

Fold each printed sheet in half lengthwise. The left side of the document will list the term and the right side will list the definition. Tape or staple the open edges of your flashcards. Cut out your flashcards on the solid lines indicated and fold them on the dotted lines.

**Module 6: Section A:  
Customer Relationships**

**Term**

customer relationship management (CRM)

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**Definition**

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.

**Module 6: Section A:  
Customer Relationships**

**Term**

customer segmentation

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**Definition**

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.

**Module 6: Section A:  
Customer Relationships**

**Term**

customer driven

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**Definition**

A company's consideration of customer wants and desires in deciding what is produced and its quality.

**Module 6: Section A:  
Customer Relationships**

**Term**

voice of the customer (VOC)

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**Definition**

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 (QFD), the term customer indicates the external customer of the supplying entity.

**Module 6: Section A:  
Customer Relationships**

**Term**  
churn

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**Definition**

The process of customers changing their buying preferences because they find better and/or cheaper products and services elsewhere. The internet makes it easy for customers to shop electronically in search of a better deal.

**Module 6: Section A:  
Customer Relationships**

**Term**  
data warehouse

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**Definition**

A repository of data that has been specially prepared to support decision-making applications. Syn: decision-support data. See: information data warehouse.

**Module 6: Section A:  
Customer Relationships**

**Term**  
customer service ratio

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**Definition**

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 6: Section A:  
Customer Relationships**

**Term**  
on-time delivery

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**Definition**

A metric measuring the percent of receipts that were received on time by customers. See: on-time in full.

**Module 6: Section A:  
Customer Relationships**

**Term**  
on-time in full (OTIF)

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**Definition**

A delivery scoring system in which a target delivery goal-usually expressed as a percentage-is set, and the deliverer tries to meet that delivery goal fully and by the delivery date.

**Module 6: Section A:  
Customer Relationships**

**Term**  
cycle time

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**Definition**

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 6: Section B: Supplier  
and Supply Chain Relationships**

**Term**  
strategic alliance

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**Definition**

A relationship formed by two or more organizations that share information (proprietary), participate in joint investments, and develop linked and common processes to increase the performance of both companies. Many organizations form [these] to increase the performance of their common supply chain.

**Module 6: Section B: Supplier  
and Supply Chain Relationships**

**Term**  
supplier relationship management (SRM)

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**Definition**

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 6: Section B: Supplier  
and Supply Chain Relationships**

**Term**  
strategic sourcing

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**Definition**

A comprehensive approach for locating and sourcing key material suppliers, which often includes the business process of analyzing total-spend-for-material spend categories. Includes a focus on the development of long-term relationships with trading partners who can help the purchaser meet profitability and customer satisfaction goals. From an information technology applications perspective, includes automation of requests for quote (RFQ), requests for proposal (RFP), electronic auctioning (e-auction or reverse auction), and contract management processes.

**Module 6: Section B: Supplier  
and Supply Chain Relationships**

**Term**  
tactical buying

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**Definition**

The purchasing process focused on transactions and nonstrategic material buying. Closely aligned with the "ordering" portion of executing the purchasing transaction process. Its characteristics include stable, limited fluctuations; defined standard specifications noncritical to production; no delivery issues; and high reliability concerning quality-standard material with very little concern for rejects. See: strategic sourcing.

**Module 6: Section B: Supplier  
and Supply Chain Relationships**

**Term**  
single-source supplier

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**Definition**

A company that is selected to have 100 percent of the business for a part although alternate suppliers are available. See: sole-source supplier.

**Module 6: Section B: Supplier  
and Supply Chain Relationships**

**Term**  
multisourcing

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**Definition**

Procurement of a good or service from more than one independent supplier. Syn: multiple sourcing. Ant: single sourcing. See: dual sourcing.

**Module 6: Section B: Supplier  
and Supply Chain Relationships**

**Term**  
sole source

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**Definition**

The situation where the supply of a product is available from only one organization. Usually technical barriers such as patents preclude other suppliers from offering the product. See: single sourcing.

**Module 6: Section B: Supplier  
and Supply Chain Relationships**

**Term**  
alliance development

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**Definition**

Strengthening the capabilities of a key supplier.

**Module 6: Section B: Supplier  
and Supply Chain Relationships**

**Term**  
joint venture

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**Definition**

An agreement between two or more firms to risk equity capital to attempt a specific business objective.

**Module 6: Section B: Supplier  
and Supply Chain Relationships**

**Term**  
supplier certification

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**Definition**

Certification procedures verifying that a supplier operates, maintains, improves, and documents effective procedures that relate to the customer's requirements. Such requirements can include cost, quality, delivery, flexibility, maintenance, safety, and ISO quality and environmental standards.

**Module 6: Section B: Supplier  
and Supply Chain Relationships**

**Term**  
virtual organization

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**Definition**

Short-term alliances between independent organizations in a potentially long-term relationship to design, produce, and distribute a product. Organizations cooperate based on mutual values and act as a single entity to third parties.

**Module 6: Section B: Supplier  
and Supply Chain Relationships**

**Term**  
communication management plan

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**Definition**

A document that describes the communications needs and expectations within a project, including format, dates, locations, and responsibilities.

**Module 6: Section B: Supplier  
and Supply Chain Relationships**

**Term**

stakeholder relationship management

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**Definition**

Addressing and managing the competing priorities, needs, and concerns of internal and external stakeholders in a proactive and sustained manner, resulting in decreased cost and enhanced stakeholder acceptance or buy-in.