

Glossary of Terms

AI Operations Center — Domain & Technical Vocabulary

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Audience: All stakeholders

Domain Terms (Food Manufacturing / CPG)

Term	Definition
Trade Deduction	A dollar amount deducted from a customer's remittance payment, usually claiming a trade promotion, pricing adjustment, shortage, or return. The manufacturer must validate whether the deduction is legitimate.
Trade Deal	A contractual agreement between the manufacturer and a retailer for promotional pricing, bill-backs, scan-downs, or volume rebates. Deals have defined SKU eligibility, customer eligibility, date ranges, and funded amounts.
Remittance	The payment document sent by a customer alongside their payment. Can arrive as EDI 812, PDF, email, or portal download. Contains deduction codes and amounts.
Reason Code	A code on a deduction indicating the customer's claimed reason (e.g., "OI" = off-invoice, "AD" = advertising). Codes are customer-specific — Walmart's "OI" may differ from Kroger's "OI".
Three-Way Match	The process of matching a Purchase Order (PO), Goods Receipt (GR), and Invoice to verify that what was ordered, received, and billed all agree.
GR (Goods Receipt)	A record confirming that physical goods were received at a warehouse, including quantities and quality status.
ASN (Advanced Shipping Notice)	An electronic document sent by a supplier before shipment, listing what's being shipped, quantities, and carrier details.
BOL (Bill of Lading)	A legal document between shipper and carrier detailing the type, quantity, and destination of goods being shipped.
DSO (Days Sales Outstanding)	A measure of the average number of days a company takes to collect payment after a sale. Lower is better.
DPD (Days Past Due)	The number of days an invoice or account has been overdue beyond its payment terms.

Term	Definition
Aging Bucket	A time-based grouping of outstanding receivables: 0-30 days, 31-60 days, 61-90 days, 91+ days.
ASL (Approved Supplier List)	A vetted list of suppliers authorized to provide specific goods or services. Purchases from non-ASL suppliers require additional approval.
PR (Purchase Requisition)	An internal request to purchase goods or services, which must be approved before converting to a Purchase Order.
PO (Purchase Order)	A legally binding document issued to a supplier, committing to purchase specific goods at agreed prices and terms.
MAPE (Mean Absolute Percentage Error)	A forecast accuracy metric: the average absolute percentage difference between forecast and actual demand. Lower is better.
Forecast Bias	A systematic tendency to over-forecast or under-forecast demand. Measured as mean error (not absolute).
LTO (Limited Time Offer)	A promotional product or price available for a defined period, often causing demand spikes.
DC (Distribution Center)	A warehouse facility where products are received, stored, and shipped to retail locations.
SKU (Stock Keeping Unit)	A unique identifier for a specific product variant used for inventory tracking.
CPG (Consumer Packaged Goods)	The industry category for branded food, beverage, and household products sold through retail channels.
Accrual	A financial reserve set aside to fund expected trade promotion deductions.
Fund Balance	The remaining amount available in a trade deal's accrual fund after deductions have been applied.
Scan-Down	A trade promotion where the manufacturer pays a per-unit rebate based on the retailer's point-of-sale scan data.

Term	Definition
Bill-Back	A trade promotion where the retailer deducts the promotional amount from their payment after the promotional period ends.

