ERP Software – Enterprise Resource Planning Software

ERP stands for Enterprise Resource Planning and is a business software solution designed to manage all aspects of a company's operations including; accounting, order entry and processing, inventory, contact management, warehouse management and more. ERP software replaces the need for purchasing and integrating multiple standalone inventory, accounting and CRM systems and works best for growing businesses looking to automate processes, increase efficiencies and reduce manual work.

API – Application Program Interface

API stands for Application Program Interface and is a set of routines, protocols and tools for building software applications. Essentially, an API dictates how software components should interact and allows two separate systems built on different operating systems to communicate and share information with one another. In the world of ERP software, an API connection is frequently used when you want your ERP system to communicate with your eCommerce store.

Example: An API allows you to pull order information from your eCommerce store into your ERP software and subsequently updates inventory information on the website and in your ERP system.

BI – Business Intelligence

Business Intelligence or BI, is the ability to extract actionable insight from the internal and external data available to an organization, to support decision making and improve corporate performance. The ability to collect, gather and organize data from within your organization can help you identify trends, patterns, threats and opportunities to make strategic business decisions. The same applies to data collected from outside of your organization. Most ERP solutions provide some functionality for BI in the form of reporting features.

BOM – Bill of Materials

A Bill of Materials (BOM) is a list of components necessary to assemble a particular item used when manufacturing goods. The BOM helps you determine what you can make from the available components. Sophisticated manufacturing processes require a BOM to track turning raw ingredients into finished goods. Simple manufacturing processes such as putting together a kit also requires a BOM to keep track of the parts of the kit.

CRM – Customer Relationship Management

Customer Relationship Management (CRM) software helps you manage and track your customer and sales lead information. These systems are more advanced than basic contact management features found in many ERP solutions and provide tools to help fully manage relationships with customers, vendors and prospects from initial contact, to close and post-sale. CRM software includes tools for scheduling upcoming actions such as follow-ups and meetings, it allows you to track and move prospects through your sales funnel and enables you to maintain information on the customer or prospect that other departments can access. You can purchase CRM software as a standalone solution, or some ERP solutions include built-in CRM functionality so that you don't need to purchase and integrate multiple systems

EDI – Electronic Data Interchange

Electronic Data Interchange represents a set of standards, outlining formats for information that can be electronically exchanged between two parties. Essentially, EDI allows trading partners in the supply chain to exchange documents and provides a format for translating data from one system into a format that is readable by another system. With EDI, your customer can send an order from their software solution, no matter which technology it's built on, and then your ERP system will be able to translate the information into a readable format.

Example: Your customer (a large retail business) sends you a purchase order via EDI, which gets translated into an EDI file type known as an 850. Next, your ERP solution picks up this EDI 850 file (using one of several methods) and translates the information into a format that is readable in your ERP system. This allows the information to automatically populate into your system for processing.

FIFO – First In, First Out

FIFO which stands for First In, First Out is one of the most commonly used inventory costing methods. As the name suggests, the FIFO costing method is set up so that you sell the oldest inventory items in your warehouse first which corresponds to the actual physical flow of goods in your warehouse and helps to avoid inventory items becoming obsolete. This means that you track and account for the COGS based on the purchase price of each inventory item at the time you receive it into your warehouse.

P&L – Profit & Loss

A P&L is a type of financial statement known as a Profit and Loss statement. You may also have heard the term P&L before with a different name – Income Statement. A P&L statement covers a specific period of time, frequently a month, quarter or year and includes information on a company's revenues and expenses for that time period. Your revenue is the income earned from the sale of product or delivery of a service and your expenses are the cost to provide that product or service. Once you subtract the expenses from your revenue, you can determine if your business made a profit or loss for that period.

PCI Compliance – Payment Card Industry Compliance

Payment Card Industry (PCI) Compliance refers to a set of standards designed to protect credit cardholder information. These standards apply to any business that stores, processes, or transmits payment cardholder data both online and offline. It includes manual processes for safely recording, storing and accessing card data and can apply to ERP software with credit card processing functionality.

RMA – Return Merchandise Authorization

Return Merchandise Authorization is the process for dealing with customer returns. Software with RMA functionality allows you to track and manage the RMA process, providing better insight into what products are being returned the most and why, and if the return process is easy and intuitive for customers. Efficient RMA processes improve customer satisfaction and retention by helping businesses pay more attention to faulty goods and repairs of merchandise. RMA software functionality needs to be paired with internal RMA processes for physically accepting and tracking returned merchandise.

RDP – Remote Desktop Protocol

RDP stands for "Remote Desktop Protocol" and is a Microsoft licensed technology available for a large range of computers, tablets and other devices. A device that has an "RDP Client" and a connection to the internet or local area network can be used to run software that physically resides on one or more servers somewhere else – and not on your computer or device.

Example: To access Blue Link's cloud-based ERP solution, you must do so via an RDP connection. Blue Link is then responsible for maintaining the hardware and servers that the software lives on, as well as managing upgrades and backups. Therefore, using RDP, you can access the software and processing power of the servers and hardware, without having to purchase or maintain any of the equipment yourself.

SAAS – Software as a Service

Software as a Service describes software that is licensed on a subscription basis. Instead of purchasing software as a one-time upfront license fee, SaaS allows you to pay a monthly fee for access to software that is hosted on the software provider's servers and not on your own equipment. SaaS is frequently used interchangeably with the term cloud-based or hosted solutions.

WMS – Warehouse Management System

WMS stands for Warehouse Management System which controls the movement and storage of inventory within a warehouse and helps to process the associated transactions, including receiving, put-away, picking, packing and shipping. WMS systems log every single movement of product in your warehouse, show available locations in the warehouse to add product based on empty space, allow you to receive and ship product before putting it away and more. True WMS software is designed for large warehouse operations with a high volume of orders and complex requirements. Many ERP systems provide some built-in WMS features that are perfect for smaller distribution operations.