



GLOSSARY OF SAP S/4HANA TM WITH LBN

**A Quick Reference Guide to
SAP Terminologies**

Concept/Term	Definition
SAP TM	SAP Transportation Management (TM) is an SAP module used to manage and optimize the transportation of goods and materials across the supply chain.
SAP LBN	SAP Logistics Business Network (LBN) is a cloud-based solution that connects businesses to their partners, providing a collaborative platform for supply chain operations.
Transportation Planning	The process of planning and optimizing the transportation of goods, ensuring that shipments are made in the most efficient way possible.
Freight Order	A request for transportation services that is created within SAP TM, specifying the details of a shipment, such as the goods, origin, and destination.
Freight Unit	A transportation unit within SAP TM that aggregates shipments based on common characteristics such as route or destination for easier handling.

Concept/Term	Definition
Freight Costing	The process of calculating the costs associated with transporting goods, including freight charges, fuel surcharges, and handling fees.
Transportation Execution	The phase in transportation management where goods are physically moved according to the transportation plan and carrier agreement.
Carrier Selection	The process of choosing the most suitable carrier for transporting goods based on factors like cost, performance, and availability.
Transport Request	An initial request within SAP TM for transportation services, including the need to transport goods from one location to another.
Shipment	A group of goods that are dispatched together under a single transport order, often involving multiple freight units.

Concept/Term	Definition
Transportation Mode	The specific means of transport used for moving goods, such as road, rail, sea, or air.
Routing	The process of determining the optimal path for transporting goods, considering factors like distance, costs, and transit times.
Load Building	The process of grouping freight units into shipments in the most space-efficient manner, ensuring proper loading of transportation equipment.
Carrier Agreement	A contract between a business and a carrier, outlining the terms, conditions, and rates for the transportation of goods.
Tracking and Tracing	The process of monitoring the real-time movement of shipments across the supply chain to provide visibility and updates to stakeholders.

Concept/Term	Definition
Logistics Service Providers (LSP)	External companies that provide transportation and logistics services, including carriers, warehouse operators, and freight forwarders.
Transport Optimization	The use of algorithms and software tools to minimize transportation costs while meeting service level requirements, such as reducing empty miles or optimizing routes.
Transport Execution Monitoring	The monitoring of transportation activities to ensure compliance with the plan, including delivery times, costs, and carrier performance.
Advanced Shipping Notification (ASN)	An electronic document that provides detailed information about a shipment before its arrival, including expected delivery times and contents.
Collaborative Logistics	The process of sharing real-time information between supply chain partners, such as suppliers, carriers, and customers, to enhance decision-making and responsiveness.

Concept/Term	Definition
Freight Settlement	The process of reconciling transportation charges, including invoicing, validation of freight charges, and payment processing.
Lead Time	The time it takes for a transportation process to complete, from order creation to delivery at the destination.
Transport Cost Management	The management of all aspects related to transportation costs, including budgeting, forecasting, and actual cost tracking.
Goods Receipt	The process of receiving goods at their destination, confirming their arrival, and documenting the quantity and condition of the goods.
Logistics Network	A system of interconnected suppliers, distributors, carriers, and other logistics providers that work together to move goods from origin to destination.

Concept/Term	Definition
Dynamic Routing	A flexible routing method that adjusts transportation routes based on real-time factors like traffic, weather, or disruptions in the supply chain.
Fleet Management	The process of managing a company's fleet of vehicles, including scheduling, tracking, maintenance, and compliance with transportation regulations.
Shipping Instruction	Detailed instructions provided to the carrier about how the goods should be transported, including handling, storage, and delivery specifics.
Transport Order	A document within SAP TM that specifies the details for executing a shipment, including the assigned carrier, route, and schedule.
Logistics Collaboration Hub	A digital platform where companies and their logistics partners can collaborate, share data, and manage operations, enhancing the visibility of logistics processes.

Concept/Term	Definition
Shipment Visibility	The ability to track and view the status and location of shipments in real-time, ensuring transparency and proactive issue resolution.
Transportation Management Network	A connected network of systems and platforms, enabling coordination and communication between transportation stakeholders.
Route Optimization	The use of algorithms to select the most cost-efficient, time-efficient, or capacity-efficient transportation routes for goods delivery.
Multimodal Transport	The use of multiple modes of transportation, such as road, rail, air, and sea, to move goods, often with a single carrier or logistics provider managing the entire process.
Third-Party Logistics (3PL)	A third-party service provider responsible for managing and executing logistics operations, including transportation, warehousing, and inventory management.

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Transport Capacity Management	The process of managing the available transportation capacity to ensure that goods are moved in a timely and cost-effective manner.
Freight Order Management	The management of orders related to freight transportation, including creation, tracking, and execution of transportation requests.
Cross-Docking	A logistics practice where goods are directly transferred from one mode of transport to another, minimizing storage time and speeding up delivery.
Order Management	The process of managing customer orders from creation to delivery, including transportation coordination and tracking.
Carrier Collaboration	The process of working closely with carriers to optimize transportation, including sharing information, tracking performance, and negotiating rates.

Concept/Term	Definition
Logistics Performance Monitoring	The continuous assessment of logistics operations, including transportation, warehouse management, and inventory handling, to ensure efficiency and quality.
EDI (Electronic Data Interchange)	A standardized method of exchanging business documents (such as purchase orders or shipment notifications) between trading partners electronically.
Bill of Lading (BOL)	A legal document between a shipper and a carrier, detailing the terms of transportation and acknowledging the receipt of goods for shipment.
Vehicle Scheduling	The process of assigning transportation vehicles to specific shipments based on route, capacity, and timing requirements.
Customs Compliance	The process of ensuring that all transportation activities comply with international trade and customs regulations, ensuring smooth cross-border shipments.