturing time to the commercial production of the product. Financial business case projections are also used to determine whether to manufacture/produce the product/service (i.e. move the project to next stage). Activities included in the test market for new or revised products and services process:</p> <ul style="list-style-type: none"> * Prepare detailed market study * Conduct customer tests and interviews * Finalize product/service characteristics and business cases * Finalize technical requirements * Identify requirements for changes to manufacturing/delivery processes
Third party cost	See "consultancy/third party cost".
Third Party provider (HR)	A third party provider of HR services is any independent company that provides ongoing services which internal personnel previously performed to the broader organization for or on behalf of the business entity. Examples of third party suppliers might include recruitment agencies, payroll providers etc.
Third-Party Aggregators	Catalogue content maintained by an organization other than your company or your supplier(s).
Third-Party Logistics Provider (3PL)	A third-party logistics provider (3PL) is any company that provides logistics services between a buyer and a seller in order to conduct a transaction. 3PLs may provide one or more logistics functions, such as warehousing, DC operations management, freight payment and audit, transportation management, information management, customs brokerage, forwarding, and other peripheral logistics services.
Three-way Matching	Three-way matching requires that an invoice be matched to two documents, generally a purchase order and receiving document, prior to being processed for payment.
Time Adjustments	Prior-period adjustment of time information (e.g. more or less hours, different project/budget coding).
Time and Attendance Processing	The process of gathering, evaluating and tracking employee time and attendance data.

Open Standards Benchmarking Glossary

Term	Definition
Time Record	A time record is a single line item on an individual employee's time sheet/card during the course of a single time/payroll period that is assigned distinct coding for application to appropriate budgets, projects, etc. An employee working on multiple projects, teams or production lines during a time period may have multiple time records on their timesheet.
Time to Market	Time to market is defined as the number of days required to design, test market and manufacture/deliver a new product/service. The cycle time begins with the process "design & develop product/service" and ends when the new product/service is ready for sale.
Time to Profitability	The length of time from the start of the "design and develop product/service" stage to the point at which a unit of the product/service is sold at a profit to the business site.
Time to profitability/payback	This represents the average length of time in months required to recover an organization's initial investment in new products/services through their related cash flow.
Total Annual Cost of Quality	Costs associated with deploying quality products and processes, including in process quality as well as post mortem and problem resolution
Total Annual Revenue/Net Revenue	Total annual revenue is net proceeds generated from the sale of products or services. This should reflect the selling price less any allowances such as quantity, discounts, rebates and returns.
	For government/non-profit organizations, please use your non-pass-through budget. If your business entity is a support unit and therefore does not directly generate revenue, then provide the revenue amount for the units you support.
	For insurance companies the total annual revenue is the total amount of direct written premiums, excluding net investment income.
	Note: Business entity revenue needs to only include inter-company business segment revenue when the transactions between those business segments are intended to reflect an arm's length transfer price and would therefore meet the regulatory requirements for external revenue reporting.
Total Assets	Total assets are the entire resources of the entity, both tangible and intangible. (They are categorized as such on the entity's financial statement. They include the total value of properties and claims against others that are owned by the entity as expressed at original cost. Assets are defined and designated by the Government Accounting Standards Board (GASB) or the Financial Accounting Standards Board (FASB) (as applicable to each specific entity). They include accounts receivable, cash, inventories, service delivery facilities (less depreciation), cost of easements, and all other items of value owned by the entity.)
Total Contact Center Cost	Total contact center costs include: personnel cost (including compensation and benefits), centrally managed systems cost (direct and/or allocated to the business entity), contact center system costs (variable systems costs tied directly to agents), overhead cost (direct and/or allocated to the business entity), and outsourced costs.

