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| <div>Module 5</div> <div>Section A: Customer Relationship Management</div> <div>Term</div> <div>80-20</div> <div>APICS CLTD Learning System© 2024</div>                                  | <div>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.</div>                                                                                                                                                                               |
| <div>Module 5</div> <div>Section A: Customer Relationship Management</div> <div>Term</div> <div>Available inventory</div> <div>APICS CLTD Learning System© 2024</div>                    | <div>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.</div>                                                                                                                                                                                                                                 |
| <div>Module 5</div> <div>Section A: Customer Relationship Management</div> <div>Term</div> <div>Customer relationship management (CRM)</div> <div>APICS CLTD Learning System© 2024</div> | <div>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.</div> |
| <div>Module 5</div> <div>Section A: Customer Relationship Management</div> <div>Term</div> <div>Customer segmentation</div> <div>APICS CLTD Learning System© 2024</div>                  | <div>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.</div>                                                                                                                                                                              |

**Module 5**  
*Section A: Customer Relationship Management*

**Term**  
Customer service

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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.

**Module 5**  
*Section A: Customer Relationship Management*

**Term**  
Customer service ratio

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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.

**Module 5**  
*Section A: Customer Relationship Management*

**Term**  
Cycle time

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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.

**Module 5**  
*Section A: Customer Relationship Management*

**Term**  
Delivery cycle

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Syn.: delivery lead time.

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| <b>Module 5</b><br><i>Section A: Customer Relationship Management</i> |                                                                                                     |
| <b>Term</b><br>Delivery lead time                                     | The time from the receipt of a customer order to the delivery of the product. Syn.: delivery cycle. |
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| <b>Module 5</b><br><i>Section A: Customer Relationship Management</i> |                                                                                                                           |
| <b>Term</b><br>Delivery reliability                                   | A performance criterion that measures how consistently goods and services are delivered on, or before, the promised time. |
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| <b>Module 5</b><br><i>Section A: Customer Relationship Management</i> |                                                                                                                          |
| <b>Term</b><br>Order cycle                                            | The progression used by a company starting with receipt of a customer's order and ending with delivery to that customer. |
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| <b>Module 5</b><br><i>Section A: Customer Relationship Management</i> |                                                                                                               |
| <b>Term</b><br>Voice of the customer (VOC)                            | Actual customer descriptions in words for the functions and features customers desire for goods and services. |
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**Module 5**

*Section B: Order Management Process*

**Term**

Advance ship notice (ASN)

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

**Module 5**

*Section B: Order Management Process*

**Term**

Foreign freight forwarder

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

**Module 5**

*Section B: Order Management Process*

**Term**

Freight claim

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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.

**Module 5**

*Section B: Order Management Process*

**Term**

Freight forwarder

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

## Module 5

### Section B: Order Management Process

#### Term

Inbound logistics

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

## Module 5

### Section B: Order Management Process

#### Term

Lead time

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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.

## Module 5

### Section B: Order Management Process

#### Term

Order delivery

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

## Module 5

### Section B: Order Management Process

#### Term

Order picking

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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.

## Module 5

### Section B: Order Management Process

#### Term

Order processing

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

## Module 5

### Section B: Order Management Process

#### Term

Order transmittal

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

## Module 5

### Section B: Order Management Process

#### Term

Outbound logistics

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

## Module 5

### Section B: Order Management Process

#### Term

Planogram

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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.

## Module 5

### Section B: Order Management Process

#### Term

Supplier relationship management (SRM)

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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.

## Module 5

### Section B: Order Management Process

#### Term

Transportation management system (TMS)

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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.

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### Section B: Order Management Process

#### Term

Vendor-managed inventory (VMI)

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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.

## Module 5

### Section B: Order Management Process

#### Term

Work order

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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.