# English-Italian glossary

## A

**ABC analysis** — *ABC (analisi)*. Ranking items by annual consumption value: a few A items account for most of the value. (mod. 2)

**AI Act** — *AI Act*. EU Regulation 2024/1689 on artificial intelligence, with obligations scaled to risk level. (mod. 21)

**Allocated stock** — *Impegnato*. Stock already reserved for confirmed customer orders. (mod. 5)

**Available to promise (ATP)** — *ATP (disponibile a promettere)*. On hand plus scheduled receipts minus allocated quantities: what can be promised to a new order. (mod. 5)

## B

**Backlog / backorder** — *Arretrato (ordini inevasi)*. Quantity ordered by the customer and not yet shipped, to be filled as soon as stock arrives. (mod. 9)

**Backtest** — *Backtest*. Testing a forecasting method on past data not used to build it. (mod. 7)

**Beer Game** — *Beer Game*. MIT role-play game on a four-stage chain that shows the bullwhip effect first-hand. (mod. 1)

**Bill of materials (BOM)** — *Bill of materials (distinta base)*. Structured list of components and quantities needed to make a product. (mod. 14)

**Blockchain** — *Blockchain*. Shared distributed ledger where records cannot be altered without trace. (mod. 8)

**Bullwhip effect** — *Bullwhip (effetto frusta)*. Amplification of order variability moving upstream compared with end-customer demand. (mod. 1)

## C

**Carbon Border Adjustment Mechanism (CBAM)** — *CBAM*. EU mechanism charging certain imports for their embedded emissions, as for EU production. (mod. 11)

**Cash-to-cash cycle (C2C)** — *Cash-to-cash (ciclo di cassa)*. DIO + DSO − DPO: days cash is tied up in the operating cycle. (mod. 19)

**CMR consignment note** — *CMR (lettera di vettura)*. Document for international road carriage governed by the CMR Convention. (mod. 16)

**Coefficient of variation (CV)** — *Coefficiente di variazione*. Standard deviation divided by the mean: relative demand variability (basis of XYZ). (mod. 2)

**Cross-docking** — *Cross-docking*. Goods received and shipped onward without being put away into storage. (mod. 15)

**Customs duty** — *Dazio*. Tax on imports, usually calculated on the customs value (CIF in the EU). (mod. 11)

**Cycle service level** — *Livello di servizio (ciclo)*. Probability of no stockout during the lead time of a replenishment cycle. (mod. 4)

## D

**Days inventory outstanding (DIO)** — *DIO (giorni di scorta)*. Average inventory divided by daily cost of goods sold. (mod. 19)

**Days payables outstanding (DPO)** — *DPO (giorni di pagamento fornitori)*. Trade payables divided by daily purchases. (mod. 19)

**Days sales outstanding (DSO)** — *DSO (giorni di incasso)*. Trade receivables divided by daily sales. (mod. 19)

**Decoupling point** — *Punto di disaccoppiamento*. Point in the chain where make-to-stock turns into make-to-order. (mod. 1)

**Digital twin** — *Gemello digitale*. Digital model of a real system fed by its data, used to simulate decisions. (mod. 21)

**Distribution network** — *Rete distributiva*. Set of plants, hubs, depots and links delivering goods to customers. (mod. 18)

**Distribution requirements planning (DRP)** — *DRP (pianificazione della distribuzione)*. Time-phased calculation of depot requirements and hub transfers. (mod. 10)

## E

**Economic order quantity (EOQ)** — *EOQ (lotto economico)*. Order quantity minimising ordering plus holding cost: √(2DS/H). (mod. 4)

**Exponential smoothing** — *Smoothing esponenziale*. Forecast weighting recent data more: $F(t+1) = \alpha \cdot D(t) + (1-\alpha) \cdot F(t)$. (mod. 7)

## F

**Fill rate** — *Fill rate*. Share of demand met immediately from available stock. (mod. 4)

**First expired, first out (FEFO)** — *FEFO*. The lot expiring first is shipped first. (mod. 15)

**First in, first out (FIFO)** — *FIFO*. The lot received first is shipped first. (mod. 15)

**Forecast** — *Previsione*. Estimate of future demand with a stated method and measured error. (mod. 7)

**Forecast bias** — *Bias di previsione*. Mean signed error: shows whether forecasts are systematically too high or too low. (mod. 7)

