

## TERMINOLOGY

Demand	The customer needs of goods that is offered by company
Lead Time	The interval time that needed of company from ordering goods until it arrive in warehouse
Safety Stock	The stock kept to overcome with demand fluctuations
Service Level	The level of service towards customers to be well served in such time or target
Overstock	The condition where the stock has excessive amount in warehouse
Reorder Point	The amount point of goods to be ordered in order to avoid shortage
Stock Out	The condition where the stock is empty or less than the demand required
Back Order	Ordering the goods again when the demand cannot be fulfilled to be given to the customer
Order-up-to-level	the amount of item ordered to make the stock level to target level
Order Quantity	the amount of goods ordered in a period