

Module 5

Section A: Customer Relationship Management

Term
80-20

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Section A: Customer Relationship Management

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Available inventory

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Section A: Customer Relationship Management

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Customer relationship management (CRM)

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Section A: Customer Relationship Management

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Customer segmentation

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Customer service

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Customer service ratio

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Cycle time

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Delivery cycle

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The on-hand inventory balance minus allocations, reservations, backorders, and (usually) quantities held for quality problems. Often called beginning available balance. Syn.: beginning available balance, net inventory.

A term referring to the Pareto principle. The principle suggests that most effects come from relatively few causes; that is, [a larger] percent of the effects (or sales or costs) come from [a smaller] percent of the possible causes (or items). See: ABC classification.

The practice of dividing a customer base into groups of individuals who are similar in specific ways relevant to marketing. Traditional segmentation focuses on identifying customer groups based on demographics and attributes such as attitude and psychological profiles.

A marketing philosophy based on putting the customer first. Involves the collection and analysis of information designed for sales and marketing decision support (in contrast to enterprise resources planning information) to understand and support existing and potential customer needs. Includes account management, catalog and order entry, payment processing, credits and adjustments, and other functions. Syn.: customer relations management.

1) A measure of delivery performance of finished goods or other cargo, usually expressed as a percentage. In a make-to-stock company, this percentage usually represents the number of items or dollars (on one or more customer orders) that were shipped on schedule for a specific time period, compared to the total that were supposed to be shipped in that time period. Syn.: customer service level, fill rate, order-fill ratio, percent of fill. Ant: stockout percentage. 2) In a make-to-order company, usually some comparison of the number of jobs or dollars shipped in a given time period (e.g., a week) compared with the number of jobs or dollars that were supposed to be shipped in that time period. Syn.: fill rate.

1) The ability of a company to address the needs, inquiries, and requests of customers. 2) A measure of the delivery of a product to the customer at the time the customer specified.

Syn.: delivery lead time.

1) In industrial engineering, the time between the completion of two discrete units of production. For example, [if] motors [are] assembled at a rate of 120 per hour, [this] is 30 seconds. 2) In materials management, the length of time from when material enters a production facility until it exits. Syn.: throughput time.

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Delivery lead time

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Delivery reliability

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Order cycle

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Voice of the customer (VOC)

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Section B: Order Management Process

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Advance ship notice (ASN)

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Foreign freight forwarder

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Freight claim

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Freight forwarder

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A performance criterion that measures how consistently goods and services are delivered on, or before, the promised time.

The time from the receipt of a customer order to the delivery of the product. Syn.: delivery cycle.

Actual customer descriptions in words for the functions and features customers desire for goods and services.

The progression used by a company starting with receipt of a customer's order and ending with delivery to that customer.

An entity that picks up goods at the production site and coordinates transport to the foreign customer's location.

An electronic data interchange (EDI) notification of shipment of product.

The "middle man" between the carrier and the organization shipping the product. Often combines smaller shipments to take advantage of lower bulk costs.

A formal legal claim filed by the transportation buyer that the carrier failed to protect the freight properly, seeking monetary compensation for damaged freight, delayed or incorrect deliveries, overcharges, or other service failures. The amount of damages can be up to the value of the goods had they been safely delivered on time.

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Section B: Order Management Process

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Inbound logistics

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Lead time

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Order delivery

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Order picking

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Order processing

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Order transmittal

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Outbound logistics

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Planogram

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1) A span of time required to perform a process (or series of operations). 2) In a logistics context, the time between recognition of the need for an order and the receipt of goods. Individual components [...] can include order preparation time, queue time, processing time, move or transportation time, and receiving and inspection time. Syn.: total lead time. See: manufacturing lead time, purchasing lead time.

The group in charge of moving materials from suppliers or vendors into production processes or storage facilities; the actual movement of such material.

Selecting or “picking” the required quantity of specific products for movement to a packaging area (usually in response to one or more shipping orders) and documenting that the material was moved from one location to shipping. Syn.: order selection. See: batch picking, discrete order picking, zone picking.

The duration of time between when the transportation carrier picks up a shipment and when it is received by the customer.

The time interval between a customer placing an order and when the seller receives it.

The activity required to administratively process a customer’s order and make it ready for shipment or production.

A graph or map of allotted shelf space based on an analysis of sales data indicating the best arrangement of products on a store shelf.

Every process that is involved in the shipping and holding of products after they are completed until they are received by the customer.

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Section B: Order Management Process

Term

Supplier relationship management (SRM)

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Transportation management system (TMS)

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Vendor-managed inventory (VMI)

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Work order

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A computer application system designed to manage transportation operations. This type of application typically includes modules focused on specific functions, such as intermodal transportation, import and export management, fleet service management, and load planning and optimization.

A comprehensive approach to managing an enterprise's interactions with the organizations that supply the goods and services the enterprise uses. The goal of [this] is to streamline and make more effective the processes between an enterprise and its suppliers. [It] is often associated with automating procure-to-pay business processes, evaluating supplier performance, and exchanging information with suppliers. An e-procurement system is often an example of [this type of] family of applications.

1) An order to the machine shop for tool manufacture or equipment maintenance; not to be confused with a manufacturing order. Syn.: work ticket. 2) An authorization to start work on an activity (e.g., maintenance) or product.

A means of optimizing supply chain performance in which the supplier has access to the customer's inventory data and is responsible for maintaining the inventory level required by the customer. Accomplished by a process in which resupply is performed by the vendor through regularly scheduled reviews of the on-site inventory. The on-site inventory is counted, damaged or outdated goods are removed, and the inventory is restocked to predefined levels. The vendor obtains a receipt for the restocked inventory and accordingly invoices the customer. See: continuous replenishment.