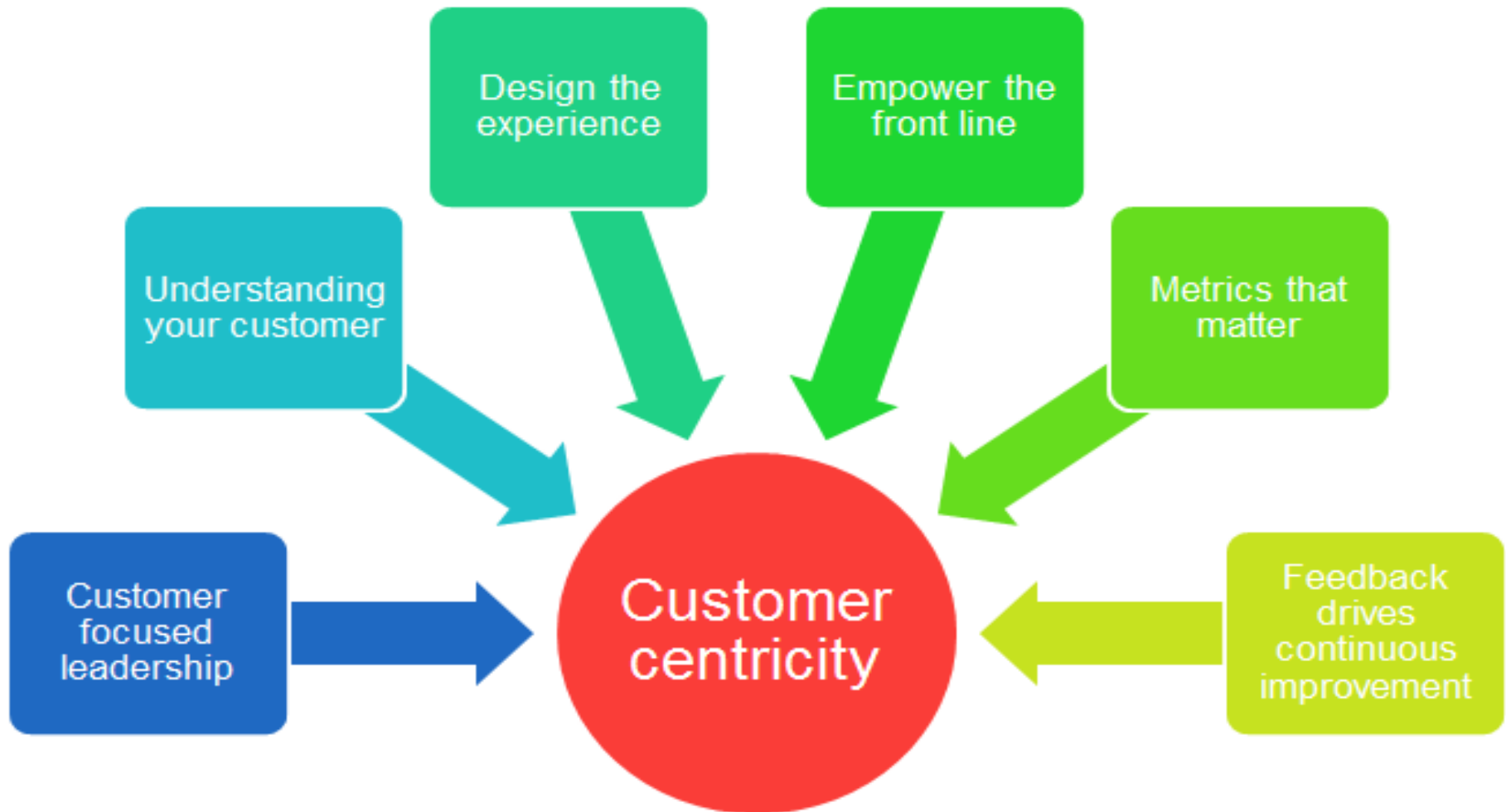


# SUPPLY CHAIN MANAGEMENT CUSTOMER RESPONSE SYSTEMS

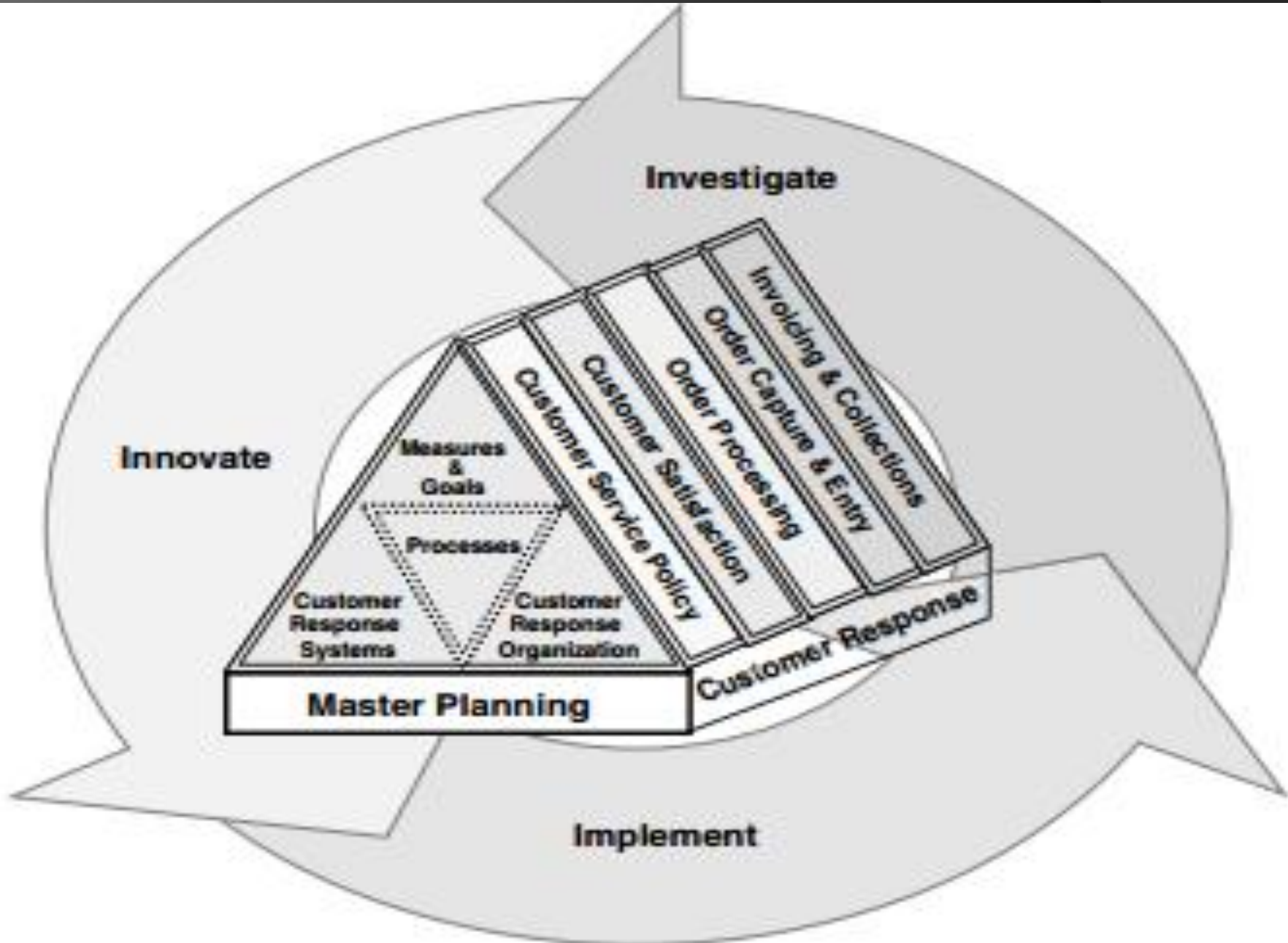


# CUSTOMER RESPONSE FUNDAMENTALS AND NOTATIONS

There are five activities in customer response (CR):

