

# THE COMPLETE GUIDE TO E-COMMERCE WAREHOUSE TERMINOLOGY



# The complete guide to e-commerce warehouse terminology



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# About this guide

At Bitlog, we're committed to making warehousing easier for e-commerce businesses. Every industry has its own jargon, and there are certainly plenty of abbreviations, acronyms used in the warehouse. This dictionary will help you in your mission to ship a better customer experience.

That's why we've put together this guide to warehouse terminology. Happy reading!

**Sincerely,**

**The Bitlog team**

### **3PL — Third-Party Logistics**

It describes the practice of outsourcing a part or more of your logistics process to another firm, especially when executives want to focus on other areas of the business.

### **ARS — Advance Resource Scheduling**

A feature of a warehouse management software, which allows decision-makers to plan ahead, for example by scheduling orders or managing resource usage.

### **AGV — Automated Guided Vehicle**

A robotic load carrier that can navigate through warehouses without a human driver. When artificial intelligence capabilities are added to the operating system, these vehicles can communicate with each other to cooperate and achieve collective goals.

### **API — Application Programming Interface**

A set of protocols, tools and definitions used in software and apps. An API can be used to securely exchange data between software programs such as a Warehouse Management System (WMS) software and an Enterprise Resource Planning (ERP) platform.

**Bitlog warehouse management software employs APIs to integrate with modern ERPs or any other business software.**

### **ASRS — Automated Storage and Retrieval System**

An automated storage and retrieval system or ASRS consists of computer-controlled machines that place or retrieve loads from predetermined storage locations. One example of an ASRS is the Autostore solution that uses boxes to store goods in a grid, the boxes are then fetched to a port where the storing and picking is done.

### **Automated Warehouse Picking**

The implementation of picking robots and other machines in the process of order fulfillment.

### **Balance Stock**

A way of managing inventory to mirror as accurately as possible customer demand, limiting both surplus and insufficient stocks.

### **Batch picking**

An order picking method in which one person picks multiple orders simultaneously. This can be further subdivided by keeping one person in a zone within the warehouse pulling only SKUs from that area and bringing them to the packing area in batches.

# Bitlog offers integration with Autostore, enabling efficient picking/storing in Autostore as well as efficient handling of the processes outside of it.

## **Bin**

A location where goods are stored either on a shelf or on a pallet. In WMS, each bin has a barcode that is scanned to confirm the location. A picking bin is a location from which you often pick small quantities. A buffer bin is where you store larger quantities of items.

## **BLE Beacons**

Bluetooth low energy beacons broadcast a unique identifier signal to nearby electronic devices. In warehouse and logistics settings, beacons can be used in applications including location and proximity tracking, and for setting geofencing boundaries for autonomous vehicles.

## **Bottleneck**

When an inefficient action or process slows down the entire operational cycle in production or warehousing.

## **Business Management Software**

A computer program or a set of applications that helps automate specific processes, increase efficiency, and keep track of overall activity.

### **Chaotic Storage**

In this system originated by Amazon, stock is placed in any available space within the warehouse, instead of pre-defined shelving space. The location of inventory is tracked with the help of warehouse management software, which can then lead pickers to the right area.

### **Cloud computing**

Computing services including applications and storage delivered over the internet for free or using a subscription payment model.

### **CRM – Customer Relationship Management**

Initially, this term defined a business strategy for managing relationships with current and past clients. Today, it can also describe software programs that track and analyze relationships with clients and help businesses optimize them.

### **Cross-docking**

A procedure that removes storage time from the supply process. When receiving goods at the warehouse, the WMS system identifies goods that have already been sold. Those goods are sent directly to the packing station or to an area close to the packing station in order to streamline picking and expedite shipping.

Cross-docking can also refer to a process in which goods are unloaded from trucks and sorted, then immediately transferred into other vehicles and delivered to clients or retailers.

**As opposed to legacy WMS software that has been retrofitted to work in the cloud, Bitlog is a cloud-native platform. This not only makes integration with other platforms easier,**

**it means regular updates and improvements can be made over the long term and pushed to devices over the air, providing a future proof WMS solution**



**CMI – Customer-Managed Inventory**

A business practice that permits customers to have visibility and control not only over their inventory but also their supplier's.

