



GLOSSARY OF SAP TM (TRANSPORTATIO N MANAGEMENT)

**A Quick Reference Guide to
SAP Terminologies**

Concept/Term	Definition
SAP TM (Transportation Management)	A module in SAP designed to manage transportation logistics, including planning, execution, and optimization of transportation operations.
Transportation Planning	The process of determining the best routes, modes, and carriers for transporting goods, managed in SAP TM.
Carrier Selection	The process of choosing the best carrier based on criteria such as cost, delivery time, and service level, facilitated in SAP TM.
Freight Order	A document in SAP TM representing the transportation of goods, including details like shipment, delivery, and carrier.
Freight Unit	A unit in SAP TM that groups multiple freight orders for transportation planning and execution, often based on weight or volume.

Concept/Term	Definition
Transportation Mode	The method of transportation (e.g., road, rail, air, sea) chosen for delivering goods, considered during planning in SAP TM.
Shipment	The physical movement of goods from one location to another, tracked and managed within SAP TM from planning to delivery.
Route Optimization	The process of determining the most efficient route for transporting goods, taking into account time, cost, and other factors in SAP TM.
Dispatching	The assignment of transportation orders to a carrier or truck, ensuring that the shipments are ready for execution in SAP TM.
Cost Calculation	The process of determining the transportation costs, including carrier charges, fuel, and other fees, using SAP TM's cost calculation tools.

Concept/Term	Definition
Freight Settlement	The process of reconciling and paying the carriers based on agreed-upon freight charges, managed within SAP TM's settlement functionality.
Supply Chain Collaboration	A process where different stakeholders (e.g., suppliers, carriers) collaborate for seamless transportation, supported by SAP TM.
Logistics Execution (LE)	A module that helps manage warehouse processes, deliveries, and shipments, integrated with SAP TM for overall transportation and logistics management.
Load Optimization	The process of determining the most efficient way to load goods into transportation vehicles, reducing costs and improving space utilization in SAP TM.
Transportation Charge Management	The process of managing and calculating transportation charges, including tariffs, fuel surcharges, and other costs, using SAP TM.

Concept/Term	Definition
Shipping Point	A location in SAP TM where goods are dispatched to their destination, and it defines the conditions for shipment processing.
Freight Agreement	A contract between the shipper and carrier that defines the terms, rates, and conditions for transportation services, maintained in SAP TM.
Carrier Contract	An agreement between a company and its selected carriers, outlining services, conditions, and rates, used for transportation planning in SAP TM.
Shipment Tracking	The process of monitoring and updating the status of shipments in real time, integrated within SAP TM to provide visibility to stakeholders.
Transportation Execution	The process of executing transportation orders, including dispatch, transportation, and delivery, tracked in SAP TM.

Concept/Term	Definition
Tracking and Tracing	A method of following the progress of shipments, providing real-time updates on delivery status, managed through SAP TM integration.
Delivery Document	A document in SAP TM that confirms the delivery of goods, providing shipment details such as quantity and condition at the destination.
Freight Invoice	A document issued by the carrier for payment, detailing transportation costs, charges, and other terms, processed in SAP TM for settlement.
Order Management	The process of handling and processing transportation orders, ensuring they are aligned with logistics and customer requirements, supported by SAP TM.
Transport Planning Cockpit	A tool in SAP TM that provides a comprehensive overview of all transportation plans and orders, allowing for easier decision-making and monitoring.

Concept/Term	Definition
Dock Appointment Scheduling	The process of scheduling time slots for the loading and unloading of goods at warehouses or shipping points, integrated into SAP TM.
Customs Management	The management of compliance with customs regulations for cross-border shipments, integrated within SAP TM to streamline customs processes.
Visibility Platform	A system in SAP TM that provides end-to-end visibility of transportation processes, including real-time shipment status and performance monitoring.
Transportation Planning Run	A batch job in SAP TM that executes the transportation planning process, including carrier selection, route optimization, and freight cost calculation.
Shipment Costing	The process of determining the cost of transporting goods based on various factors, calculated using SAP TM's freight costing tools.

Concept/Term	Definition
Freight Audit	The process of reviewing and verifying transportation invoices to ensure accuracy before payment, supported by SAP TM's audit functionalities.
Transportation Management System (TMS)	A software system used to plan, execute, and optimize transportation operations, integrated with SAP TM for seamless management.
Collaborative Transport Network	A network of transportation partners that collaborate to optimize logistics and transportation activities, enabled by SAP TM's collaborative tools.
Lead Time Calculation	The estimation of the time required to complete the transportation process, including planning and execution, calculated within SAP TM.
Carrier Performance Management	The process of tracking and evaluating carrier performance based on service quality, cost, and timeliness, used for decision-making in SAP TM.

Concept/Term	Definition
Route Planning	The process of determining the best transportation routes based on various factors such as distance, cost, and delivery time, managed in SAP TM.
Delivery Confirmation	A process in SAP TM where the recipient acknowledges receipt of goods, triggering updates to shipment status and inventory management.
Freight Payment	The process of handling payments for transportation services, including freight invoices and settlement, within SAP TM.
Warehouse Integration	The integration of SAP TM with warehouse management systems to ensure smooth handling of goods during transportation and delivery processes.
Cross-Docking	The process of transferring goods directly from inbound to outbound transportation, minimizing storage time, tracked and managed within SAP TM.

Concept/Term	Definition
Supply Chain Visibility	The ability to track and monitor the movement of goods throughout the entire supply chain, integrated with SAP TM for enhanced transparency.
Transportation Budgeting	The process of planning and controlling transportation costs within an organization, ensuring that expenses align with financial goals, managed through SAP TM.
Real-Time Shipment Data	The continuous monitoring and updating of shipment status in SAP TM, providing stakeholders with up-to-the-minute tracking information.
Dynamic Pricing	The adjustment of transportation rates based on real-time conditions such as demand, fuel prices, and market changes, integrated into SAP TM.
Carrier Portal	A web-based interface in SAP TM that allows carriers to manage transportation tasks, submit invoices, and track shipments.

Concept/Term	Definition
E-Booking	The process of electronically booking transportation services with carriers, enabling faster and more efficient logistics, supported by SAP TM.
Transportation Tendering	The process of inviting carriers to submit bids for transportation services, ensuring competitive pricing and service offerings in SAP TM.
Freight Cost Transparency	The process of providing detailed insights into transportation costs and how they are calculated, facilitated by SAP TM's costing tools.
Dynamic Routing	The ability to adjust transportation routes in real-time based on changing factors like traffic or weather, optimized in SAP TM.
Fleet Management	The management of an organization's fleet of vehicles used for transportation, including scheduling, maintenance, and performance tracking, supported by SAP TM.