

TERMINOLOGY

- Lead Time : Time required in ordering goods to get to the company's hands from supplier.
- Inventory : Inventories of raw materials, semi-finished or finished goods owned by the company in this period
- Overstock : The condition in which there is excessive goods in a supply system.
- Stock out : Shortages of goods ordered by consumers to the company.
- Reorder point : Time spent on reordering to avoid shortage of goods.
- Safety Stock : Safety stocks/ buffer stocks to protect against uncertainty of volatile demand.