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IOM International Organization for Migration  
OIM Organisation Internationale pour les Migrations  
OIM Organización Internacional para las Migraciones

## MANUFACTURING GLOSSARY

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<b>WORD</b>	<b>DEFINITION</b>	<b>WORD (NATIONAL LANGUAGE)</b>	<b>DEFINITION (NATIONAL LANGUAGE)</b>
Absenteeism	This phenomenon relates to employee absence from work which, so far as the employer is concerned, is unauthorised and therefore unanticipated. A company analysing absenteeism among its employees may distinguish between absence due to illness, supported by medical evidence, and absence due to other reasons		
Acceptance ( <i>of Goods</i> )	A formal acknowledgement by a recipient that goods which have been physically delivered are satisfactory with regard to their identity (ie type), quality, quantity and other matters of central concern in the contract		
Acceptance of Offer (by Post, Fax or E-mail)	The convention is adopted in law that a party is deemed to accept a contractual offer at the moment he posts a letter saying he has so accepted it, not when the letter is actually received. This convention applies only to an acceptance: it does not apply, for example, to other matters such as counteroffers, revocations or the making of offers themselves. When the party transmits his acceptance of an offer by fax or e-mail, acceptance is deemed to take place when the transmission is actually received by the other party, not when it was sent		
Account	A logical grouping of either receipts, expenditures, stocks or transactions relating to some particular activity having financial consequences. Examples of accounts are: the VAT account; the wages account; the copper raw materials account; the fuel expenditure		

	account etc. (The term "accounting" originally meant the management of these accounts.)		
Accuracy	(Accuracy of a measurement). A measurement process that has a small variability is said to have high <i>precision</i>		
Ancestor	A material anywhere within a product's bill of material at a lower level		
Andon Board	In Just-in-Time and lean manufacture, a large electronic board suspended from the ceiling in the workplace bearing constantly updated figures relating to achieved and target production. The andon is also used to communicate warnings on quality and production flow through a simple coloured light system		
Annual Stock Check	Stock which is manufactured by a company is regarded from the financial viewpoint as an investment waiting to be sold. Consequently, in order to strike the balance sheet at the end of its financial year, the company must report its stock, valued at cost price, as part of its current assets		
Aseptic, Aseptic Handling	<i>Aseptic</i> means " <i>not liable to putrify, preventing putrefaction</i> " (OED), hence aseptic handling in stores terminology means handling in a constant state of hygiene; when so handling, there must be a flawless level of air-tight, germ free sanitation.		
Availability (of a Machine)	Usually defined as (loading time - down time) / loading time. Synonymous with <i>uptime</i> .		
Backlog	In a make-to-order environment, those accepted customer orders on which work has not yet been started. In a make-to-stock environment, backlog may also mean accepted customer orders which have not been despatched. If the reason for		

	their non-despatch is a shortage of stock, the backlog is also a <i>backorder</i>		
Backorders	In a make-to-stock environment, customer orders still current but which have not been fulfilled because of a shortage of stock. The existence of backorders implies that customers are willing to allow their orders to stand until stock becomes available - ie that they do not cancel the orders and either go elsewhere or purchase substitute products		
Backscheduling	Calculation of the quantities and times of needed step-by-step materials manufacture by first starting with the quantity and time/date required of the final manufacture, and then working back in time to the various prior stages		
Bailor	A party (such as a person or company) committing goods, known as "bailments", on trust to a "bailee", the bailee being contracted to do work on the goods so committed.		
Barrel	The customary unit of measure of oil and other petroleum products 159 litres		
Batch	A quantity of material manufactured in a single production run		
Batch (Production):	A method of production by which many units of material are produced in a single manufacturing operation. In engineering, batch production may mean the production of a lot of X units (say 200 units, cut from a single sheet of metal). In the process industries, it is likely that a batch of material will be made according to a specific recipe		
Benchmark	To an organisation seeking to improve its own "performance", benchmarks are quantitative measures of performance achieved by		

