

<div>Module 2</div> <div>Section C: Supply Chain Metrics and Reports</div> <div>Term</div> <div>Accounts payable</div> <div>APICS CSCP Learning System © 2025</div>	<div>The value of goods and services acquired for which payment has not yet been made.</div>
<div>Module 2</div> <div>Section C: Supply Chain Metrics and Reports</div> <div>Term</div> <div>Accounts receivable</div> <div>APICS CSCP Learning System © 2025</div>	<div>The value of goods shipped or services rendered to a customer for which payment has not yet been received. Usually includes an allowance for bad debts.</div>
<div>Module 2</div> <div>Section C: Supply Chain Metrics and Reports</div> <div>Term</div> <div>Average inventory</div> <div>APICS CSCP Learning System © 2025</div>	<div>One-half the average lot size plus the safety stock, when demand and lot sizes are expected to be relatively uniform over time. The average can be calculated as an average of several inventory observations taken over several historical time periods; for example, 12-month ending inventories may be averaged. When demand and lot sizes are not uniform, the stock level versus time can be graphed to determine the average.</div>
<div>Module 2</div> <div>Section C: Supply Chain Metrics and Reports</div> <div>Term</div> <div>Balance sheet</div> <div>APICS CSCP Learning System © 2025</div>	<div>A financial statement showing the resources owned, the debts owed, and the owner's share of a company at a given point in time. See: funds flow statement, income statement.</div>

## Module 2

### Section C: Supply Chain Metrics and Reports

#### Term

Balanced scorecard

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A list of financial and operational measurements used to evaluate organizational or supply chain performance. Dimensions might include customer perspective, business process perspective, financial perspective, and innovation and learning perspectives. It formally connects overall objectives, strategies, and measurements. Each dimension has goals and measurements.

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#### Term

Cash flow

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The net flow of dollars into or out of the proposed project. The algebraic sum, in any time period, of all cash receipts, expenses, and investments. Also called cash proceeds or cash generated.

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#### Term

Cost accounting

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The branch of accounting that is concerned with recording and reporting business operating costs. It includes the reporting of costs by departments, activities, and products.

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#### Term

Cost of goods sold (COGS)

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An accounting classification useful for determining the amount of direct materials, direct labor, and allocated overhead associated with the products sold during a given period of time. See: cost of sales.

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**Term**  
Cost variance

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In cost accounting, the difference between what has been budgeted for an activity and what it actually costs.

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**Term**  
Current price

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The price currently being paid, as opposed to standard cost.

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**Term**  
Customer order fulfillment cycle time

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The average actual cycle time consistently achieved to fulfill customer orders. For each individual order, this cycle time starts at the order receipt and ends at customer acceptance of the order.

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**Term**  
Dashboard

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An easy-to-read management tool similar to an automobile's dashboard designed to address a wide range of business objectives by combining business intelligence and data integration infrastructure. See: executive dashboard.

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**Term**  
Days of supply

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1) Inventory-on-hand metric converted from units to how long the units will last. For example, if there are 2,000 units on hand and the company is using 200 per day, then there are 10 [of these]. 2) A financial measure of the value of all inventory in the supply chain divided by the average daily cost of goods sold rate.

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**Term**  
Days outstanding

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A term used to imply the amount of an asset or liability measured in days of sales. For example, accounts payable days are the typical number of days that a firm delays payment of invoices to its suppliers.

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**Term**  
Digital Capabilities Model (DCM) for Supply Networks

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A reference model for supply chain professionals to guide the development of digital supply networks. The model is designed in a relational manner to help envision and then build the digitally enabled capabilities required to transform linear supply chains into a set of dynamic networks.

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**Term**  
Executive dashboard

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A set of cross-functional metrics for measuring company performance that indicates the health of the company. It usually includes the company's key performance indicators. See: dashboard.

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#### Term

Funds flow statement

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A financial statement showing the flow of cash and its timing into and out of an organization or project. Syn.: cash flow statement, statement of cash flows.

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#### Term

Gross margin

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The difference between total revenue and the cost of goods sold. Syn.: gross profit margin.

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#### Term

Income statement

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A financial statement showing the net income for a business over a given period of time. See: balance sheet, funds flow statement.

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#### Term

International Financial Reporting Standards (IFRS)

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A common global language for business affairs so that company accounts are understandable and comparable across international boundaries. As a result of growing international shareholding and trade, they are rules to be followed by accountants to maintain books of accounts that are comparable, understandable, reliable, and relevant whether the users are internal or external.

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Inventory turnover

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The number of times that an inventory cycles, or “turns over,” during the year. A frequently used method to compute inventory turnover is to divide the annual cost of sales by the average inventory level. For example, an annual cost of sales of \$21 million divided by an average inventory of \$3 million means that inventory turned over seven times. Syn.: inventory turns, turnover. See: inventory velocity.