**Framework agreement** — *Accordo quadro*. Contract setting prices and terms for a period; actual orders are called off later. (mod. 13)

**Full truckload (FTL)** — *FTL (camion completo)*. Transport with a vehicle dedicated to one shipment, priced per trip. (mod. 16)

## H

**Holding cost** — *Costo di mantenimento*. Annual cost of keeping an item in stock: capital, space, insurance, obsolescence. (mod. 4)

## I

**Incoterms** — *Incoterms*. ICC rules defining who pays what and where risk passes between seller and buyer. (mod. 11)

**Inventory position** — *Posizione di scorta*. On hand + on order − backorders: the basis of the reorder point. (mod. 4)

**Inventory turnover** — *Indice di rotazione*. Cost of goods sold divided by average inventory: how often stock turns over per year. (mod. 4)

## K

**Kaizen** — *Kaizen*. Continuous improvement in small steps by the people doing the work. (mod. 20)

**Kanban** — *Kanban*. Signal (card, empty bin) authorising production or replenishment of only what was consumed. (mod. 20)

**Key performance indicator (KPI)** — *KPI*. Metric measuring a performance objective. (mod. 1)

**Kraljic matrix** — *Matrice di Kraljic*. Classifies purchases by profit impact and supply risk: leverage, strategic, non-critical, bottleneck. (mod. 13)

## L

**Landed cost** — *Costo sbarcato*. Purchase price plus freight, insurance, duties, customs and logistics costs to the warehouse. (mod. 11)

**Lead time** — *Lead time*. Time between placing an order and goods being available. (mod. 3)

**Lean** — *Lean*. Approach eliminating waste and making value flow at the pace of demand. (mod. 20)

**Less than truckload (LTL) / groupage** — *Groupage (collettame)*. Shipment sharing the vehicle with others, priced per pallet or weight. (mod. 16)

**Loading dock** — *Zona di carico*. Area with bays for loading and unloading vehicles. (mod. 15)

**Lot-for-lot** — *Lotto per lotto*. MRP rule ordering exactly each period's net requirement. (mod. 14)

## M

**Material requirements planning (MRP)** — *MRP (pianificazione dei fabbisogni)*. Calculating component requirements from the BOM and master production schedule. (mod. 14)

**Mean absolute deviation (MAD)** — *MAD*. Mean of absolute forecast errors. (mod. 7)

**Mean absolute percentage error (MAPE)** — *MAPE*. Mean absolute error as a percentage of actual demand. (mod. 7)

**Moving average** — *Media mobile*. Forecast equal to the average of the last n periods. (mod. 7)

**Muda (waste)** — *Muda (spreco)*. Activity consuming resources without creating customer value. (mod. 20)

## N

**Nearshoring** — *Nearshoring*. Moving supply or production to countries close to the end market. (mod. 12)

**Net trade working capital** — *Capitale circolante netto commerciale*. Trade receivables plus inventory minus trade payables. (mod. 19)

## O

**Obsolescence** — *Obsolescenza*. Loss of value of stock that will no longer sell at full price. (mod. 4)

**On time in full (OTIF)** — *OTIF*. Share of orders delivered by the promised date and complete. (mod. 5)

**On-hand inventory** — *Giacenza*. Goods physically in the warehouse. (mod. 4)

**Order picking** — *Picking*. Retrieving goods from locations to prepare orders. (mod. 15)

**Ordering cost** — *Costo di ordinazione*. Fixed cost of placing and receiving an order, independent of quantity. (mod. 4)

**Overall equipment effectiveness (OEE)** — *OEE (efficienza complessiva)*. Availability × performance × quality of a piece of equipment. (mod. 14)

## P

**Pallet** — *Pallet*. Standard load unit (in Europe EPAL 80×120 cm). (mod. 16)

**Pick list** — *Distinta di prelievo*. List of lines to pick, sorted by route, to prepare one or more orders. (mod. 15)

**Planned order** — *Ordine pianificato*. Order proposed by the planning system, not yet released. (mod. 14)

**Precision and recall** — *Precisione e richiamo*. Precision: share of alerts that are true; recall: share of true cases found. (mod. 21)