	others, extolled as desirable targets to which it should aspire		
Beyond Economic Repair	A tool or piece of equipment requiring repair, but where the cost of the repair necessary is estimated to be greater than X% of the cost of a new replacement. The percentage X is set by technical management		
Blanket Order	An order placed on a supplier for a raw material intended to cover the buying company's requirements for a considerable period of time (say, for 6 or 12 months). However, the material is not to be delivered in a single lot. Instead, the buyer will "call off" small amounts from the blanket order for individual delivery as and when he needs them		
Bonus Schemes	When associated with shop floor work, especially as practised in the engineering job shop, a bonus scheme is intended to reward machine operators financially for achieving rates of production above average. Bonus schemes are often complex and very particular to a specific production environment		
Bottleneck	If a bottleneck is <i>temporary</i> , it is a work centre with insufficient capacity to meet a schedule. If the bottleneck is <i>permanent</i> , it is a work centre with insufficient capacity to meet the master schedule demand on it over a long period of time		
Brand	A particular make or class of goods serving as a trademark, widely used in its market as recognition by the consumer		
Breakbulk	A node within a distribution network having a purpose opposite to that of a <i>consolidation centre</i> . For example, a full container load may be transported economically by a single		

	vehicle to a distant breakbulk node, and the contents then split into a few small loads for local despatch to individual customers or to other subsidiary distribution depots		
Brown Goods	An easy term for toasters, electric irons, kettles and similar small scale consumer items		
Budget	In the manufacturing company, there are various types of budget, used to plan and monitor from the financial angle the activities of different departments and groups. From the costing viewpoint, a budget is the sum of money it is calculated will be spent in a cost centre over a year in order to produce the "production forecast". The production forecast is the production quantity that it is forecast that the cost centre will be called on to make in the year. This quantity is used in the calculation of the standard costs		
By Products (in Materials Planning):	When two different products are produced as a result of the same process, but only one is required and the second is regarded as scrap, or waste, materials planning must take account of the situation		
Carousel (Horizontal):	An electromechanical storage and <i>stock-to-picker</i> stock retrieval device consisting of numerous stacks of trays or receptacles. All of the stacks move horizontally in relation to each other along a continuous rectangular circuit. Carousels are expensive items of equipment and are usually associated with the storage of small, expensive and frequently accessed items		
Carousel (Vertical)	An electromechanical storage and <i>stock-to-picker</i> stock retrieval cabinet, especially suitable for small objects. The		

	vertical carousel itself consists of stacked trays ascending or descending within the body of the device on a continuous pulley		
Carrying Cost	Normally, the cost to the company of supporting the holding of stock (whether in the form of raw materials, components or finished goods)		
Change Over	The action of converting a machine from its state of manufacture for Product A to its required state of manufacture for Product B		
Circulating density	A notion encountered in logistics to denote the degree to which distribution infrastructure (ie vehicles) is actually engaged in useful work carrying goods		
Co-Product (in Materials Planning)	Two different products may both be manufactured by the same production process, both products being required in further stages of production. (Contrast the manufacture of a by-product, where the second product, the by-product, is not required.)		
Cold Stores	A storage area maintained at a cool or cold temperature		
Commodity	Commodities are primary products at the 'bottom' of the supply chain such as metal, crops and oil, sold in worldwide markets. Because the sources of commodities are essentially limited by the amounts that can be supplied (ie by the limitations of mines, estates and oil wells), the prices of commodities are liable to very large fluctuations as demand rises and falls		
Common Parts	In conjunction with assemble-to-order, a component or part is common if it is used in all of the final variants of the product that may be specified by the customer. The determination of which parts are common is a necessary		