**Data Warehouse**

A business reporting and analysis tool that centralizes large amounts of historical and real-time data from various areas of the organization. By tracking and evaluating this information, managers can make better decisions.

**DMADV**

An acronym for Define, Measure, Analyze, Design and Verify, which is a design cycle used as part of the Lean Six Sigma Methodology.

**DMAIC**

An acronym for Define, Measure, Analyze, Improve and Control, which is an improvement cycle used as part of the Lean Six Sigma Methodology.

**Document Automation**

A process of digitizing paper-based documents and generating electronic templates for future use.

### **Dropshipping**

A business model where a retailer accepts orders but doesn't fulfill them. Instead, they outsource storage, inventory, and shipment to other entities.

### **EAN — European Article Numbering**

A unique combination of 12 to 13 numbers and letters plus a barcode that is attached to a product to help identify it.

### **ERP — Enterprise Resource Planning**

An integrated management system, usually facilitated by a software that provides an overview of all the business processes. The ERP software offers a real-time perspective of the company's resources and activities and promotes information flow between departments.

### **FIFO — First in, first out**

An inventory practice, similar to the service industry's "First come, first served" principle, in which the first products to reach storage are also the first to leave it. Some of the benefits are that it introduces structure and limits overstocking, especially if products might go out of fashion.

**Bitlog is an easy-to-use iOS app. The intuitive and clear design makes it easy to onboard new warehouse staff quickly.**



### **Forward Pick**

A warehousing strategy of stocking the most popular items in a convenient and easily accessible area in the warehouse. It's also known as the "warehouse within the warehouse," and it has to be replenished frequently.

### **Fulfillment**

Order fulfillment is the process of picking, packing and delivering orders and additionally managing returns.

### **GUI – Graphical user interface**

An interface that allows users to interact with electronic devices through graphic icons and audio indicators as opposed to text-based user interfaces.

### **Intralogistics**

A method used to optimize the logistics center itself. To achieve this goal, managers usually rely on a warehouse management software that integrates all the processes, automates them, and provides solutions to increase efficiency.

### **Inventory Management Software**

An electronic system designed to help companies keep track of their inventory, orders, and sales. Thanks to this automated, paperless system, companies avoid both surplus and stockoutages.

# **Bitlog makes it easy to visualize and track performance data. With a clear overview of key metrics, Bitlog supports the continual optimization of a lean warehouse.**

## **JIT — Just in Time Inventory**

An approach to inventory management in which companies store low product stocks or raw materials. Once something is sold, the stocks are replenished. This method is beneficial if companies want to keep their stocks fresh, avoid excess inventory, and free up space in the warehouse.

## **Kanban**

The Japanese word for “sign board” Kanban is a scheduling system originally used in lean manufacturing. Today, software tools such as Trello have led to the adoption of Kanban across many industries.

## **Lean**

Derived from the Toyota Production System Lean is a methodology for eliminating waste. In a warehouse setting, Lean can be applied to reduce bottlenecks, optimize space usage, eliminate overstock and stockouts, and manage the movement of staff through the facility.

**LIFO — Last in, First Out**

An inventory method, the exact opposite of FIFO, where the last items to arrive are also the first to sell. Companies prefer this method if their goal is to lower inventory costs.

**Load Carrier**

A pallet, trolley, box or similar used to transfer items within the warehouse.

**LPP — Last Purchase Price**

An inventory valuation method where the earliest items in storage are priced according to the same and last products added. For example, if the product already in storage costs 10 euros, but the last one to arrive is 15 euros, they will both sell for 15.

**MRP — Manufacturing Resource Planning**

A software-based management tool used by companies to plan their resources and increase their efficiency. Considered an ERP predecessor but still in use today, MRP brings together and correlates data from all the company's sectors.

**Bitlog offers a variety of subscription models to fit the needs of your business. You only pay for what you need, but have the flexibility to scale up your package as you grow.**

**With performance backed-up by a strong SLA, you get the peace of mind that bugs or outages won't slow down your business. By subscribing to a platform used by a number of other businesses, you benefit from continual updates that may solve problems you didn't even know you had.**

## **MHE – Material Handling Equipment**

The various types of automated machines and physical equipment used in a warehouse to transport, retrieve or put away goods and merchandise. Also known as a material handling system, it includes AGVs, conveyors, put-away equipment, and many others.