**Process cycle efficiency (PCE)** — *PCE (efficienza del ciclo)*. Value-added time divided by total lead time. (mod. 20)

**Production levelling (heijunka)** — *Heijunka (livellamento)*. Spreading volume and mix evenly to avoid peaks. (mod. 20)

## R

**Regional distribution centre** — *Deposito regionale*. Warehouse close to customers, replenished by the central hub, shortening delivery times. (mod. 16)

**Reorder point (ROP)** — *Punto di riordino*. Inventory position at which a new order is placed: lead-time demand + safety stock. (mod. 4)

**Request for quotation (RFQ)** — *Gara (RFQ)*. Request for bids from several suppliers on defined specifications. (mod. 13)

**Resilience** — *Resilienza*. Ability of the chain to absorb a shock and recover customer service quickly. (mod. 12)

**Return** — *Reso*. Goods sent back by the customer, to inspect and route (stock, refurbishing, supplier, disposal). (mod. 17)

**Reverse logistics** — *Logistica inversa*. Managing return flows: returns, repairs, refurbishing, recycling. (mod. 17)

## S

**Safety stock** — *Scorta di sicurezza*. Extra stock covering demand and lead-time variability: $z \cdot \sigma \cdot \sqrt{LT}$. (mod. 4)

**Sales and operations planning (S&OP;)** — *S&OP; (pianificazione vendite e operations)*. Monthly process aligning demand, supply and finance into one plan approved by management. (mod. 10)

**SCOR Digital Standard** — *SCOR DS*. ASCM reference model of processes; in the Digital Standard: Orchestrate, Plan, Order, Source, Transform, Fulfill, Return. (mod. 1)

**Seasonality** — *Stagionalità*. Demand variation repeating with a known cycle (month, week). (mod. 7)

**Single sourcing** — *Single sourcing*. Buying an item from just one supplier, by choice. (mod. 13)

**Slotting** — *Slotting*. Assigning storage locations to items based on velocity and size. (mod. 15)

**SQL** — *SQL*. Language for querying relational databases. (mod. 6)

**Stock transfer** — *Trasferimento*. Movement of goods between two warehouses of the same company. (mod. 16)

**Stockout** — *Rottura di stock*. Lack of stock when the customer asks for it. (mod. 4)

**Storage location (bin)** — *Ubicazione*. Identified physical place where goods are stored in the warehouse. (mod. 15)

**Supplier scorecard** — *Vendor rating*. Periodic assessment of suppliers on delivery, quality, price and service. (mod. 3)

**Supply risk** — *Rischio di fornitura*. Probability and impact of a disruption or deterioration in supply. (mod. 12)

**Sustainability due diligence** — *Due diligence di sostenibilità*. Process to identify and mitigate human-rights and environmental impacts along the chain (CSDDD). (mod. 12)

## T

**Takt time** — *Takt time*. Available time divided by demand: the pace at which to produce. (mod. 20)

**Three-way match** — *Three-way match*. Checking the invoice against the purchase order and goods receipt before paying. (mod. 5)

**Total cost of ownership (TCO)** — *Costo totale di possesso*. All costs related to a purchase over its life, not just the price. (mod. 3)

**Traceability** — *Tracciabilità*. Ability to reconstruct a lot's origin and path along the chain. (mod. 8)

## V

**Value stream map (VSM)** — *Value stream map*. Map of material and information flow with value-added and waiting times. (mod. 20)

## W

**Warehouse management system (WMS)** — *WMS*. Software managing locations, tasks and movements in the warehouse. (mod. 15)

**WEEE** — *RAEE*. Waste electrical and electronic equipment, with take-back duties for distributors. (mod. 17)

**Weighted average cost of capital (WACC)** — *Costo del capitale (WACC)*. Average return required by shareholders and lenders; applied to capital tied up in inventory. (mod. 19)

## X

**XYZ analysis** — *XYZ (analisi)*. Classifying items by demand regularity (coefficient of variation). (mod. 2)