	precursor to the adoption of assemble-to-order planning		
Consignment Note	A formal note from a supplier to a purchaser verifying that goods being despatched have been consigned to a third party for delivery (ie consigned to a haulier or distribution organisation)		
Deduct Point	The point in the manufacturing process at which it is deemed, for financial and record keeping purposes, that all of the parts used in the manufacture are used up		
Descendant	From the viewpoint of the bill of materials, the descendants of a product are products at any later stages of manufacture. Thus if product A is used to make product B, product B is a descendant of A		
Downtime	The period of time a machine is not being used		
Dunnage	Any material such as boards, blocks, metal or cardboard supports used externally to support or secure products and packages in storage or under transportation in order to protect them from physical damage or to assist in their handling		
Durability	The degree or length of use of an object until its replacement becomes preferable to its repair		
Expeditor	A shop floor worker charged with speeding up the progress of a particular works order, usually by attaching a red ticket to expedite its queue or move priority, and perhaps by discussing with the foreman whether other action could be taken		
Fabrication	Literally, "manufacture", the term being used usually in relation to the operations involved in the manufacture of a component rather than in the manufacture of an assembly or final product.		



Haulier	A company which transports goods on behalf of customers needing such a service		
Homologation	In manufacturing industry, the action of ensuring that a raw material that has been received has indeed originated from a specific certified supplier		
Hub	In logistics, a hub may be a point at the centre of many distribution routes where goods are received, consolidated, stored and despatched to other sites. Strictly, in formal distribution planning, a hub is a <i>node</i>		
Inventory	The term "Inventory" is synonymous with "stock". However, <i>an inventory</i> usually means a formal counting of stock and property		
Invoice	a bill requiring payment. A "VAT <i>invoice</i> " is an invoice bearing the VAT registration number of the company raising the document		
ISO	International Standards Organisation, a body located in Geneva, Switzerland		
ISO 900	A set of procedures, controls and documentation requirements issued by the International Standards Organisation in Geneva, Switzerland, which must be followed by an organisation in order for it to deliver "quality" goods or services		
Issue (Allocated):	Material may be received into store from a supplier intended for a specific, identified works order or department. Care must be taken to ensure it is strictly reserved for and issued to the relevant job or user, and no-one else. A variation of this is the receipt in certain industries of material of the same item but different quality grades, with particular grades to be allocated only to certain jobs		

Issue (Bulk)	A large quantity of material (eg components) typically issued to the factory floor for handy use over a reasonable period of time (eg for a day or week). Careful monitoring of bulk issues should be made to prevent waste		
Issue (Capital)	The issue from the stores, for factory use, of a machine or tool, the machine or tool being individually identified in the company's Asset Register. Because it is individually identified, the fact of the issue should also to be recorded in the Register		
Job Lot	An individual batch of components, usually associated with a specific works order, the batch of components always being identified and handled as a group		
Life Cycle (of a Product)	The period from a product's launch to its final withdrawal from the selling range		
Lifed Item	A tool or piece of equipment against which the supplier or tools store supervisor has assigned a likely life span		
Line Department	A company department which generates revenue or which acquires, distributes or manufactures material.		
Mass Production	Production in high volumes - a somewhat outmoded term.		
Materials Management	A composite term for all those procedures and actions which govern the manufacture of product and the disposition of inventory. Examples of procedures may include: master scheduling; materials planning; distribution; and others such as sales forecasting. In addition, materials management may include the setting of manufacturing lot quantities and the management of forecasts and safety stocks		
Monopoly	The sole supplier of a good or		

	service		
Overrun Device	In mechanical safety, a device used in conjunction with a guard designed to prevent access to machinery parts which are moving by their own inertia after the power has been switched off. Examples are rotation sensing devices, timing devices and certain braking systems		
Packaging Manager:	A manager connected with a consumer goods manufacturing or distribution organisation whose roles are: (1) to ensure that the company's packages meet the standards specified; (2) to develop new packages to fulfil new purposes or increase the competitive edge; (3) to investigate complaints of split or damaged packages, in order to confirm their validity and, if valid, their cause; (4) to liaise with package manufacturers in new developments; (5) to ensure compliance with the packaging waste regulations of the EU; and (6) to contribute to projects and initiatives to change and enhance package design throughout the supply chain		
Pick Face	The location in a stores or warehouse where actual (physical) picking takes place		
Picking:	Finding and removing stock from a storage area - generally found to be the most expensive activity in the operation of a stores or warehouse, due especially to the travelling time of the picker to reach the stock to be picked		
Picking (Piece)	The picking of individual items. Piece picking operations are usually characterised by their being many items from which to pick (often tens of thousands) and few items required, per picking instruction. An		