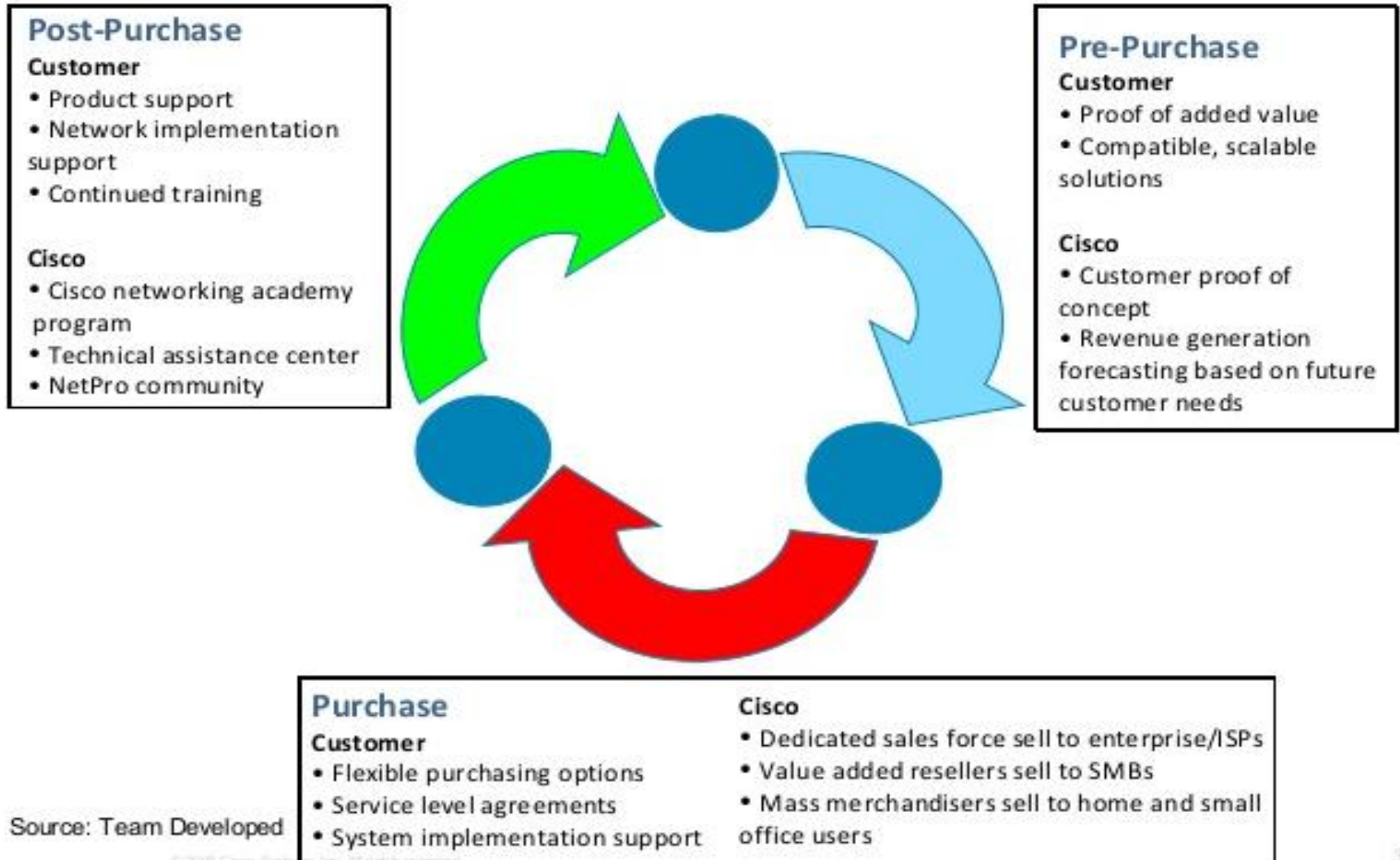
- Customer service policy design
- Customer satisfaction monitoring
- Order entry
- Order processing
- Invoicing and collections

# Customer response master planning.



# CUSTOMER ACTIVITY PROFILING

## Customer Activity Cycle



Source: Team Developed

© 2008 Cisco Systems

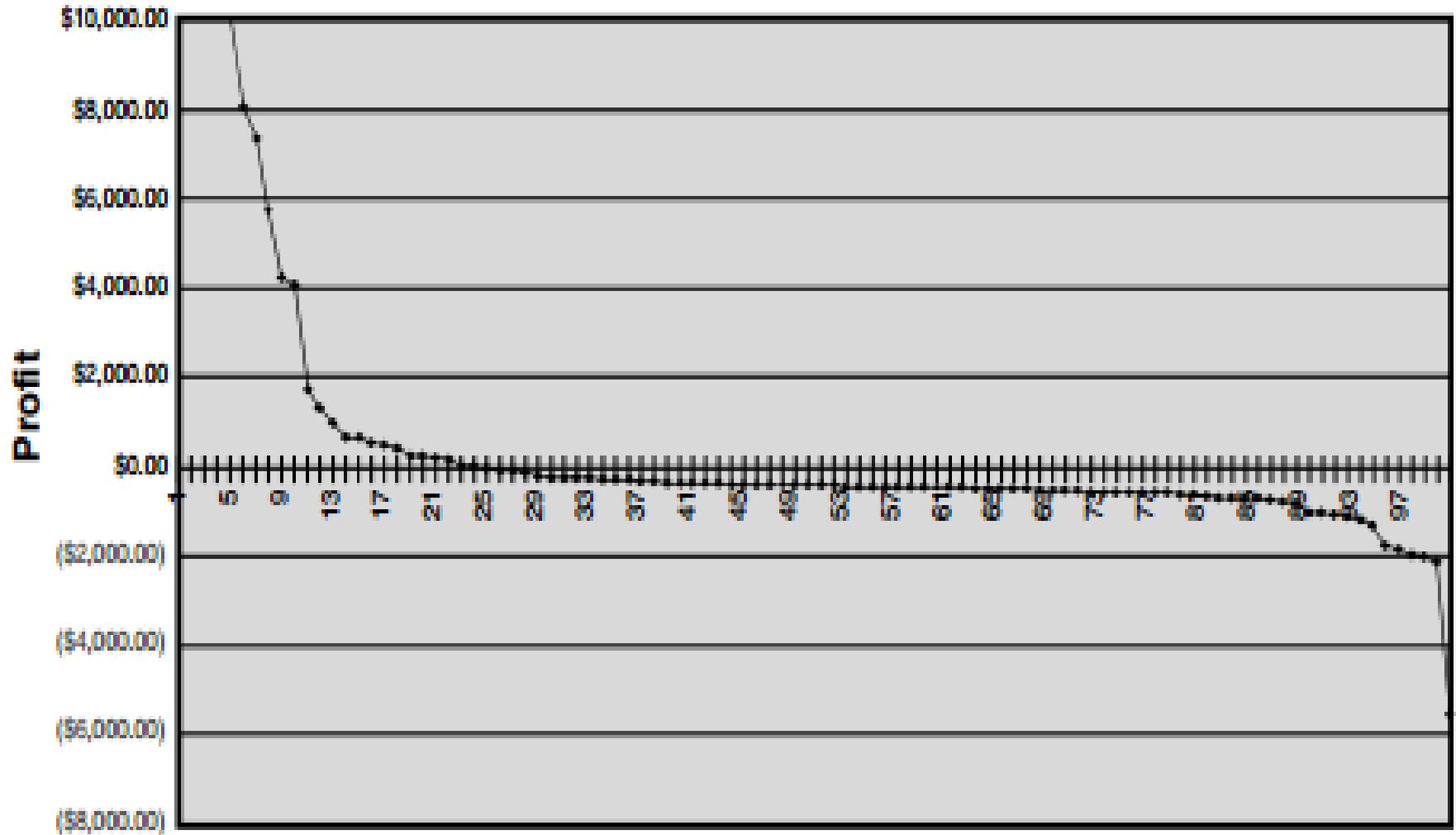
# Customer Sales Activity Profile (CSAP)