Platform & Architecture Terms

Term	Definition
MVP (Minimum Viable Product)	In this platform, refers to one of 5 functional modules: MVP1 (Trade Deductions), MVP2 (Collections), MVP3 (Invoice Triage), MVP4 (Buyer Copilot), MVP5 (Demand Sensing).
Agent Swarm	A coordinated group of AI agents that work together to process a case. Each swarm has an orchestrator that delegates to specialist sub-agents.
Orchestrator	The top-level agent in a swarm that coordinates the workflow, delegates to sub-agents, and assembles the final output.
Sub-Agent	A specialist agent within a swarm that handles a specific task (e.g., ClassifierAgent, ValidityChecker, UpliftScorer).
MCP (Model Context Protocol)	A standardized interface for AI agents to call external tools and systems. Each MCP system represents one enterprise system (SAP, AR platform, etc.).
MCP Gateway	The unified access layer that routes all external system calls through circuit breakers, rate limiters, and audit logging.
HITL (Human-in-the-Loop)	A workflow pattern where agent-generated proposals are routed to a human for approval before execution. Used for high-value, high-risk, or low-confidence decisions.
ADLC (Agent Development Lifecycle)	A 6-phase methodology for building enterprise AI agents: Discover → Design → Build → Evaluate → Deploy → Operate.
Boundary Condition	A configurable threshold that controls agent behavior (e.g., confidence cutoff, dollar limit, autonomy level). Stored in the database for runtime tuning without code deployment.
Golden Case	An SME-labeled ground truth example used for evaluating agent accuracy. The gold standard for measuring agreement-with-human.
Agreement Rate	

Term	Definition
	The percentage of agent decisions that match what a human SME would have decided. Primary quality metric.
Drift	A change in the statistical distribution of agent inputs or outputs over time, potentially indicating degraded performance.
Circuit Breaker	A fault-tolerance pattern that automatically stops sending requests to a failing system, preventing cascade failures.
Writeback	An operation where the agent writes data back to an enterprise system (e.g., posting a credit memo to SAP). Requires multi-tier approval.
Value Ledger	A financial tracking system that records the dollar impact of every agent action as realized, projected, or unrealized value.
Persona	A user role configuration (AR Manager, AP Manager, Buyer, Planner, Executive) that customizes the UI layout, KPI emphasis, and MVP ordering.
OPA (Open Policy Agent)	A policy-as-code framework for defining and enforcing authorization rules, spend thresholds, and compliance checks.
Eval Harness	An automated testing framework that runs agent decisions against golden cases and measures agreement rates.
Cost Meter	A tracking system that monitors LLM token usage and cost per agent run, with per-MVP budget guardrails.
What-If Sandbox	An interactive tool for simulating the impact of boundary condition changes on agent behavior before applying them.
Autonomy Ratchet	The governance principle that agents start with low autonomy and earn more autonomous decision-making authority as their agreement rates prove reliable.

Term	Definition
Action Proposal	A structured recommendation generated by an agent, containing the proposed action, evidence, confidence, and policy evaluation. Must be approved (or auto-approved) before execution.
NBA (Next-Best Action)	The agent's prioritized recommendation for what a human operator should do next across all MVPs.
Escalation	A routing of a case to a specialized team (Legal, Audit, Supplier Quality) when it exceeds the agent's scope or authority.
Correlation ID	A unique identifier that links related events across multiple systems and tables for end-to-end tracing.
Idempotency Key	A unique identifier attached to write operations to prevent duplicate mutations when retrying failed requests.
Prompt Version	A versioned system prompt used by an agent, with semantic versioning, performance tracking, and A/B testing support.
Prompt Refinement	A suggested improvement to an agent's prompt, generated from patterns detected in SME override reasons.

Acronym Quick Reference

Acronym	Full Form
ADLC	Agent Development Lifecycle
AR	Accounts Receivable
AP	Accounts Payable
ASL	Approved Supplier List
ASN	Advanced Shipping Notice
BOL	Bill of Lading
CPG	Consumer Packaged Goods
DC	Distribution Center
DPD	Days Past Due
DPP	Demand Planning Platform
DSO	Days Sales Outstanding
GR	Goods Receipt
HITL	Human-in-the-Loop
IBP	Integrated Business Planning
LTO	Limited Time Offer
MAPE	Mean Absolute Percentage Error
MCP	Model Context Protocol
MVP	Minimum Viable Product
NBA	Next-Best Action
OPA	Open Policy Agent
PO	Purchase Order
PR	Purchase Requisition
RBAC	Role-Based Access Control
S2P	Source-to-Pay
SKU	Stock Keeping Unit

Acronym	Full Form
SOX	Sarbanes-Oxley Act
TPM	Trade Promotion Management