Open Standards Benchmarking Glossary

Term	Definition
Total Cost of Continuing Operations	For purposes of this study, you should include all costs associated with generating the income that results from continuing operations. Total cost of continuing operations should include cost of goods sold, selling expenses, and general and administrative expenses. Exclude the following costs: taxes, extraordinary items, unusual or infrequent items stated below the "Income from Continuing Operations" line, and gains or losses due to discontinued operations or changes in accounting principles.
Total Cost of Ownership (TCO)	A method of calculation designed to help management assess both direct and indirect costs and benefits related to the purchase of products and services. TCO can be described as the price paid for a product or service, in addition to the additional costs associated with owning that item. Included are ordering costs, receiving & storage costs, insurance costs, handling costs, damage and obsolescence costs.
Total Finance Function Cost	The total cost to maintain your finance function. This cost should include personnel, systems, overhead plus other costs that you believe are necessary for day-to-day operation.
Total Internal Costs	Total internal costs are the costs that are not outsourced. It is personnel cost + system cost + overhead cost + other cost.
Total Labor Cost	Cost of salary, bonus, benefits, overhead, etc.
Total Purchases of Goods and Services	The value of all goods and services purchased by your site annually. This should include all capital expenditure items.
Total Quality Management	A formal total quality management program strives to establish a continuous improvement environment that uses a multiple-step problem solving approach to improve process and product quality.
Total Spend	Total spend refers to expenditure by the business entity during a given period excluding all benefit program costs and including all outsourcing and third party costs.
Total Supply Chain Management Cost	Total supply chain management cost is the sum of the costs associated with the processes to Plan, Source, Deliver, and Return and is calculated as Sales - Profits - Cost to Serve (e.g., marketing, selling, administrative). Note: Cost of Raw Material and Manufacturing Costs are generally accounted for in COGS. It is recognized that there is likely to be overlap/ redundancy between supply chain management costs and COGS
Trade Spending	Payments made by manufacturers to retailers and other resellers for the purpose of promoting the marketing of the manufacturers' products. These payments can take the form of bonuses, rebates, discounts and advertising allowances.
Training Administration	The administration and execution of executive, exempt, and non-exempt training and development practices to enhance career development and ensure current skill, competency and behavior needs. May include training to support key organizational policies and procedures, retaining of employees due to displacement or promotion and training for new technology, etc.
Training Delivery	The management of activities related to training including registering participants, arranging location and trainers, delivering the training and crediting employees for receiving training.

Open Standards Benchmarking Glossary

Term	Definition
Transaction Processing	<p>Transaction processing activities ensure that money was collected, invoices correctly processed, bills paid, and financial reports produced. Transaction processing activities can in many cases be outsourced because they are high volume and relatively straightforward.</p> <p>Transaction processing includes activities such as: general accounting, processing accounts payable and receivables, processing journal entries, processing invoices, responding to basic customer/supplier inquiries, and producing financial statements.</p>
Transactional Supplier	<p>The supplier is effectively kept at "arm's length," and a purchase order is issued for every transaction. The transactions are infrequent, low cost, or have little impact on the firm. The supplier is not strategic or critical to the operation of the company.</p>
Transfers	<p>An employee transition between key organizational units or cost centers.</p>
Transportation	<p>Refers to the shipment of goods. Includes both intra-company shipments (e.g. shipping sub-assemblies from one plant to another for final assembly) and inter-company shipments (e.g. shipping finished goods to customers).</p>
Transportation Management System (TMS)	<p>A transportation management system is a computer-based system that enables users to plan and manage the transportation and distribution activities of a company. Typical functions include the optimization of transportation routes, and the planning and scheduling of shipments.</p>
Transportation Outsource Cost Excluding Freight	<p>THIS GLOSSARY TERM IS TO BE USED FOR THE PROCESS OPERATE OUTBOUND TRANSPORTATION ONLY. For outsourced cost of all other processes, please use the glossary term "Outsourced Cost." In determining outsourced cost for operate outbound transportation, include the total cost of outsourcing all aspects of the specified process to a third-party supplier or third-party logistics provider (i.e., a fleet maintenance provider or a freight audit and payment firm). If possible, exclude the actual freight bill and apply the cost to freight cost. If it is not possible to exclude the cost of the freight bill from the outsourced function (i.e., a carrier management company or a freight payment company where the cost of the process or upcharge is allocated to each freight transaction and cannot be separated) then apply the entire cost to freight cost.</p>
Transportation Scheduling Lead-Time	<p>Transportation scheduling lead-time is the time between the scheduling date of a shipment and actual outbound shipping date.</p>
Travel and Entertainment (T&E)	<p>T&E expenditures are the reimbursable expenses an employee incurs on behalf of the company (e.g., rental car, hotel, airfare).</p>
Treasury Movements	<p>Treasury movements relate to the flow of monies to, from, and within banks. It also considers interest and foreign currency fluctuations.</p>
Trend	<p>General upward or downward movement of a variable over time (e.g., demand, process attribute).</p>
Trial Balance	<p>The trial balance is used to test the equality of open debit and credit accounts by collecting them as a statement within a double entry ledger.</p>
Two-way Matching	<p>Two-way matching requires that an invoice be matched to a single document, generally a purchase order or receiving document, prior to being processed for payment.</p>
Uncollectible Balances	<p>An amount owed to your business unit for goods or services already delivered that will not be collected. An account is considered uncollectible after all reasonable methods of collecting the balance have been unsuccessfully employed.</p>