# Item Sales Activity Profile (ISAP)

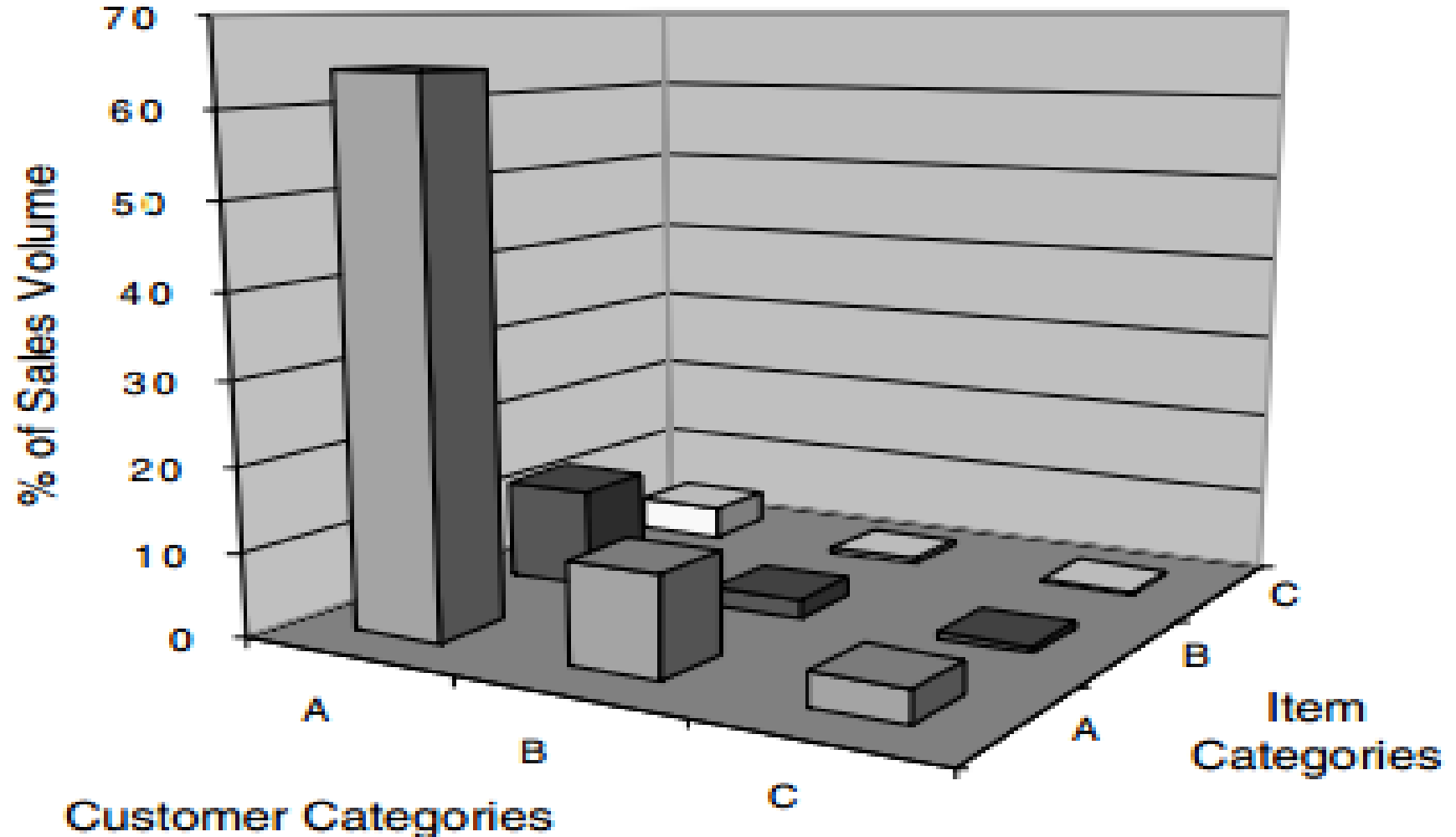
## Item profitability profile

Item Profitability

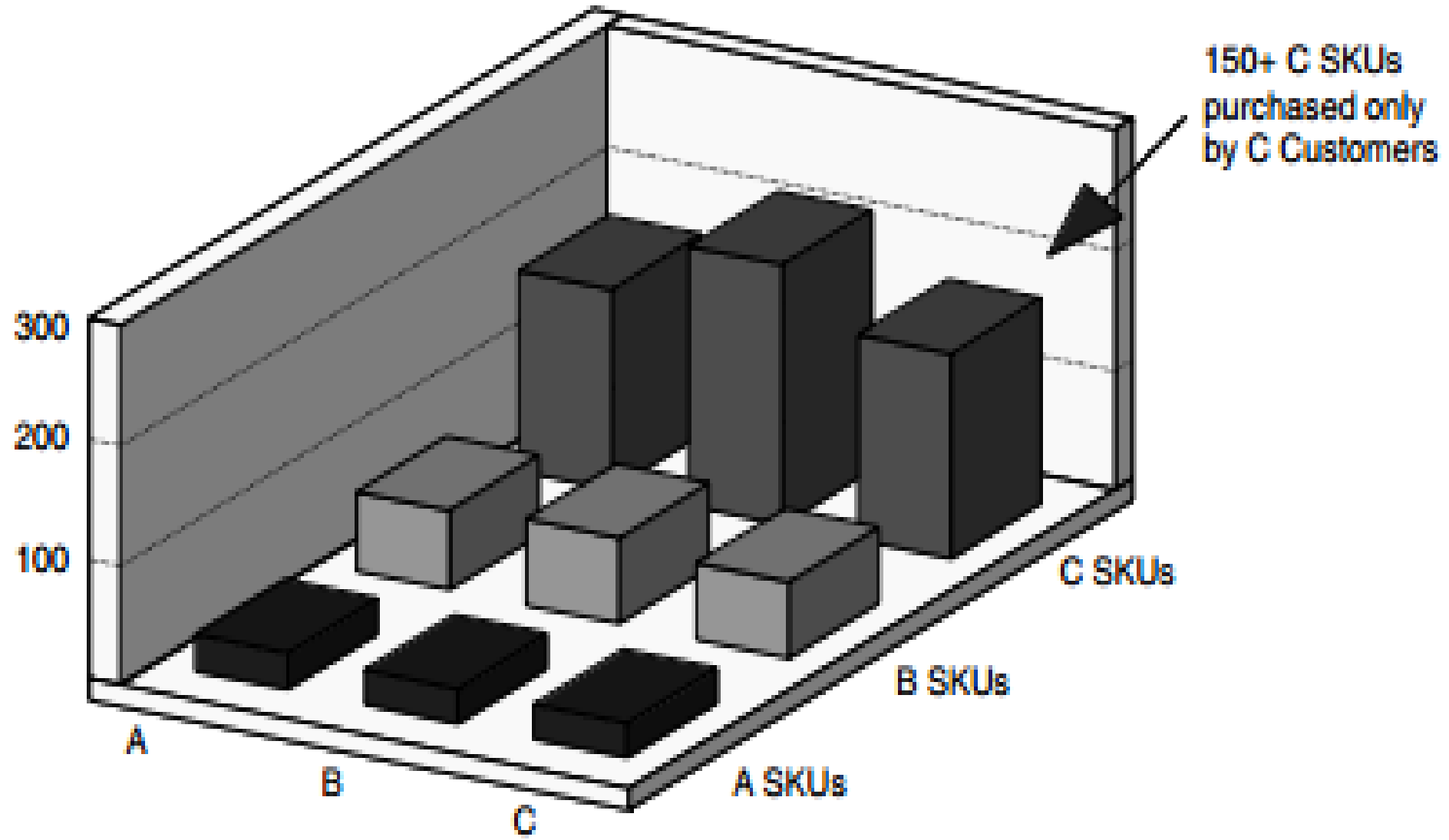


# Customer-Item Sales Activity Profile (CISAP)

Example of a customer-item sales activity profile



# Customer-item SKU activity profile.



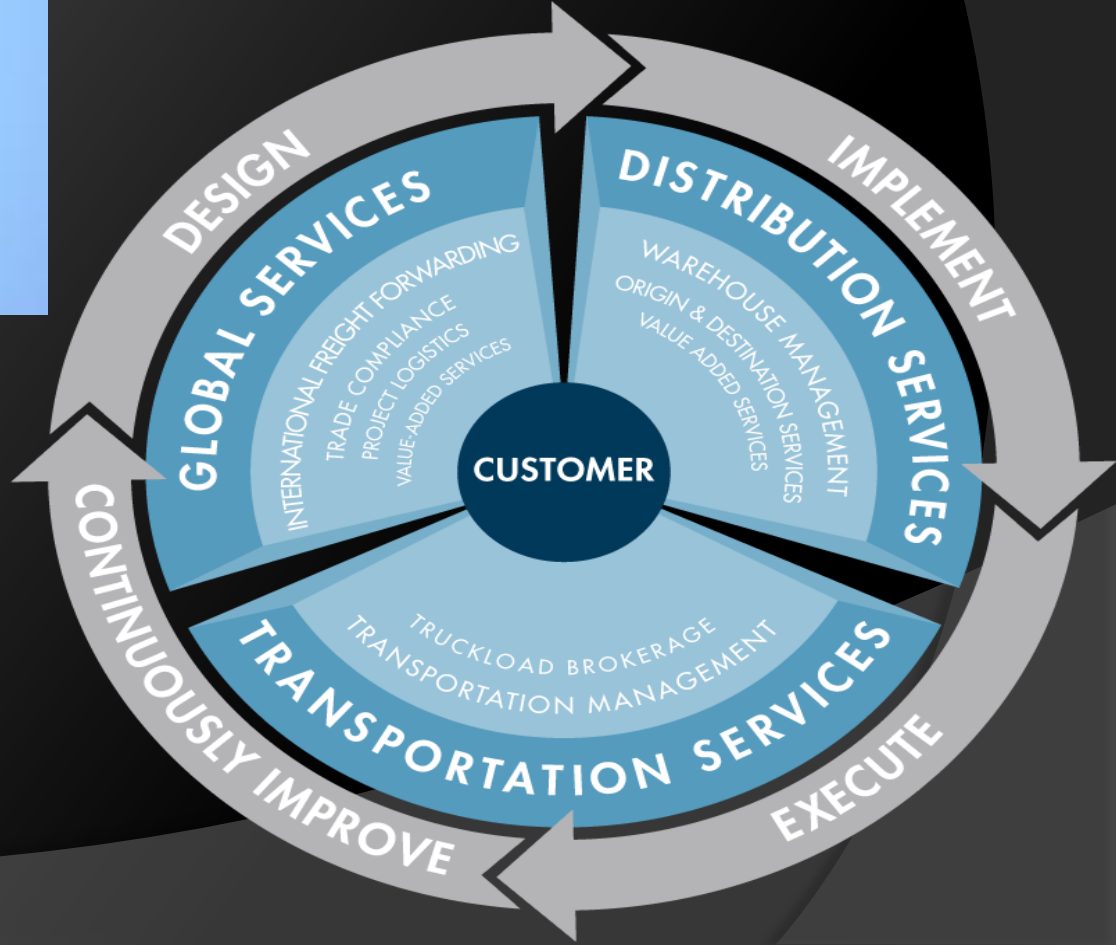
