

Glossary

ABB Gate Model	A project decision support model 1 using gates . At every gate reached, progress is reviewed and future actions decided.	OEE (Overall Equipment Effectiveness)	The industry accepted tool to measure and monitor production performance. It can be applied at the machine, manufacturing cell, or plant process level. See textbox on page 41.
CONWIP (Constant Work in Progress)	A Pull system in which the number of jobs in progress is kept below a defined threshold.	PR (Production Rate)	The rate of production flow.
CP3 (Common Pull Production Practices)	An implementation of the ABB Gate Model using eight gates and four main phases 1 .	Project network	A flow chart depicting the sequence in which a project's work-packages should be completed.
Critical Chain	A sophistication of Critical Path that additionally considers resource dependencies.	Pull	In a Pull system, a replenishment request is issued when material is "pulled" from an inventory, or when a due date is reached.
Critical Path	The sequence of work packages in the project network with the longest overall duration.	Re-order point method	An inventory control method whereby stock is re-ordered when inventory falls below a defined level.
DFMA (Design for Manufacturing and Assembly)	A set of methodologies and principles of product design for optimizing all lifecycle functions. It consists of two complementary methodologies – DFA (Design for Assembly) and DFM (Design for Manufacturing).	SPC (Statistical Process Control)	A statistical method for determining whether an observed process is under control.
ERP (Enterprise Resource Planning)	ERPs are management information systems that integrate and automate business activities for production or other operational activities.	Supply Chain	A coordinated system of entities, activities, information and resources involved in moving a product or service from supplier to customer. The entities of a Supply Chain typically consist of manufacturers, service providers, distributors, and retail outlets. Supply chain activities transform raw materials and components into a finished product.
Gate	A time-tag marking the planned completion date of an important project milestone.	SCM (Supply Chain Management)	The process of planning, implementing, and controlling the operations of the Supply Chain with the purpose of satisfying customer requirements as efficiently as possible.
Gateways	A backbone for ABB Components order-delivery process. The approach basically has two parts: <i>Gateways instruction</i> : a "pack-list" of internal deliveries, specifying what should be included in the deliveries. <i>Gateways visualized</i> : a schedule for all internal supplies using gates .	TPT (Throughput time)	Time elapsed from "order released to manufacturing" to "ready for shipment".
Lean Manufacturing	Manufacturing that produces with less human effort, less inventory, less space and less time than traditional methods, while at the same time being very responsive to customer demand and fulfilling high quality standards.	TTPT (Total TPT)	Time elapsed from definite order to shipment.
Little's Law	Little's Law states that at any given production rate, the average production TPT is directly proportional to the amount of WIP . See textbox on page 10.	Two-bin system	An application of the re-order point method whereby stock is held in two bins. A replenishment is requested when one bin is empty. The other bin holds sufficient material to maintain production until the new stock arrives.
MES (Manufacturing Execution System)	An MES is an automated system that helps control processes, materials, manpower and all the other inputs required for the smooth functioning of a manufacturing unit. It makes manufacturing very responsive to market trends, demand, and inventory levels.	VSM (Value Stream Mapping)	A tool to support lean manufacturing . It maps the order-delivery process of a factory to show the material and information flow of the process and also to identify value- and non-value added activities performed in the factory.
MRP (Material Resource Planning)	An MRP is a production planning and inventory control tool used to manage manufacturing processes.	WIP (Work in progress)	Average amount of products in production on which work has started but not been finished.

1 The ABB Gate model