Open Standards Benchmarking Glossary

Term	Definition
Unemployment Claims	Unemployment claims involve the completion of forms from third-party vendors to determine whether unemployment should be granted to specific employees. For the purposes of self-service, the appropriate information would be password protected and available upon request. This process may include completing a paper form for a third-party vendor based on the information, but would still be considered self-service if the manager can perform the entire process.
Unique Suppliers	For the purpose of this survey, the set of unique suppliers is the total number of distinct suppliers in your master file. Multiple suppliers from the same entity are considered to be unique suppliers.
Unit Fill Rate	The percentage of ship-from-stock LINES shipped within 24 hours of order receipt calculated as number of units shipped within 24 hours of order receipt divided by total units shipped.
United States Generally Accepted Accounting Principles (US GAAP)	In the United States, generally accepted accounting principles, commonly abbreviated as US GAAP or simply GAAP, are accounting rules used to prepare, present, and report financial statements for a wide variety of entities, including publicly-traded and privately-held companies, non-profit organizations, and governments. Generally GAAP includes local applicable accounting framework, related accounting law, and accounting standards.
Unplanned Machine Downtime	Unplanned machine downtime is a measure of time a machine is not operating; unplanned machine downtime does not include downtime for preventive maintenance or unscheduled use.
Up Selling	Up selling refers to an automated suggestion of similar, but higher quality/price products, based on a customer's current product selection.
Upside Deliver Adaptability	Upside deliver adaptability is the maximum sustainable percentage increase in quantities delivered that can be achieved in 30 days with the assumption of unconstrained finished good availability. (When calculating this metric, consider that 30 days is an arbitrary number provided for benchmarking purposes. For some industries and some organizations 30 days may be in some cases unobtainable or in others too conservative. This calculation requires the result to be the least increase in quantity sustainable when considering all components.)
Upside Deliver Flexibility	Upside deliver flexibility is the total elapsed days between the occurrence of the unplanned event and the achievement of sustained delivery performance. Elapsed days are not necessarily the sum of days required for all activities as some may occur simultaneously. (When calculating this metric, consider that 20 percent is a number provided for benchmarking purposes. For some industries and some organizations 20 percent may be in some cases unobtainable or in others too conservative. Calculate the least time to pursue all necessary delivery activities.)
Upside Deliver Return Adaptability	Upside deliver return adaptability is the maximum sustainable percentage increase in returns of finished goods from customers that can be achieved in 30 days. (When calculating this metric, consider that 30 days is an arbitrary number provided for benchmarking purposes. For some industries and some organizations 30 days may be in some cases unobtainable or in others too conservative. This calculation requires the result to be the least increase in quantity sustainable when considering all components.)