Customer Categories

# CUSTOMER RESPONSE PERFORMANCE MEASURES

## Performance Measures



# CUSTOMER SERVICE POLICY DESIGN

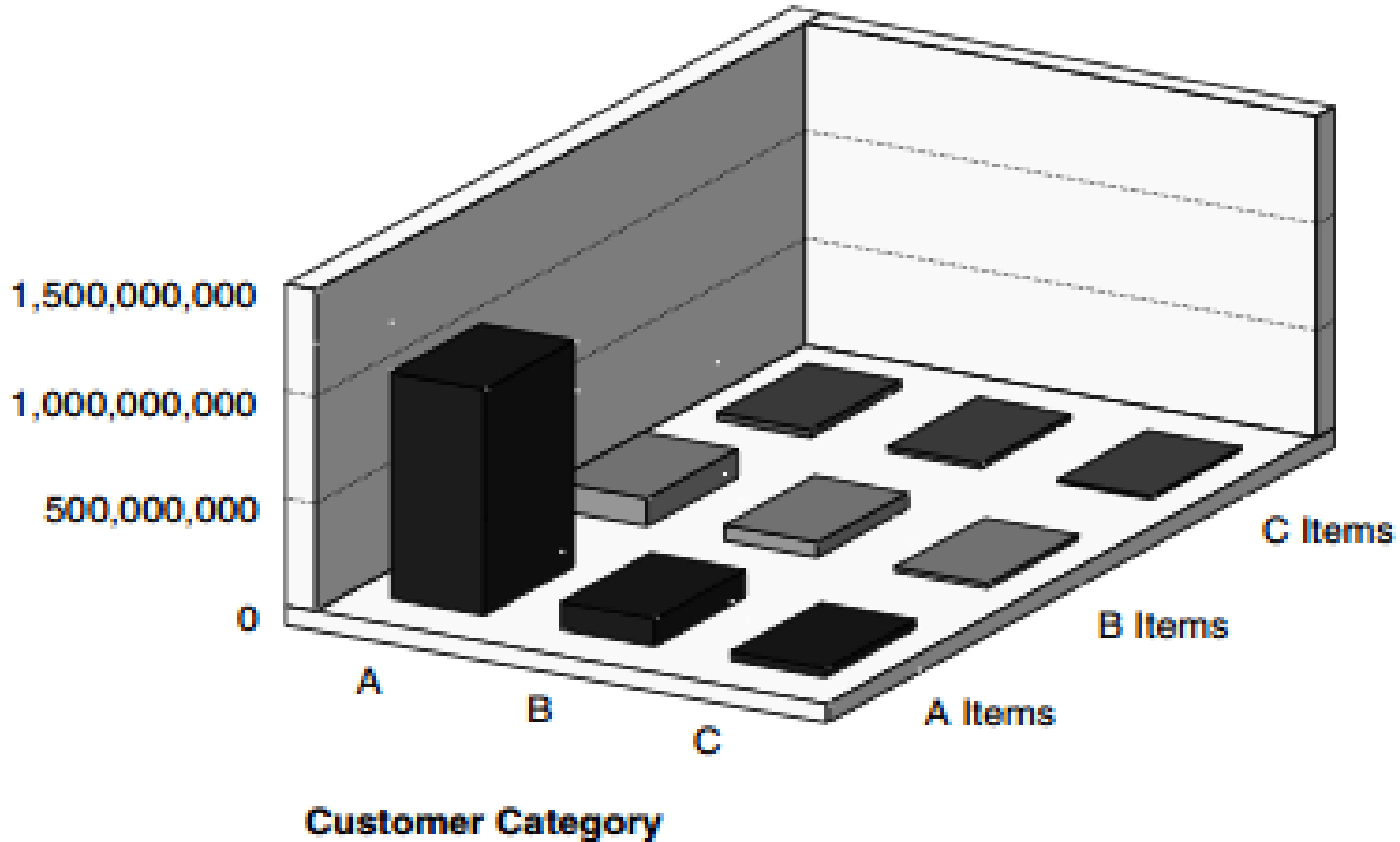


CSPs usually reflect the culture and logistics maturity of the company. CSPs can be labeled as the following:

