

Module 3
Section A: Enable Customer Relationship Management (CRM)

Term
80-20 rule

APICS CLTD Learning System © 2026

A term referring to the Pareto principle. The principle suggests that most effects come from relatively few causes; that is, 80 percent of the effects (or sales or costs) come from 20 percent of the possible causes (or items). See: ABC classification, category management, Pareto analysis, Pareto's law.

Module 3
Section A: Enable Customer Relationship Management (CRM)

Term
Available inventory

APICS CLTD Learning System © 2026

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

Module 3
Section A: Enable Customer Relationship Management (CRM)

Term
Customer relationship management (CRM)

APICS CLTD Learning System © 2026

A marketing process or tool based on putting the customer first. It involves the collection and analysis of information designed for sales and marketing decision support to understand and support existing and potential customer needs. CRM also includes account management, catalog and order entry, payment processing, credits and adjustments, and other functions, and may be integrated with an enterprise resource planning (ERP) system for end-to-end customer satisfaction. See: customer relationship management (CRM) system.

Module 3
Section A: Enable Customer Relationship Management (CRM)

Term
Customer segmentation

APICS CLTD Learning System © 2026

The practice of dividing a customer base into groups that 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. See: market segmentation.

Module 3

Section A: Enable Customer Relationship Management (CRM)

Term

Customer service

APICS CLTD Learning System

© 2026

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 3

Section A: Enable Customer Relationship Management (CRM)

Term

Customer service ratio

APICS CLTD Learning System

© 2026

A measure of delivery performance of finished goods, usually expressed as a percentage. In a make-to-stock (MTS) environment, this percentage usually represents the number of items or dollars that were shipped on schedule for a specific time period, compared with the total that was supposed to be shipped in that time period. In a make-to-order (MTO) environment, it is usually a comparison of the number of jobs or dollars shipped in a given time period compared with the number of jobs or dollars scheduled. Syns.: customer service level, fill rate, percent of fill. Ant.: stockout percentage.

Module 3

Section A: Enable Customer Relationship Management (CRM)

Term

Cycle time

APICS CLTD Learning System

© 2026

1) In industrial engineering, the time between the completion of two discrete units of production. For example, the cycle time of motors assembled at a rate of 120 per hour 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 3

Section A: Enable Customer Relationship Management (CRM)

Term

Delivery lead time

APICS CLTD Learning System

© 2026

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

Module 3

Section A: Enable Customer Relationship Management (CRM)

Term
Delivery reliability

APICS CLTD Learning System

© 2026

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

Module 3

Section A: Enable Customer Relationship Management (CRM)

Term
Order cycle

APICS CLTD Learning System

© 2026

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

Module 3

Section A: Enable Customer Relationship Management (CRM)

Term
Voice of the customer (VOC)

APICS CLTD Learning System

© 2026

Actual customer descriptions in words for the functions and features customers desire for goods and services. In the strict definition, as related to quality function deployment, the term customer indicates the external customer of the supplying entity. See: design for six sigma (DFSS), form-fit-function.

Module 3

Section B: Enable Outbound and Inbound Order Management

Term
Advanced shipping notice (ASN)

APICS CLTD Learning System

© 2026

A notification sent by the shipper to the purchasing organization prior to the shipment leaving the facility, which provides the receiver sufficient time to prepare for delivery of the shipment. The ASN is often sent via electronic data interchange (EDI) and includes all relevant shipment details such as item descriptions, quantities, and tracking information.

Module 3

Section B: Enable Outbound and Inbound Order Management

Term
Freight claim

APICS CLTD Learning System

© 2026

A formal legal claim filed to seek 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 3

Section B: Enable Outbound and Inbound Order Management

Term
Freight forwarder

APICS CLTD Learning System

© 2026

A company that arranges for shipments between the shipper and the carrier. A freight forwarder often combines smaller shipments to take advantage of lower bulk costs.

Module 3

Section B: Enable Outbound and Inbound Order Management

Term
Inbound logistics

APICS CLTD Learning System

© 2026

All activities related to the flow of materials and information from suppliers to a downstream facility.

Module 3

Section B: Enable Outbound and Inbound Order Management

Term
International freight forwarder

APICS CLTD Learning System

© 2026

An entity that arranges and coordinates the transportation of goods from the production site or seller's storage facility to the customer's location in another country.

Module 3

Section B: Enable Outbound and Inbound Order Management

Term
Lead time

APICS CLTD Learning System

© 2026

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 of lead time 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 3

Section B: Enable Outbound and Inbound Order Management

Term
Order delivery

APICS CLTD Learning System

© 2026

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

Module 3

Section B: Enable Outbound and Inbound Order Management

Term
Order picking

APICS CLTD Learning System

© 2026

The selection or retrieval of the required quantity of specific products for movement to a packaging area (usually in response to one or more shipping orders) and the documentation that the items were moved to shipping. Syn.: order selection. See: batch picking, discrete order picking, zone picking.

Module 3

Section B: Enable Outbound and Inbound Order Management

Term
Order processing

APICS CLTD Learning System

© 2026

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

Module 3

Section B: Enable Outbound and Inbound Order Management

Term
Order transmittal

APICS CLTD Learning System

© 2026

The process of transferring order information from the customer to the supplier who will fulfill the request. See: order placement.

Module 3

Section B: Enable Outbound and Inbound Order Management

Term
Outbound consolidation

APICS CLTD Learning System

© 2026

The gathering of a number of small shipments to a variety of customers into a larger load, which is then shipped to a point near the customers where it is broken down for delivery.

Module 3

Section B: Enable Outbound and Inbound Order Management

Term
Outbound logistics

APICS CLTD Learning System

© 2026

The group of processes involved in the shipping and holding of products after they are completed until they are received by the customer.

Module 3

Section B: Enable Outbound and Inbound Order Management

Term
Planogram

APICS CLTD Learning System

© 2026

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 3

Section B: Enable Outbound and Inbound Order Management

Term

Supplier relationship management (SRM)

APICS CLTD Learning System

© 2026

A comprehensive approach to managing an enterprise's interactions with the organizations that supply the goods and services the enterprise uses. The goal of SRM is to streamline and make more effective the processes between an enterprise and its suppliers. SRM 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 an SRM family of applications.

Module 3

Section B: Enable Outbound and Inbound Order Management

Term

Transportation management system (TMS)

APICS CLTD Learning System

© 2026

A computer application system designed to plan, execute, and 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.

Module 3

Section B: Enable Outbound and Inbound Order Management

Term

Vendor-managed inventory (VMI)

APICS CLTD Learning System

© 2026

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. Based upon an agreed-to service level and inventory performance objectives, the supplier monitors inventory activity and levels and plans for and replenishes its customer's inventory with minimal transactional involvement by the customer. The vendor invoices the customer based on the replenishment that occurs. See: co-managed inventory (CMI), continuous replenishment.

Module 3

Section B: Enable Outbound and Inbound Order Management

Term

Work order

APICS CLTD Learning System

© 2026

1) An order to the machine shop for tool manufacture or equipment maintenance. This is 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.