Open Standards Benchmarking Glossary

Term	Definition
Upside Deliver Return Flexibility	Upside deliver return flexibility is the total elapsed days between the occurrence of the unplanned event and the achievement of sustained return performance. Elapsed days are not necessarily the sum of days required for all activities as some may occur simultaneously. (When calculating this metric, consider that 20 percent is a number provided for benchmarking purposes. For some industries and some organizations, 20 percent may be in some cases unobtainable or in others too conservative. Calculate the least time to pursue all necessary return activities.)
Upside Make Adaptability	Upside make adaptability is the maximum sustainable percentage increase in production that can be achieved in 30 days with the assumption of unconstrained raw material availability. (When calculating this metric, consider that 30 days is an arbitrary number provided for benchmarking purposes. For some industries and some organizations 30 days may be in some cases unobtainable or in others too conservative. This calculation requires the result to be the least increase in quantity sustainable when considering all components.)
Upside Make Flexibility	Upside make flexibility is the total elapsed days between the occurrence of the unplanned event and the achievement of sustained manufacturing performance. Elapsed days are not necessarily the sum of days required for all activities as some may occur simultaneously. (When calculating this metric, consider that 20 percent is a number provided for benchmarking purposes. For some industries and some organizations 20 percent may be in some cases unobtainable or in others too conservative. Calculate the least time to pursue all necessary manufacturing activities.)
Upside Source Adaptability	Upside source adaptability is the maximum sustainable percentage increase in raw material quantities that your business entity can acquire and receive in 30 days. (When calculating this metric, consider that 30 days is an arbitrary number provided for benchmarking purposes. For some industries and some organizations 30 days may be in some cases unobtainable or in others too conservative. This calculation requires the result to be the least increase in quantity sustainable when considering all components.)
Upside Source Flexibility	Upside source flexibility is the total elapsed days between the occurrence of the unplanned event and the achievement of sustained source performance. Elapsed days are not necessarily the sum of days required for all activities as some may occur simultaneously. (When calculating this metric, consider that 20 percent is a number provided for benchmarking purposes. For some industries and some organizations 20 percent may be in some cases unobtainable or in others too conservative. Calculate the least time to pursue all necessary sourcing activities.)
Upside Source Return Adaptability	Upside source return adaptability is the maximum sustainable percentage increase in returns of raw materials to suppliers that can be achieved in 30 days. (When calculating this metric, consider that 30 days is an arbitrary number provided for benchmarking purposes. For some industries and some organizations 30 days may be in some cases unobtainable or in others too conservative. This calculation requires the result to be the least increase in quantity sustainable when considering all components.)

Open Standards Benchmarking Glossary

Term	Definition
Upside Source Return Flexibility	Upside source return flexibility is the total elapsed days between the occurrence of the unplanned event and the achievement of sustained return performance. Elapsed days are not necessarily the sum of days required for all activities as some may occur simultaneously. (When calculating this metric, consider that 20 percent is a number provided for benchmarking purposes. For some industries and some organizations 20 percent may be in some cases unobtainable or in others too conservative. Calculate the least time to pursue all necessary return activities.)
Upside Supply Chain Adaptability	Upside supply chain adaptability is the maximum sustainable percentage increase in quantity delivered that your business entity can achieve in 30 days. (When calculating this metric, consider that 30 days is an arbitrary number provided for benchmarking purposes. For some industries and some organizations 30 days may be in some cases unobtainable or in others too conservative. Component metrics (Upside Source Adaptability, Upside Make Adaptability, etc) can be improved in parallel and as a result, this calculation requires the result to be the least increase in quantity sustainable in 30 days.)
Upside Supply Chain Flexibility	Upside supply chain flexibility is the total elapsed days between the occurrence of the unplanned event and the achievement of sustained plan, source, make, deliver and return performance. Elapsed days are not necessarily the sum of days required for all activities as some may occur simultaneously. (When calculating this metric, consider that 20 percent is a number provided for benchmarking purposes. For some industries and some organizations 20 percent may be in some cases unobtainable or in others too conservative. In addition, the component metrics (Upside Source Flexibility, Upside Make Flexibility, etc) can be improved in parallel and as a result, this calculation requires the result to be the least amount of time to achieve the desired result.)
Value Added Productivity	The term 'value added productivity' is the total product revenue less total material purchases.
Value Chain Integration	<p>This is the second of the four stages on the e-business Adoption Curve. It involves extending an organization's processes via intranets, extranets, and the Internet to create direct routes between employees, suppliers, customers, and sometimes even competitors. Developments in this stage include</p> <p>Improving the configure to order capabilities,</p> <p>Enhancing customer service, and</p> <p>Enhancing procurement.</p>
Value Selling	The term 'value chain' is used to describe the core processes of an organization in a generic manner. It is the complete view of the entire chain of events from the supplier's supplier to the customer's customer.
Variance Reporting and Control	The activity of reporting and monitoring differences between actual, standard, and budgeted amounts in relation to the production of a product.
Vendor-Managed Inventories	Vendor-managed inventories (VMI) refers to any practice that involves cooperation between supply chain partners to control inventories in customers' distribution centers. The practice uses customers' demands, inventories and forecasts to prepare and carry out automatic replenishments through EDI linkages.

