

Glossary

1	<p>Term Adversarial relationships</p>
	<p>Definition Involves a relatively short-term buyer-supplier contract, where the primary objective of the buyer is to achieve cost reductions. The needs of the buyer are non-specific, which allows the supplier to achieve economies of scale on production costs.</p>
2	<p>Term Authorised Economic Operator (AEO)</p>
	<p>Definition A certified standard authorisation issued by customs administrations in the EU. It certifies that an economic operator has met certain standards in relation to safety and security, has systems to manage commercial records and is compliant with customs rules.</p>
3	<p>Term Benchmarking</p>
	<p>Definition The process of comparing performance against the practices of other leading companies for the purpose of improving performance.</p>
4	<p>Term Bill of materials</p>
	<p>Definition A listing of components, parts, and other items needed to manufacture a product, showing the quantity of each required to produce each end item. A bill of material is similar to a parts list except that it usually shows how the product is fabricated and assembled.</p>
5	<p>Term Buffer stock</p>
	<p>Definition Also, referred to as safety stock, is a cushion of supply in excess of forecast demand.</p>
6	<p>Term Certificate of Origin</p>
	<p>Definition A document widely used in international trade transactions which confirms that the product listed therein has met certain criteria to be considered as originating in a particular country.</p>
7	<p>Term Collaborative relationships</p>
	<p>Definition Involves a contract where the buyers require a highly customised product. The focus in collaborative relationships is moving beyond a contractual mind-set towards developing a trust-based and mutually beneficial relationship.</p>

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8	Term Common Transit Convention
	Definition An EU customs procedure which in practice allows goods to be moved with temporary suspension of customs checks and duty payments until the goods reach the destination country.
9	Term Common Travel Area
	Definition The Common Travel Area is an open borders area comprising the United Kingdom, Ireland, the Isle of Man, and the Channel Islands.
10	Term Consigned stock
	Definition The stock of goods held by an external customer which is still the property of the supplier but for which payment is only made when stock is sold or used by the customer
11	Term Contract clause
	Definition A provision included in a written agreement or contract. Each clause in a contract addresses a specific aspect related to the overall subject matter of the agreement.
12	Term Contract enforceability
	Definition An enforceable contract is any legal contract which carries the force of law behind it.
13	Term Customs clearance agency
	Definition A party authorised by international customs authorities to certify and manage consignments between countries. Also called a customs and forwarding agent or customs broker.
14	Term Customs declaration
	Definition An official document that lists and gives details of goods that are being imported or exported.
15	Term Customs union
	Definition A customs union is generally defined as a type of trade bloc which is composed of a free trade area with a common external tariff for non-member countries.
16	Term Economic operator registration and Identification (EORI) number
	Definition An EORI number is required if products are moving into or out of the EU, including the UK.

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17	Term Fixed price contract
	Definition The buyer pays a pre-negotiated, fixed price for the product or service, which is linked to clearly defined deliverables.
18	Term Flow chart
	Definition Flow charts are used in process mapping exercises to understand the activities involved in defining what a business process does, who is responsible, to what level of performance the process should be completed and how performance should be measured.
19	Term Hedging
	Definition A risk management strategy used in limiting or offsetting probability of loss from fluctuations in the prices of commodities, currencies, or securities.
20	Term Incentive contracting
	Definition A type of contract in which the owner makes an additional compensation to a contractor based on the contractor's execution performance of cost, schedule, quality, and safety according to the contract terms and conditions.
21	Term Incoterm
	Incoterms are a global standard contract that clearly define who is responsible for each part of a shipments journey when goods are being imported or exported.
22	Term Internal supplier
	Internal suppliers are the points of contact you interact with on a daily basis in your firm, and these could be individuals or departments. For example, your internal suppliers provide you with information or materials to allow you to deliver your objectives in a timely and efficient way.
23	Term Just-in-time
	Definition A dependent demand inventory control philosophy which views production as a system in which all operations, including the delivery of materials needed for production, occur just at the time they are needed. Thus, stocks of material are virtually eliminated.
24	Term Original equipment manufacturer
	Defined as a company whose products are used as components in the products of another company, which then sells the finished product to users.
25	Term Outsourcing
	Definition Refers to the use of an external supplier to provide products or services previously provided by internal business functions.

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26	Term Procurement risk
	Definition Refers to unexpected increases in purchasing costs as a result of changes in exchange rates or supplier price increases.
27	Term Reshoring
	Definition Refers to firms bringing processes back from suppliers in offshore locations to local suppliers.
28	Term Rules of origin
	Definition Refers to the criteria needed to determine the national source of a product.
29	Term Safety stock
	Definition The stock held to protect against the differences between forecast and actual consumption, and between expected and actual delivery times of procurement orders, to protect against stockouts during the replenishment cycle.
30	Term Security of supply
	Definition Involves working to ensure the continued flow of raw materials and goods particularly in the face of challenging or disruptive business events such as Brexit.
31	Term Single Administrative Document
	Definition Also known as Form C88 in the UK, is the main customs form used in international trade to or from the EU customs union.
32	Term Stock keeping unit
	Definition A unique identifier assigned to each product for easy identification.
33	Term Stock obsolescence
	Definition The condition in which the actual value of stock reflected on the balance sheet has deteriorated due to overstocking or a lack of demand rendering it unsalable.
34	Term Supply chain management
	Definition Refers to the organisation of the business processes to enable the profitable transformation of raw materials or products into finished goods and their timely distribution to meet end-customer demand.

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35	Term Supply chain mapping
	Definition The process of engaging across companies and suppliers to document the exact source of every material, every process and every shipment involved in bringing goods to market.
36	Term Supply chain transparency
	Definition The extent to which information about the companies, suppliers and sourcing locations is readily available to end-users and other companies in the supply chain, for example, information about working conditions at supplier sites.
37	Term Supply chain visibility
	Definition Refers to the capability of parts, components or products in transit to be tracked from the manufacturer to the end-customer.
38	Term Swim lane
	A swim lane is used in process flow diagrams or flowcharts to visually distinguish between job sharing and responsibilities for sub-processes of a business process.
39	Term Tier 1 supplier
	Definition Companies that supply parts or systems directly to OEMs are called Tier 1 suppliers.
40	Term Tier 2 supplier
	Definition Companies that supply parts or systems directly to Tier 1 suppliers, and are typically smaller companies with limited geographical reach.
41	Term Trade tariff
	Definition A tax on imports or exports between sovereign states.
42	Term Transit accompanying document
	Definition A document based on transit declaration data. The document must accompany the goods during transit and be presented along with the goods at an office of transit or at the office of destination.
43	Term Transitional simplified procedures
	Definition In the event of a no-deal Brexit, if goods are being imported goods from the EU there will be the option of using transitional simplified procedures to declare goods to customs.
44	Term World Trade Organisation
	Definition An inter-governmental organisation that is concerned with the regulation of international trade between nations.

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45	Term World Trade Organisation rules
	Definition Refers to particular conditions that member countries have agreed to in the WTO, such as their individual 'commitments' on tariffs, agricultural subsidies or opening up of services markets.