

# PRO SOURCING LINGO CHEATSHEET



**SOURCING WARRIOR**  
DISCOVER HIDDEN PROFIT

**#1 AQL** = AQL stands for 'Acceptance Quality Limit' and is defined as the "quality level that is the worst tolerable" in ISO 2859-1. It represents the maximum number of defective units, beyond which a batch is rejected. 3 major AQL defects levels are: Critical, Major, and Minor defects. Different product has Critical, Major and Minor defects limits. In general, Critical defects are hazardous and unsafe for end-users; Major Defects cause product function and performance failure; Minor Defects are the ones deviate from the spec, but not likely to affect the usability of the product.

**#2 AWB** = Airway Bill, the Receipt of your Air shipment. Issued by the air freight Carrier, the airlines.

**#3 AIR FREIGHT** = Sometimes referred as the "air cargo", are normally larger shipments via air from port to port. You need a freight forwarder to book the air cargo space with the commercial airlines.

**#4 AIR EXPRESS:** Refers to courier companies (such as DHL, UPS, FedEx) shipping products from a pickup point (such as the supplier factory) to a designated address (such as your home or Amazon FBA warehouse).

**#5 BOL or B/L**= Bill of Lading, the Receipt of your ocean shipment. Issued by the ocean freight Carrier to the shipper (supplier) and to the freight forwarder. The container# or the B/L# on the BOL can be used to track shipment status either on freight Carrier's website or freight forwarder's website.

**#6 CONTAINER: LCL = Less than Container Load;**

**#7 CONTAINER: FCL = Full Container Load.**

20FT = 20 Feet Container (~30 cubic meters);

40FT = 40 Feet Container (~60 cubic meters);

40HQ = 40 Feet High Cubic Container (~68 cubic meters)

**#8** CBM = Cubic Meter, this term is often referenced when the supplier give you the total shipment size.

**#9 CI and PL** = Commercial Invoice and Packing List. Prepared by your supplier declare value of the goods and packaging detail of the goods. CI and PL are required set of documents for making the shipment booking (either AIR or Ocean) and custom clearance.

**#10 CUSTOM BROKER** = Customs broker is a licensed professional who prepares and submits documentation to obtain custom clearance from government agencies. Custom broker is different from freight forwarder. Freight forwarder uses custom broker's service to clear custom. Sometimes a freight forwarding company has in house custom broker, sometimes they use a third party broker's service to clear custom.

**#11 CUSTOM BOND** = a financial guarantee to the custom that tax and duties will be paid sufficiently.

Bond Option 1: single entry bond = good for 1 importation

Bond Option 2: continuous bond = good for 1 year, no importation limits

**#12 COO** = Country of Origin. For example, if product is made in China, COO is China. The "Made In China" mark needs to be printed on the outer carton.

**#13 CONSIGNEE** = The party that is legally allowed to receive the goods. For example, if you are the Buyer, on Supplier's commercial invoice you will be listed as consignee.

**#14 ULTIMATE CONSIGNEE** = The actual intended recipient of the shipment. For example, if you are sending the goods to Amazon warehouse, Amazon and its warehouse address will be listed as Ultimate consignee.

**#15 DIM AND WEIGHT** = Dimensions and Weight

**#17 DDP** = Delivery Duty Paid to a name place (it could your house, a warehouse). Supplier bears all the cost.

**#18 EA** = Each

**#19 EXW** = Ex Work Factory, international commerce term (Inco Term): Seller is only responsible for putting the shipment on their dock for Buyer to pick up. Buyer is responsible for all costs including pick up cost, export clearance cost, export tax & duty.

**#20 FREIGHT FORWARDER** = A company or an agent who helps to ship product from point A to point B. Forwarders are NOT actual freight carriers. They can help prepare export documents at the origin country, book cargo space (either via air or ocean), consolidate freights, clear import customs at the destination country, deconsolidate shipments if it is LCL and deliver goods to your named destination.

**#21 FOB** = Free On Board + (name a port), inco term: Seller is responsible for delivering shipment to the designated port AND pay all export fees, tax and duty. Shipment is FREE and ready to be exported.

