



GLOSSARY OF SAP S/4HANA TM (TRANSPORTATION MANAGEMENT)

**A Quick Reference Guide to
SAP Terminologies**

Concept/Term	Definition
SAP Transportation Management (SAP TM)	A comprehensive solution for planning, executing, and optimizing transportation processes within SAP S/4HANA. Enables efficient management of logistics, freight, and shipments.
Transportation Planning	The process of organizing and optimizing the movement of goods from one location to another, considering factors such as cost, time, and capacity.
Freight Order	A document that represents the planned transportation of goods, including details like shipment dates, route, and carriers.
Freight Booking	The action of reserving capacity with a carrier to transport goods, confirming the availability of space and schedule for a shipment.
Shipment	A defined set of goods being transported from one location to another. A shipment can consist of one or multiple freight units.

Concept/Term	Definition
Freight Unit	A grouping of goods, often based on the same transportation needs, such as a load or delivery batch, that is ready to be transported.
Freight Costing	The process of calculating transportation costs based on variables like distance, weight, mode of transport, and fuel surcharges.
Transportation Execution	The process of executing the transportation plan, including activities such as dispatch, delivery, and shipment tracking.
Carrier	A third-party or internal entity responsible for transporting goods. Includes service providers such as trucking companies, rail, and ocean freight operators.
Transport Mode	The method of transportation used for moving goods, such as road, rail, air, or sea.

Concept/Term	Definition
Route Planning	The process of determining the most efficient route for transporting goods, considering factors like distance, cost, and transportation regulations.
Transport Request	A request created within SAP TM to initiate the transportation planning process, including the need for freight movement and shipment.
Transportation Charge Management	The process of managing, calculating, and applying charges related to transportation services, including freight and additional costs.
Logistics Service Provider (LSP)	A third-party entity that offers logistics services, including transportation, warehousing, and freight forwarding.
Carrier Rate Sheet	A document that outlines the rates and pricing terms offered by a carrier for various types of shipments, routes, and conditions.

Concept/Term	Definition
Freight Agreement	A contract or agreement between the shipper and carrier that defines the terms, pricing, and conditions for transportation services.
Order Management Integration	The process of integrating SAP TM with SAP Order Management to synchronize order fulfillment and transportation planning processes.
Supply Chain Visibility	Real-time tracking and monitoring of transportation and shipment status, providing end-to-end visibility of the supply chain.
Transportation Management Dashboard	A user interface that provides an overview of transportation operations, including key metrics like shipment status, delays, and costs.
Transportation Optimization	The process of improving transportation efficiency by optimizing routing, carrier selection, load planning, and freight cost reduction.

Concept/Term	Definition
Dock Appointment Scheduling	The process of scheduling times for loading and unloading at warehouses or docks, ensuring smooth and timely transport operations.
Event Management	The tracking of events and exceptions within the transportation process, enabling real-time alerts and actions for delays or disruptions.
SAP TM Integration with SAP ERP	The connection between SAP TM and SAP ERP systems for seamless data exchange, such as order, delivery, and billing information.
SAP TM Integration with SAP EWM	The integration between SAP TM and SAP Extended Warehouse Management (EWM) for coordinated execution of transportation and warehouse activities.
Freight Order Management	The management of freight orders from creation to completion, including monitoring and executing the transportation plan.

Concept/Term	Definition
Real-Time Tracking	The ability to track shipments and freight units in real time, providing up-to-date information on location, status, and estimated delivery time.
Rate Calculation	The process of calculating freight costs based on rate sheets, transportation mode, and other factors like distance or cargo weight.
Freight Tendering	The process of sending transportation requests to carriers to solicit bids for transportation services, helping to select the most suitable carrier.
Carrier Selection	The process of selecting the appropriate carrier for a shipment based on criteria such as cost, capacity, and service level.
Freight Cost Optimization	The strategy of minimizing transportation costs through optimization techniques such as load consolidation, route optimization, and rate negotiation.

Concept/Term	Definition
Freight Settlement	The process of finalizing and paying for transportation services, including reconciling costs, invoices, and payments to carriers.
Shipment Tracking	The process of tracking the status and location of shipments in transit, often integrated with external carrier systems for real-time updates.
Delivery Scheduling	The planning and management of delivery dates and times for shipments, ensuring that customers and carriers are aligned.
Cargo Consolidation	The process of grouping multiple smaller shipments into one larger shipment to reduce costs and improve transportation efficiency.
Last-Mile Delivery	The final step in the transportation process, where goods are delivered from a distribution center to the end customer's location.

Concept/Term	Definition
Transportation Analytics	The use of data analysis and reporting tools to monitor transportation performance, identify inefficiencies, and make data-driven decisions.
Lead Time Calculation	The process of calculating the time required for a shipment to travel from the source to the destination, including transportation and handling time.
Freight Billing	The process of creating invoices for transportation services provided by carriers, including cost breakdown and payment terms.
Transportation Lane	A predefined route between two locations used for regularly transporting goods, often used for planning and optimizing shipments.
Supply Chain Collaboration	The process of coordinating and sharing information between shippers, carriers, and other stakeholders to ensure efficient transportation.

Concept/Term	Definition
Geographical Information System (GIS)	A system used for route planning and optimization, incorporating geographic data and mapping to enhance transportation planning.
Transportation Network Optimization	The process of optimizing the entire network of transportation routes, facilities, and resources to reduce costs and improve service.
Invoice Verification	The process of validating transportation invoices to ensure that the charges are correct, based on agreed rates and services.
SAP TM Cloud Integration	Integration of SAP TM with cloud-based solutions for enhanced flexibility, scalability, and access to transportation data.
Contract Management	The management of agreements and contracts with carriers, including service levels, pricing, and terms for transportation services.

Concept/Term	Definition
Customs Management	The process of handling customs requirements and documentation for international shipments, ensuring compliance with regulations.
Risk Management in Transportation	The identification and mitigation of risks associated with transportation, such as delays, damages, or non-compliance with regulations.
Shipment Exception Management	The process of identifying and addressing deviations from the planned transportation process, such as delays or damages.
Fleet Management	The management and optimization of a company's fleet of vehicles, including scheduling, maintenance, and performance monitoring.
Load Building	The process of optimizing the arrangement of goods within a transport unit, such as a truck or container, to maximize space utilization.