	obvious examples is the picking of repair parts by automotive spares distributors		
Picking List	A list of items, their quantities and their locations, usually generated by computer and used by the storeman or warehouseman to direct the picking of stock. The items will typically be for a works order or a customer order. The list will usually be sorted in order of the locations to be visited and will also specify each item's name and, perhaps, other information including special instructions		
Plastic Pallets	Plastic pallets serve the same function as wooden pallets. An advantage of them, however, especially those of the 'closed top' (or 'closed deck') design, is that they are capable of easy, thorough cleaning and disinfection. For that reason, their use may be insisted on by food manufacturers. Before choosing plastic pallets, an assessment should be made of the damage likely to be incurred to them due to stress in loading and unloading operations		
Process Capability	The capability of a process to manufacture a part with given upper and lower specification limits		
Product Oriented Manufacture	A factory or plant which is specifically built to accommodate the manufacture of either a single product or a very small number of similar products		
Pull Manufacture	Manufacture the rate of which is strictly and directly geared to the immediate requirements of the next stage of production, such requirements being directly communicated by the next stage		
Racking Safety	Racking safety is a vital on-going topic for the stores or warehouse manager		

Range	Usually, the difference between the smallest and largest measurement in a sample		
Raw Material	the products constituting the starting step in manufacture, and from which all subsequent manufactured items stem		
Recoveries (in Materials Planning)	A product may take part in a manufacturing process, but may then be either wholly or partly recovered at the end of it. Examples are solvents (perhaps 97% recovered) and catalysts (100% recovered)		
Retail	The practice and sale of goods through shops and markets frequented by everyday consumers		
Robotics	The technology of applying robots in the performance of tasks previously undertaken directly by human beings. The usual aim of robotics application in manufacturing industry is to eliminate manual tasks which are dangerous, monotonous or especially arduous		
Rotational Tool	A tool or or device that can be repeatedly restored to its original condition after use in a production job. The elapsed time for restoration must be taken into account in scheduling, and, as far as equipment maintenance is concerned, the fact must be accepted that the tool does in fact gradually deteriorate		
Shortage	The unavailability of a quantity of component needed to manufacture a works order		
Shrinkage Factor	In manufacture, the percentage by which the actual output falls short of what it should theoretically be. In retail, the shrinkage factor is stock written off due to its physical deterioration (ie becoming <i>shop soiled</i> ), or lost due to its misplacement or due to its theft by shoppers and staff		

Simultaneous Engineering	The design of a new product in parallel with the design of the process by which it is to be manufactured		
Spoilage	The degree to which units manufactured are rendered unfit due to the maloperation of the process		
Stock	Material usually held in readiness for some future use. Also, material undergoing transformation of its physical form (ie being processed). The circumstances in which the material has been made or the reasons for its retention give rise to very many alternative stock categorisations - see many entries below		
Takt Time	The total time specifically spent in manufacture in producing one object		
Wave Picking	Also known as <i>batch order picking</i> , wave picking is the simultaneous picking of multiple customer orders, done to improve the efficiency of the overall picking operation (for example, by reducing travelling time)		
White Goods	Such consumer items as fridges, freezers, washing machines and other relatively large domestic items		
Yield	The percentage of satisfactory output obtained in the manufacture of a batch of material in process industry manufacture (food, chemicals etc.)		

This glossary was based on parts of the Glossary of Manufacturing available at:  
<http://www.glossaryofmanufacturing.com/>