**#22 HTS Code** = Harmonized Tariff Schedule Code. HTS Code determines product's duty. HTS code can be found at <https://hts.usitc.gov/> \*: It is **Importer's responsibility** to determine HST code. Freight forwarder can ASSIST in finding the code, the Importer Of Record (IOR) is ultimately responsible for using correct HTS code.

**#23 LEADT TIME:** the waiting time between two transactions, e.g.:

- Production lead time = from time of the PO to order completion
- Shipping lead time = from time of the Pickup to Delivery

**#24 MOQ** = Minimum Order QTY

**#25 MASTER CARTON** = The outer carton that holds smaller cartons inside

**#26 PO** = Purchase Order

**#27 P.I.** = Pro Forma Invoice (suppliers normally use P.I. to acknowledge and confirm your PO)

**#28 POA** = Power of Attorney. An authorization form authorizing a freight forwarder or a custom broker to perform import and export duties on your behalf.

**#29 PCS** = Pieces

**#30 PANTONE COLOR** = Pantone LLC is a U.S. corporation best known for its Pantone Matching System (PMS), a proprietary color used in a variety of industries, primarily printing, though sometimes in the manufacture of colored paint, fabric, and plastics.

**#31 RAL NUMBER** = RAL is a color matching system used in Europe that is created and administrated by the German RAL. RAL classic system, mainly used for varnish and powder coating but nowadays there are reference panels for plastics as well.

**#32 PRICE/QTY BREAK** = A tiered pricing based on order QTY change, e.g.:

- Price for 500pcs | Price for 1000pcs | Price for 5000pcs

**#33 QTY** = Quantity

**#34 RFQ** = Request For Quote

**#35 ROP** = Re- Order Point. It is an inventory point. When you set a ROP point, when the inventory level falls below the set ROP point re-order is flagged.

**#36 SS = Safety Stock.** It is an additional quantity of an item held in inventory in order to reduce the risk that the item will be out of stock. Safety stock acts as a buffer in case the sales of an item are greater than planned and/or the supplier is unable to deliver additional units at the expected time.

**#37 SOP** = Standard Operating Procedure.

**#38 SLI** = Shipper's Letter of Instruction. Normally supplier fills in freight forwarder's SLI to ship your goods.

**#39 TOOLING** = The common categories of tooling include fixtures, jigs, gauges, molds, dies, cutting equipment and patterns.

**#40 DIELINE** = A dieline serves as a package template that ensures proper layout for a printed product. It is a diagram that shows all the cut lines and folds of a package in flattened form. If you customize the packaging, a dieline is needed either made from scratch or from your supplier's existing packaging.

I just want to say you are **AWESOME** by starting this journey

If sourcing is your biggest headache , I can help. With 100% honest and integrity, I help people like yourself save money, reduce stress sourcing products and dealing with suppliers.

I have been sourcing for 20 years, in a few days you will learn sourcing that takes other people years to trial and error. I have seen so much struggle.

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<https://join.sourcingwarrior.com/>

Keep pushing forward, one brilliant day at a time!

Your friend

*Yuping*

# About Yuping Wang



I am the Founder of the Sourcing Warrior™.

The passion for sourcing runs deep in my blood otherwise I would not have done it for 20 years. My suppliers would say these 3 things about me: Yuping is a tough negotiator, a strong relationship builder and a tenacious profit finder.

Out of all people, how could I become the top supply chain professional in the nation?

When I first came to the USA, I had nothing and knew very little English. But in my mind, there was an uncompromising desire to be the best in everything I do. I put myself through law school in China. In the USA, I pursued the best-in-class training. MBA, CPIM, CSCP, Six Sigma Black Belt certifications are tough to get but are incredibly valuable for my sourcing career.

Professionally, I only want to compete in the most demanding companies. Some are Fortune 500s, some are Hi-Techs, some are small businesses, but all of them are incredibly competitive in the field of sourcing, that is exactly where I excelled.

The experience I gained through 20 years of sourcing is now condensed into Sourcing Warrior's programs to serve more people. As I hold myself to the highest standard of honesty and integrity, I work hard to make sure Sourcing Warrior's programs are the best-in-class. Otherwise, I will refuse to offer them to the world because my name is Yuping Wang.

[Learn More About The Course](#)



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