- ⦿ Ad-hoc
- ⦿ Well-defined exuberance
- ⦿ One-size-fits-all
- ⦿ Mature

# Customer activity profile

## Customer-Item ABC



# Customer Segmentation Planning Template

## Customer Classification Criteria

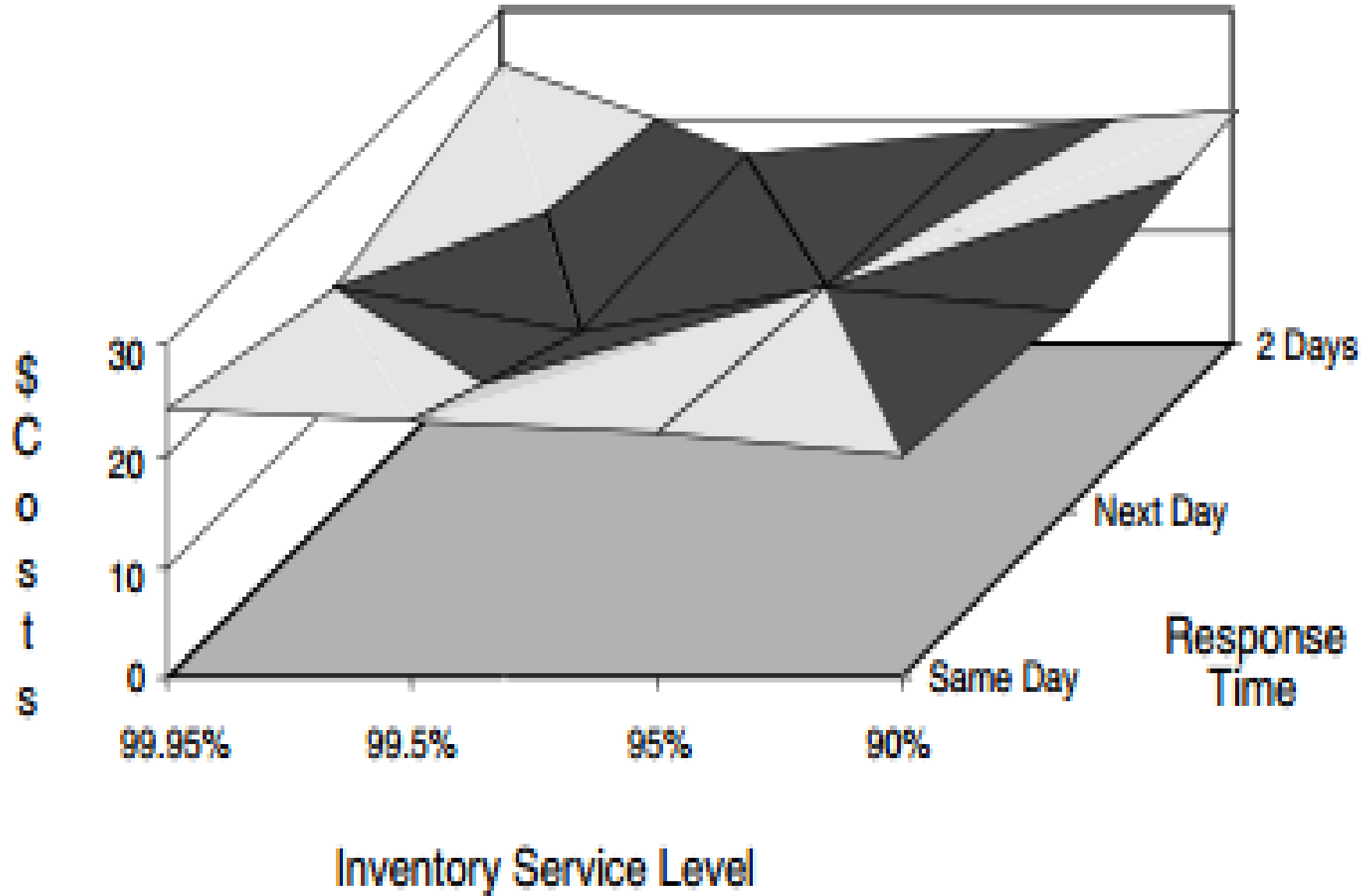
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1. Sales Volume	2. Profitability	3. Payment History	4. Future Growth	5. Relationship with Competition
Customer Segment	% Customers by Segment	% Sales by Segment	Numbers of Customers per Segment	Names of Customers in Segment
A	5%	80%	x	Name 1 . . .
B	15%	15%	y	Name 2 . . .
C	80%	5%	z	Name 3 . . .

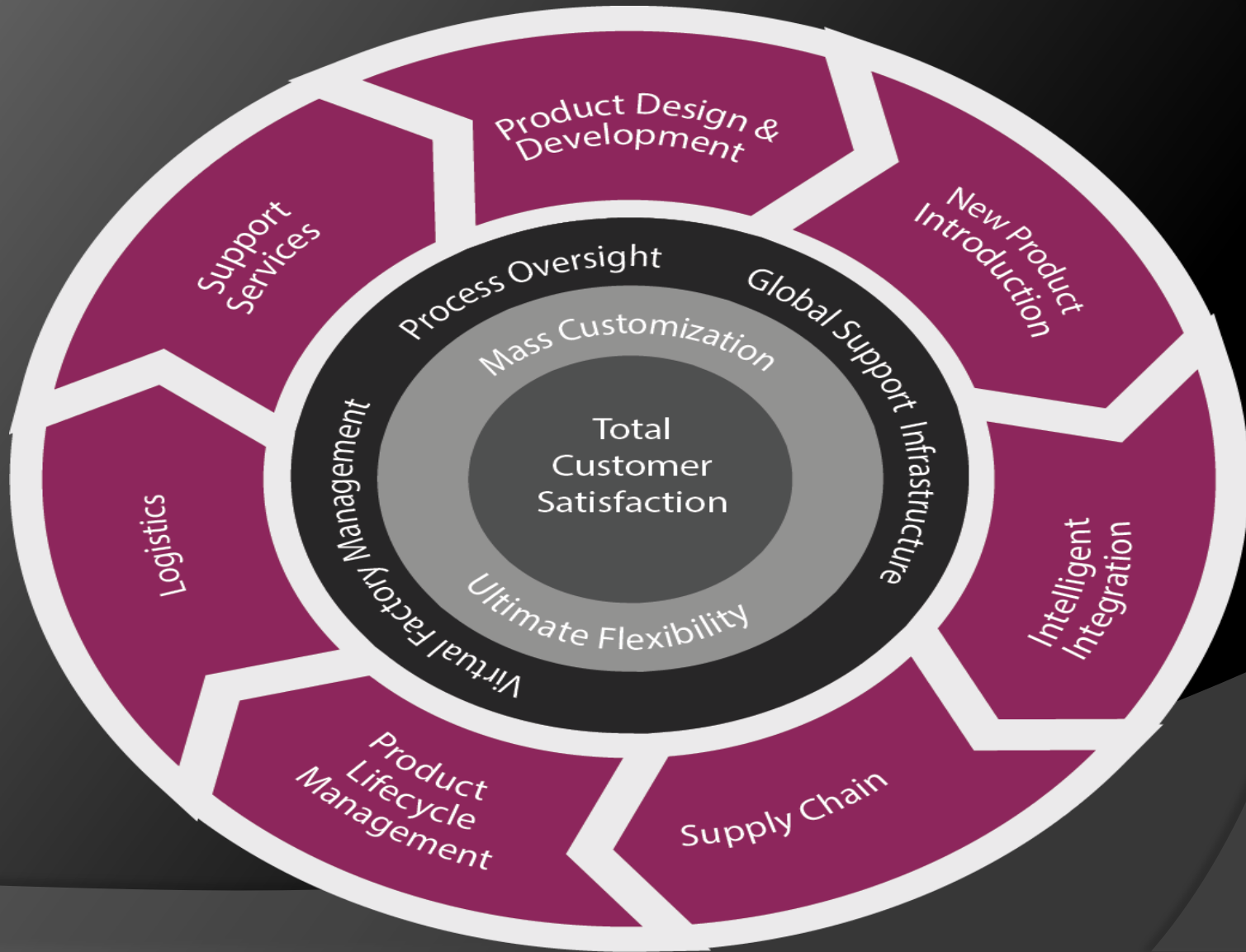
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# Fill Rate—Response Time Computations

## Optimal logistics policy exchange curves



# CUSTOMER SATISFACTION MONITORING



## Customer Satisfaction Management

### Systematic Analysis and Monitoring

- Customer Feedback Database
- Customer Satisfaction Survey
- Customer Claim Prediction