## **Movement tasks**

Moving items within the warehouse. For example, moving goods from buffer bins to picking bins. A movement task can also be a quality control task or a re-arranging of the items in the warehouse.

## **Multi-Shuttle Systems**

Remote-controlled mobile carts that transport loads along storage racks. The system works in conjunction with the FIFO or LIFO methodologies, and the carts are particularly useful in retrieving stocks fast and from the deep end of the storage racks.

## **OCR – Optical Character Recognition**

Also known as optical character reader, it is the electronic conversion of images of text, handwritten or printed, into machine-encoded text. The user doesn't have to input the text by hand, and after converting, he can edit the resulting text, which wouldn't have been possible with a text image.



**In Bitlog, movement tasks are created automatically based on the need at the picking location. Tasks are prioritized automatically depending on urgency. For example, if there is customer order waiting for an item in the picking bin, the movement task for that item will be prioritized higher than other tasks.**

**OTA – Over-the-air**

A software update that is distributed to a device via Wi-Fi or mobile networks. OTA allows software to be continually optimized and expanded.

**Order processing**

A key step in order fulfillment that involves picking, packing and shipping of selected goods. The process is usually programmed and tracked with the use of a WMS, warehouse management system.

**Redundant/Surplus stock**

Excess stock that collects in the warehouse due to changes in consumer demand and/or mistakes in inventory management.

**RFID – Radio Frequency Identification**

RFID tags transmit identifying data, such as an inventory number, to an RFID reader. Tags can be attached to a product to track its location. Often passive, RFID tags can also be battery powered to create stronger signals which can be read from a greater distance.

**SaaS – Software as a Service**

A licensing and delivery model in which users purchase a subscription to software that is hosted on a cloud computing platform.

**With Bitlog, delivery planning is automated and performed constantly in the system, taking into consideration changes in orders and priorities. This makes the need for a manual wave picking task unnecessary in most cases.**

## **SCM – Supply Chain Management**

The management of the flow of goods and services within the supply chain. SCM can be divided into Supply Chain Planning and Supply Chain Execution or planning, sourcing, making, delivery and returns.

## **SCP – Supply Chain Planning**

The process of balancing supply and demand by optimizing of the manufacturing and delivery of goods and information exchange between parties involved in a particular supply chain.

## **Single batch pick**

With this type of batch-picking (available in BitlogWMS and some other WMS software) many orders are picked one order line at the same time. The shipment is then confirmed by scanning the item at a packing station.

## **Six Sigma**

A set of quality management tools used to eliminate defects from a product or service. The DMAIC model is used to improve an existing process, while DMADV is applied in the creation of new products or processes.

## **Stock-out**

When an inventory of an item is out of stock causing potential loss of sale for retailers.

### **Wave picking**

An order picking method in which one person picks a complete order one SKU at a time. Wave picking has several meanings, which can be confusing. First, you can pick in waves which means picking several orders at the same time, similar to batch picking.

Wave picking can also refer to how legacy WMS systems prepare the batch picking strategies. The picking wave could involve the manual selection of orders that should be grouped to form a picking wave / batch pick. This could also be run nightly to create picking waves.

### **WMS – Warehouse Management System**

Sometimes used as an acronym for Warehouse Management Software, WMS is an application that supports the optimization of processes within warehouses and distribution centers.

### **Zone picking**

An order picking method in which one person picks SKUs from within a designated zone in the warehouse then brings them to the packing area in batches.

**With Bitlog, zone picking can be performed in multiple ways. One way is to split the order into zones and the items are picked and shipped to the customer individually. Alternatively, items picked from a zone can be consolidated at the end of the picking and sent to the customer as one shipment.**

# About Bitlog

Bitlog warehouse management software is tailored to suit the needs of e-commerce warehouses. Cloud-native, easy to implement and easy to use, Bitlog's user interface is an iOS app that can be installed on Apple iPads and iPhones.

API integration with your business management software means start-up is easy – and so is scaling. With pricing for businesses of all sizes, Bitlog can support businesses that are just starting up all the way to the most de-manding enterprise warehouse operations.

## Want to take Bitlog for a spin?

Contact us today to and speak to our experts about how Bitlog could help make your warehouse operations run smoothly.

[\*\*Curious to know more? Contact us!\*\*](#)

Speed up receiving, picking and returns with functionality tailored to suit the needs of e-commerce warehouses.