Open Standards Benchmarking Glossary

Term	Definition
Very Sensitive	In an environment that is very sensitive to price, products are completely fungible and, therefore, cost is the key differentiator between products. Customers' purchase decisions are likely to be heavily influenced by price.
Virtual Classroom	Virtual classroom is a web term used to describe the capability to deliver training courses from anywhere, directly to an employee's desktop. This form of training differs from computer-based training (CBT) in that a live instructor leads the course via video and audio transmission, allowing the employees to be interactive with the instructor and other students while attending the course.
Vision	Focuses on the holistic strategy and planning for the enterprise including business/IT vision, IT investment portfolio initiatives and plans, transformation road map, and application portfolio modernization.
Visual Tagging	Visual tagging refers to actual tags placed on assets with numbers that are generally used sequentially and read manually during an inventory as opposed to using optical readers like those used for bar codes.
Volume Change	Volume changes are the effect of changes in the main operational volume drive.
Warehouse Management System (WMS)	A warehouse management system is a transaction-based system that integrates warehouse functions and provides inventory visibility. The system utilizes total warehouse information and user-defined business rules to direct productive warehouse movements. Some systems use sophisticated techniques such as cross-docking, flow-through distribution, and task linkages to further increase productivity. Systems are often integrated into ERP, production, transportation, order management, and financial systems.
Warehousing and/or Distribution Centers	Refers to the management of inventory in a storage facility.
Weak Interface	A weak interface requires human intervention; requires additional data; passes through several systems; and involves several steps for processing.
Web Portal	A secure company intranet that provides employee access to key corporate and personal information. Many web portals, in the case of self-service, provide access to perform transactions through the intranet and directly in the system of record.
Web-based Customer Service	Web-based customer service is a self-service technique that allows customer direct access to information so that they can efficiently resolve their own issues. Some web-based customer programs will provide real-time online support to help customers with inquiries as necessary. Web-based customer service is a less expensive service offering than traditional, personal contact, service.
Web-enabled Call Center	Technology-enabled customer service using applications that facilitate call center management, help desk management, etc., to manage ongoing relationships with customers.
Weighted Average Cost of Capital	The sum of the implied or required market returns of each component of a corporate capitalization, weighted by that component's share of the total capitalization.
Wide Adoption	The practice has been adopted by the facility and is fully functional part of the operating environment.
Wire Transfer	A wire transfer is the process whereby money is transferred from one company's account to another account with a different banking institution.

Open Standards Benchmarking Glossary

Term	Definition
Wireless Application Protocol	WAP is a global application standard used in mobile computing devices that enables wireless devices to instantly and easily access and interact with information and services, transmitting pages over a broad range of mobile data channels.
Work In Process (WIP)	Work in process is the value of all materials, components, and subassemblies representing partially completed production. It includes anything between the raw material/purchased-component stage and finished-goods stage.
Work in Process Inventory Turns	Work in process inventory turns is a measure of asset management that is typically calculated as the cost of goods sold for the year divided by the average on-hand work-in-process material value at plant cost for the most recently completed fiscal year. Plant cost includes material, labor, and plant overhead. For purposes of APOC's surveys, average on-hand work-in-process material value at plant cost can be calculated as beginning of the year inventory plus end of year inventory divided by two.
Work/Life Balance	Work/life balance refers to the ability of employees to balance responsibilities at work and in their personal lives.
Workforce Planning	Workforce planning requires an organization to compare the size and makeup of its current workforce with projected future needs. As part of this planning, an organization determines how to best meet future employment needs such as determining its staff mix or sourcing alternatives.
World Headquarters	World Headquarters is defined as the location that is the highest reporting entity within your organization.
World Headquarters, Corporate Headquarters, Headquarters	For the purpose of this survey, headquarters is defined as the location that is the highest reporting entity within your organization.
World-Class Manufacturing Status	A somewhat arbitrary designation that can be supported by performance results related to various manufacturing metrics. (World-class metrics may vary from one industry to another.) Typically, it denotes "best in class" producers on a worldwide basis. In the broadest sense, world-class manufacturers are those perceived to deliver the greatest value at a given price level.
Write-off Journal Entry	A write-off journal entry is an entry recorded to remove a balance sheet account balance from the books, as well as reverse the income statement effect relative to that account balance.
XML	XML stands for Extensible Markup Language. It is a descendant of HTML, the language used to present Web pages in your browser. While HTML specifies what information looks like, XML specifies what that information is. An HTML tag marks text to indicate, 'this is in italics' or 'this is a heading'. XML marks text to indicate, 'this is a price' or 'this is a purchase order'.
Zero-based Budgeting	Zero-based budgeting is a budget process that does not build upon prior year budget information. Zero-based budgeting requires all costs to be justified each year.