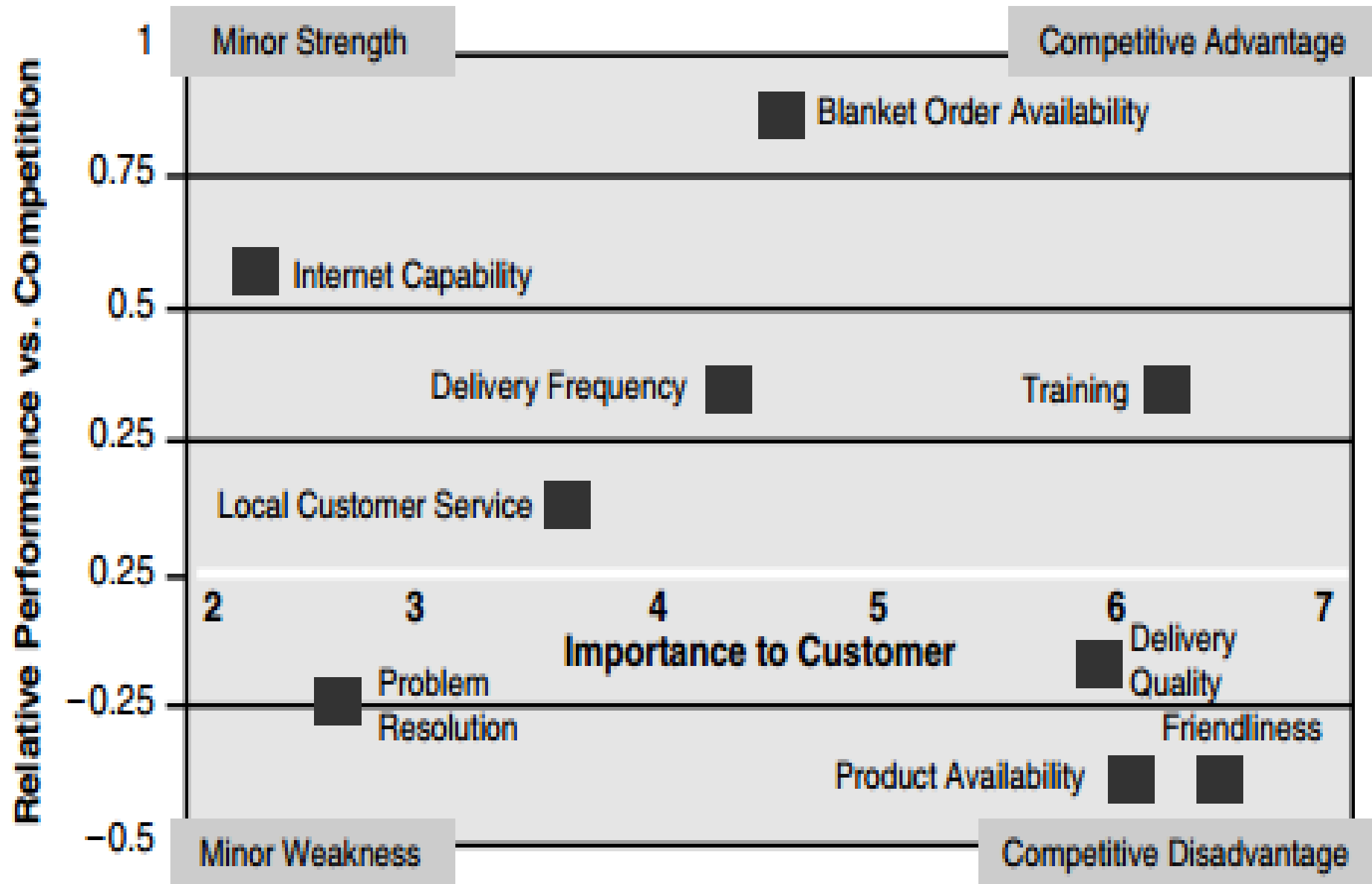
### Creative Service Training

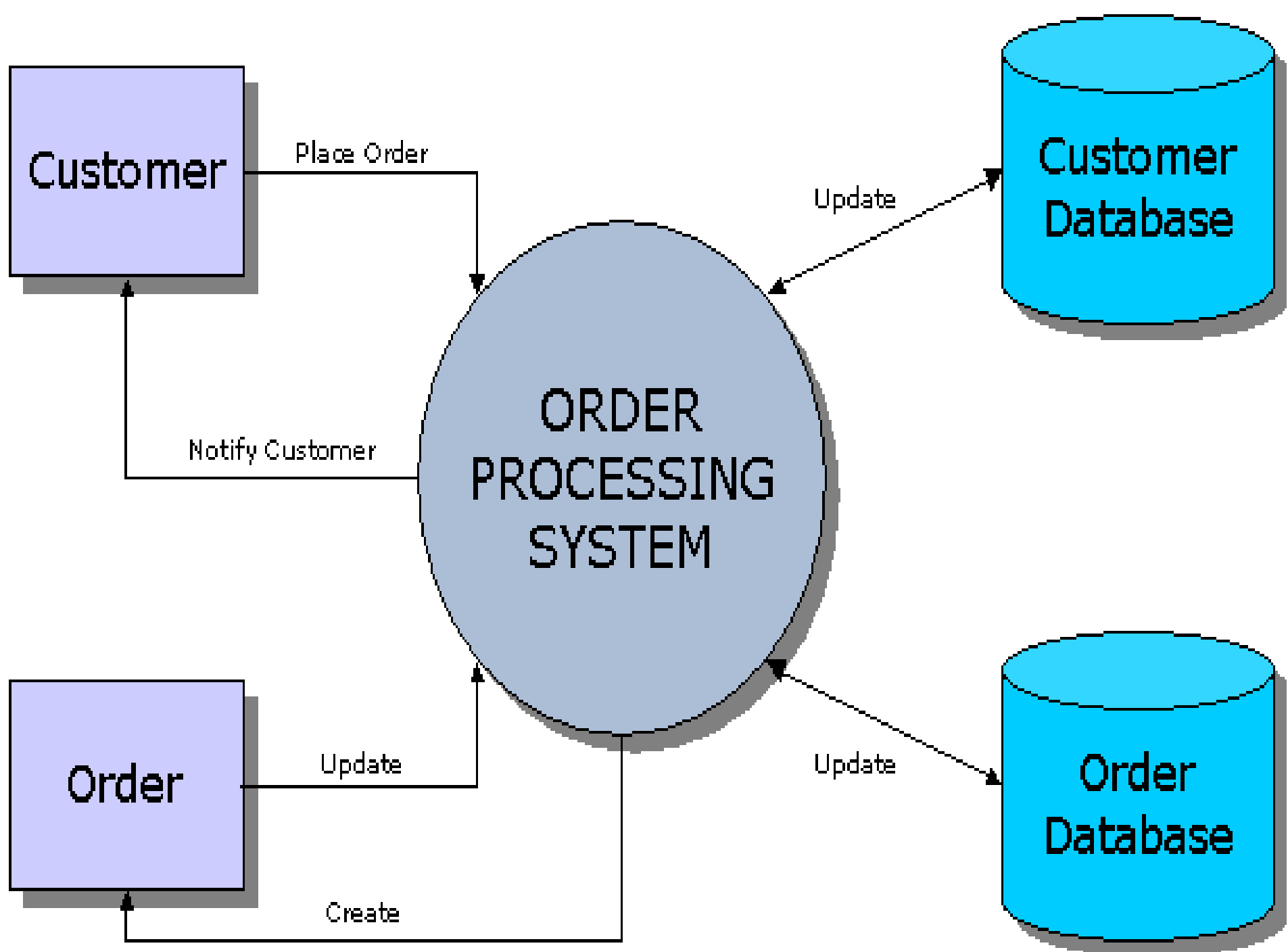
- Service Academy
- Benchmarking for Other Corporations
- Proactive Service Training

### Employee Satisfaction as Customer Satisfaction

- Innovative Corporate Culture
- Pleasant Work Environment
- Employee Award Programs