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#### Term

Inventory valuation

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The value of the inventory at either its cost or its market value. Because inventory value can change with time, some recognition is taken of the age distribution of inventory. Therefore, the cost value of inventory is usually computed on a FIFO, LIFO, or standard cost basis to establish the cost of goods sold.

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#### Term

Inventory velocity

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The speed with which inventory passes through an organization or supply chain at a given point in time as measured by inventory turnover. See: inventory turnover.

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#### Term

Net working capital

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The current assets of a firm minus its current liabilities.

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#### Term Obsolescence

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1) The condition of being out of date. A loss of value occasioned by new developments that place the older property at a competitive disadvantage. A factor in depreciation. 2) A decrease in the value of an asset brought about by the development of new and more economical methods, processes, or machinery. 3) The loss of usefulness or worth of a product or facility as a result of the appearance of better or more economical products, methods, or facilities.

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#### Term Order fulfillment dwell time

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Any lead time caused by customer requirements during the order fulfillment process when no activity takes place. Note that this dwell time is different from idle time or non-value-added lead time, which are caused by inefficiencies in the organization's processes and therefore ultimately under responsibility of the organization. These latter kinds of idle time should not be deducted from Order Fulfillment Cycle Time.

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#### Term Perfect order

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1) An order in which the "seven Rs" are satisfied: the right product, the right quantity, the right condition, the right place, the right time, the right customer, and the right cost. 2) A fulfillment metric used to measure order proficiency; i.e., the order meets the following criteria: on time, complete, accurate, and undamaged.

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#### Term Perfect order fulfillment

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A measure of an organization's ability to deliver a perfect order. See: perfect order.

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#### Term Productivity

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1) An overall measure of the ability to produce a good or a service. It is the actual output of production compared to the actual input of [resources, and] is a relative measure across time or against common entities (labor, capital, etc.). In the production literature, attempts have been made to define [its total] where the effects of labor and capital are combined and divided into the output. One example is a ratio that is calculated by adding the dollar value of labor, capital equipment, energy, and material, and so forth and dividing it into the dollar value of output in a given time period. This is one measure of [the total factor type of this.] See: efficiency, labor productivity, machine productivity, utilization. 2) In economics, the ratio of output in terms of dollars of sales to an input such as direct labor in terms of the total wages. Known as single factor productivity or partial factor productivity.

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#### Term Profit margin

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1) The difference between the sales and cost of goods sold for an organization, sometimes expressed as a percentage of sales. 2) [In traditional accounting for a product, this] is the product selling price minus the direct material, direct labor, and allocated overhead for the product, sometimes expressed as a percentage of selling price.

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#### Term Return on supply chain fixed assets

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The return an organization receives on its invested capital in supply chain fixed assets. Includes the fixed assets used to plan, source, make, deliver, and return. Calculated as (supply chain revenue

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#### Term Return on working capital

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A measure of profit on the amount of capital consumed. Calculated as after-tax operating income divided by net working capital.



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#### Term SCOR metrics

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In SCOR, metrics measure the ability of processes to achieve the strategic objectives associated with performance attributes. SCOR recognizes three levels of predefined metrics: Level 1 metrics are diagnostics for the overall health of the supply chain. Level 2 metrics serve as diagnostics for the level 1 metrics. Level 3 metrics serve as diagnostics for level 2 metrics.

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#### Term Standard cost accounting system

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A cost accounting system that uses cost units determined before production for estimating the cost of an order or product. For management control purposes, the standards are compared to actual costs, and variances are computed.

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#### Term Standard costs

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The target costs of an operation, process, or product including direct material, direct labor, and overhead charges.

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#### Term Suboptimization

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A solution to a problem that is best from a narrow point of view but not from a higher or overall company point of view. For example, a department manager who refuses to allow employees to work overtime in order to minimize the department's operating expense may cause lost sales and a reduction in overall company profitability.

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#### Term

Supply Chain Operations Reference (SCOR)  
model

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A process reference model developed by the Supply Chain Council and endorsed by the Association for Supply Chain Management (ASCM) as the standard cross-industry diagnostic tool for supply chain management. [It] describes the business activities associated with satisfying a customer's demand, which include plan, source, make, deliver, return, and enable. Use of [this] includes analyzing the current state of a company's processes and goals, quantifying operational performance, and comparing company performance to benchmark data. [It] has developed a set of metrics for supply chain performance, and ASCM members have formed industry groups to collect best practices information that companies can use to evaluate their supply chain performance.

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#### Term

Usage variance

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Deviation of the actual consumption of materials as compared to the standard.