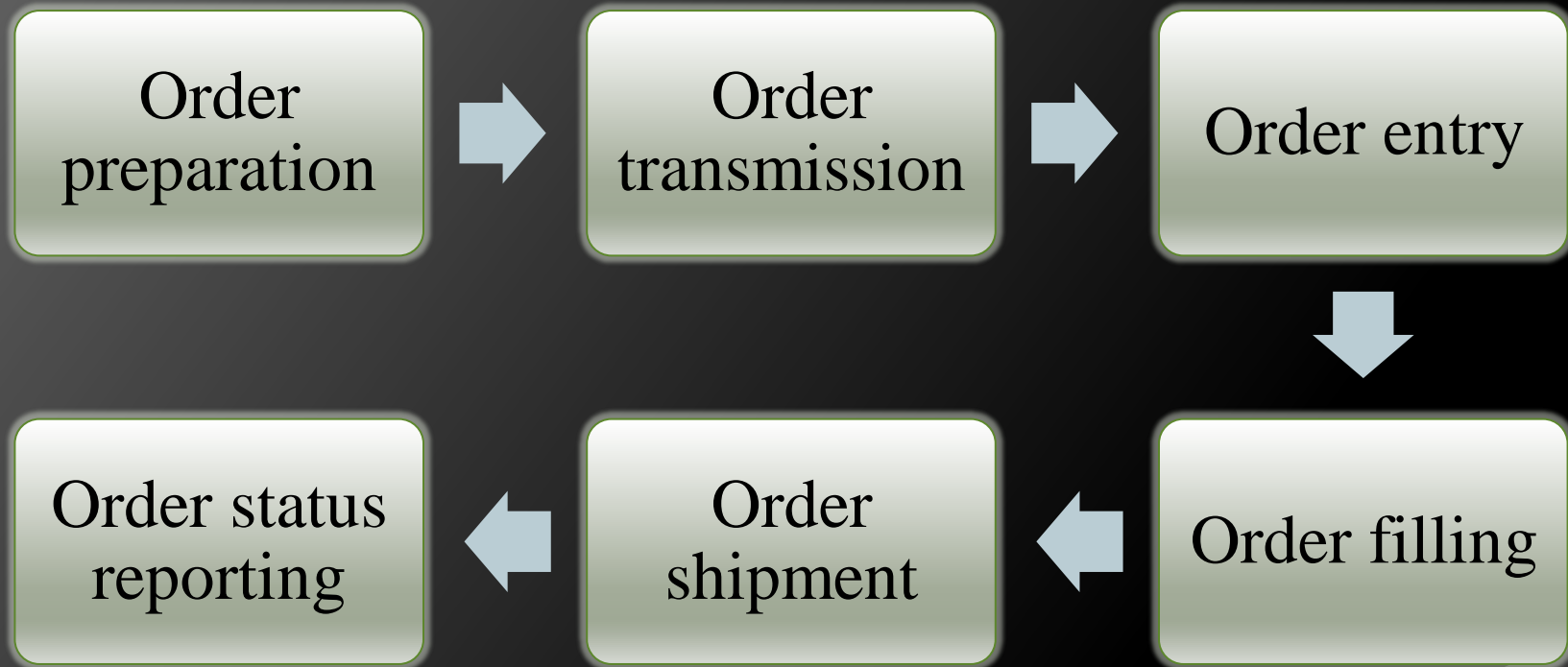
# A customer satisfaction grid





# ORDER PROCESSING

Typical elements of order processing

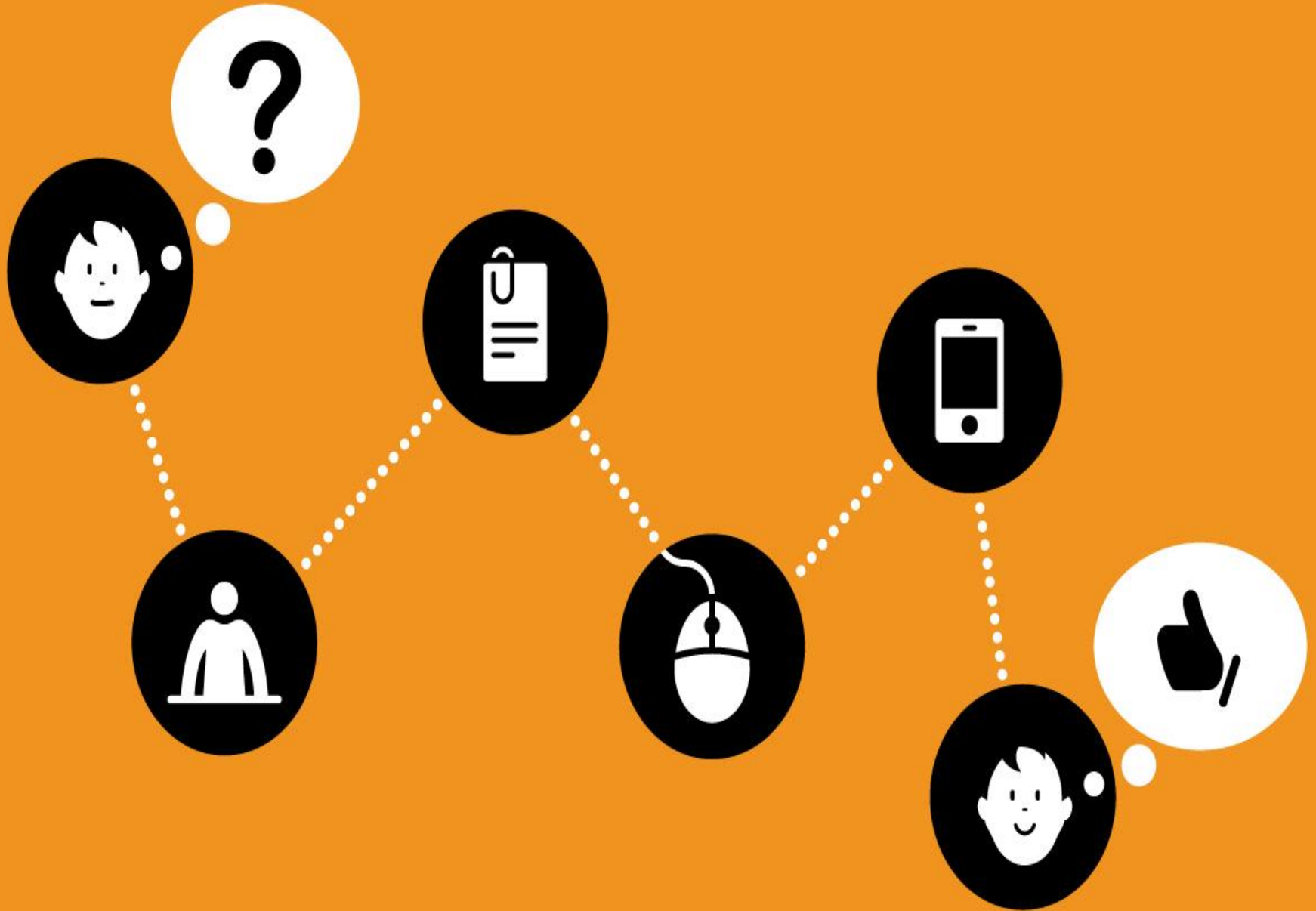


# ORDER PROCESSING

There are a few tips to keep in mind during processing of order.

- ⦿ Use a standard order-taking form
- ⦿ Do not accept incomplete order forms
- ⦿ Confirm the order with the customer
- ⦿ Circulate the filled out order form internally
- ⦿ Let the customer know the order status
- ⦿ Ask for customer feedback

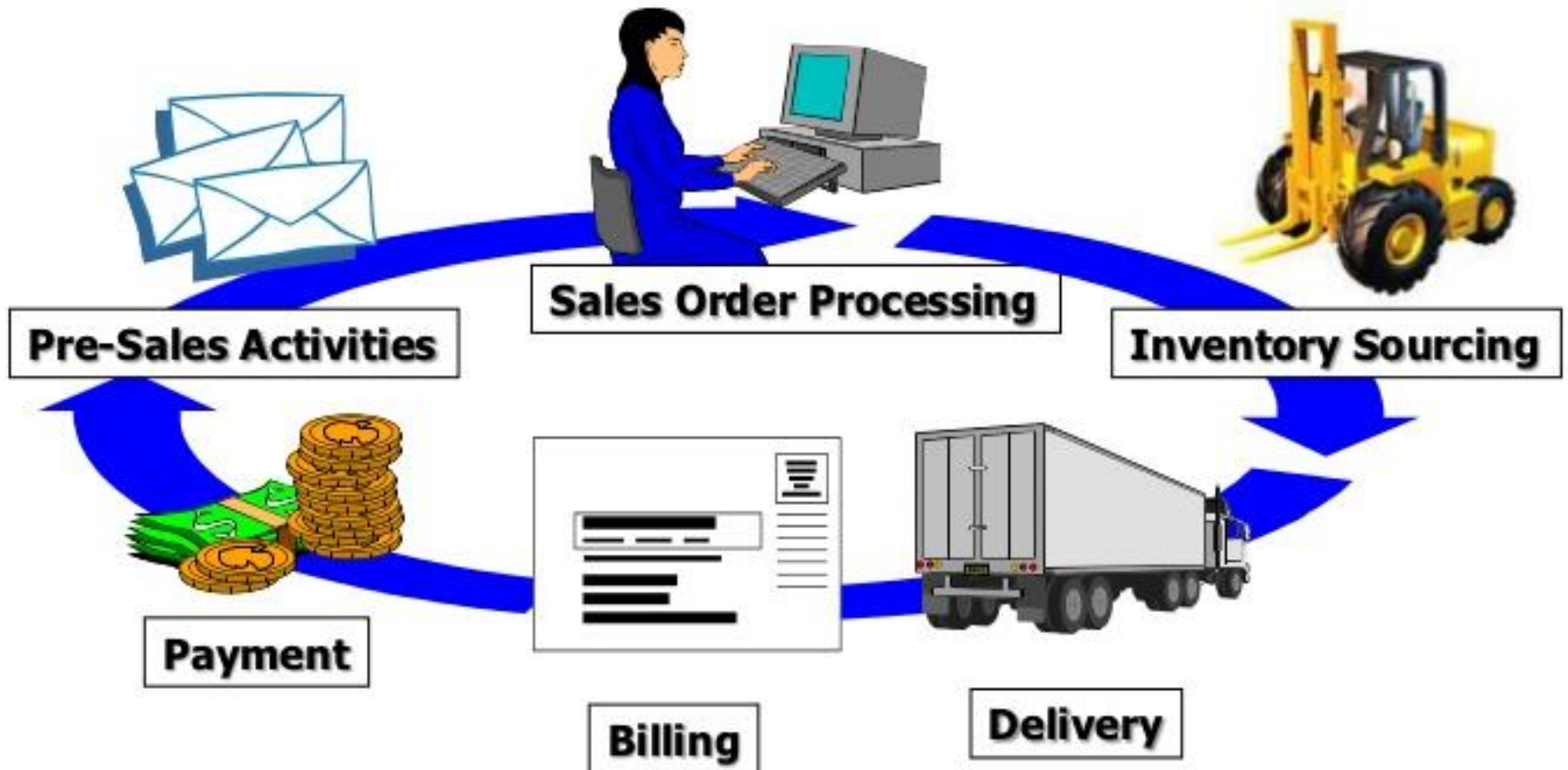
# ORDER PROCESSING



Order processing is set of activities and it includes various types such as:

- Order pattern recognition
- Credit verification
- Order status communication and order changes
- Order batching and assignment for efficient transport and picking

# Order Cycle

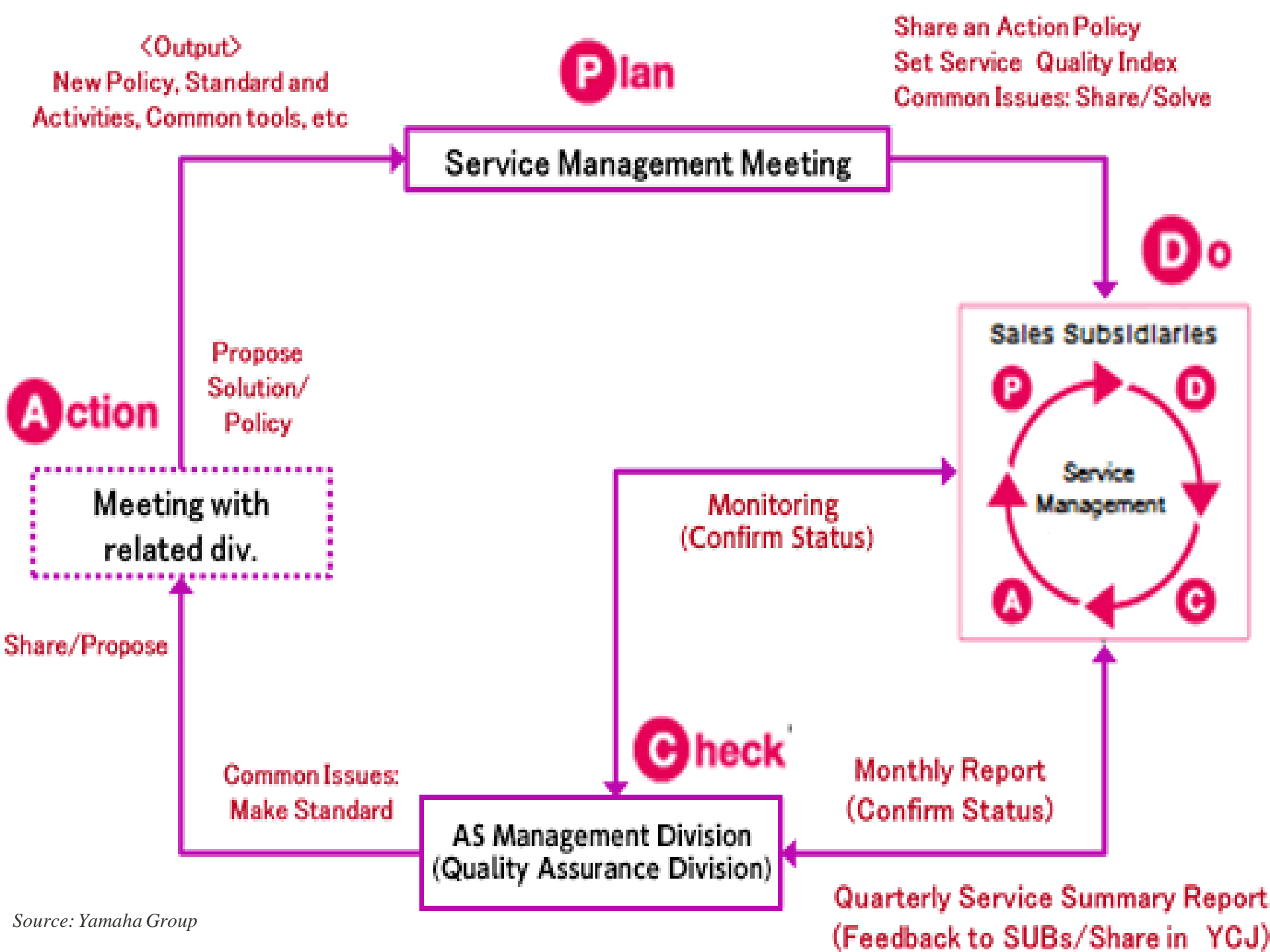


# DOCUMENTATION, INVOICING, AND COLLECTIONS



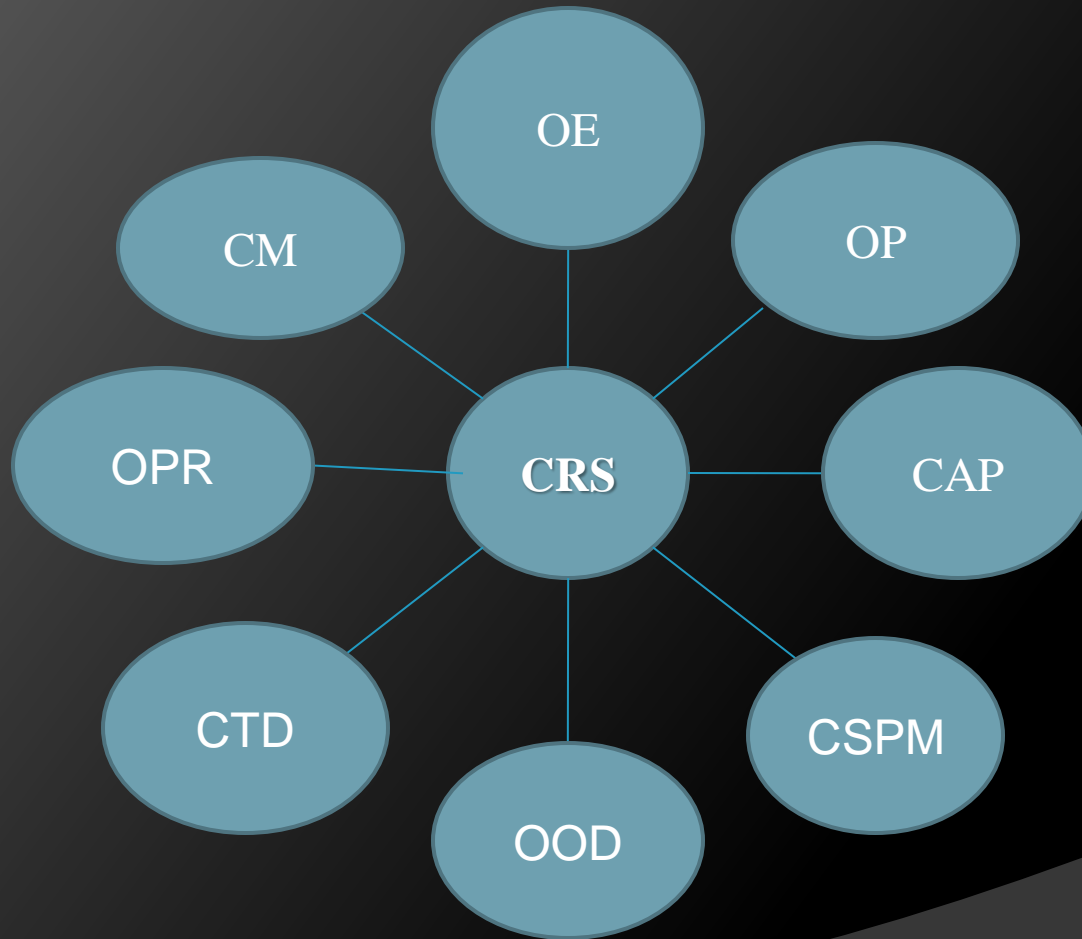
# Invoice processing

1. Invoices associated with a request or purchase order
2. Invoices that do not have an associated request (no purchase order).



Source: Yamaha Group

The functionality in a customer response system includes:



# CUSTOMER RESPONSE ORGANIZATION DESIGN AND DEVELOPMENT

The theme for designing and developing a customer response organization should be customer intimacy—proactively able to anticipate and appreciate customer needs as opposed to reactively scrambling to each new customer request.

- ◎ Customer Focus Groups
- ◎ Dedicated, Personalized Account Teams
- ◎ Multilingual, Multicultural
- ◎ Transaction Center Monitoring

**The End**

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