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Audit

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Balanced scorecard

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Benchmarking

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Best practice

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Cost of goods sold (COGS)

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Customer order fulfillment cycle time

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Dashboard

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Days of supply

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A list of financial and operational measurements used to evaluate organizational or supply chain performance. Dimensions might include customer perspective, business process perspective, financial perspective, and innovation and learning perspectives. It formally connects overall objectives, strategies, and measurements. Each dimension has goals and measurements.

An objective comparison of actions to policies and plans.

1) A method or technique that consistently shows results superior to those achieved through other means, often used as a benchmark. Best practices can be defined within an organization, within an industry, or across industries. 2) Practices that have had a proven and positive impact on organizational or supply chain performance. They are categorized as follows: Current-Not emerging, not obsolete; Structured-Feature a clearly stated goal, scope, process, and procedure; Proven-Demonstrated in a working environment and linked to key metrics; Repeatable-Proven in multiple organizations and industries.

Comparing products, processes, and services to those of another organization thought to have superior performance. The target may or may not be a competitor or even in the same industry.

The average actual cycle time consistently achieved to fulfill customer orders. For each individual order, this cycle time starts at the order receipt and ends at customer acceptance of the order.

An accounting classification useful for determining the amount of direct materials, direct labor, and allocated overhead associated with the products sold during a given period of time. See: cost of sales.

1) Inventory-on-hand metric converted from units to how long the units will last. For example, if there are 2,000 units on hand and the company is using 200 per day, then there are 10 [of these]. 2) A financial measure of the value of all inventory in the supply chain divided by the average daily cost of goods sold rate.

An easy-to-read management tool similar to an automobile's dashboard designed to address a wide range of business objectives by combining business intelligence and data integration infrastructure. See: executive dashboard.

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Days outstanding

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Digital Capabilities Model (DCM) for Supply Networks

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Key performance indicator (KPI)

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Order fulfillment dwell time

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Perfect order

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Perfect order fulfillment

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Performance measurement system

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Return on supply chain fixed assets

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A reference model for supply chain professionals to guide the development of digital supply networks. The model is designed in a relational manner to help envision and then build the digitally enabled capabilities required to transform linear supply chains into a set of dynamic networks.

A term used to imply the amount of an asset or liability measured in days of sales. For example, accounts payable days are the typical number of days that a firm delays payment of invoices to its suppliers.

Any lead time caused by customer requirements during the order fulfillment process when no activity takes place. Note that this dwell time is different from idle time or non-value-added lead time, which are caused by inefficiencies in the organization's processes and therefore ultimately under responsibility of the organization. These latter kinds of idle time should not be deducted from Order Fulfillment Cycle Time.

1) A financial or nonfinancial measure that is used to define and assess progress toward specific organizational goals and that typically is tied to an organization's strategy and business stakeholders. Should not be contradictory to other departmental or strategic business unit performance measures. 2) A metric used to measure the overall performance or state of affairs. SCOR level 1 metrics are an example.

A measure of an organization's ability to deliver a perfect order. See: perfect order.

1) An order in which the "seven Rs" are satisfied: the right product, the right quantity, the right condition, the right place, the right time, the right customer, and the right cost. 2) A fulfillment metric used to measure order proficiency; i.e., the order meets the following criteria: on time, complete, accurate, and undamaged.

The return an organization receives on its invested capital in supply chain fixed assets. Includes the fixed assets used to plan, source, make, deliver, and return. Calculated as (supply chain revenue

A system for collecting, measuring, and comparing a measure to a standard for a specific criterion for an operation, item, good, service, business, etc. [It] consists of a criterion, a standard, and a measure. Syn.: metrics. See: performance criterion, performance measure, performance standard.

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Return on working capital

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SCOR metrics

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Standard

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Supply Chain Operations Reference (SCOR)
model

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In SCOR, metrics measure the ability of processes to achieve the strategic objectives associated with performance attributes. SCOR recognizes three levels of predefined metrics: Level 1 metrics are diagnostics for the overall health of the supply chain. Level 2 metrics serve as diagnostics for the level 1 metrics. Level 3 metrics serve as diagnostics for level 2 metrics.

A measure of profit on the amount of capital consumed. Calculated as after-tax operating income divided by net working capital.

A process reference model developed by the Supply Chain Council and endorsed by the Association for Supply Chain Management (ASCM) as the standard cross-industry diagnostic tool for supply chain management. [It] describes the business activities associated with satisfying a customer's demand, which include plan, source, make, deliver, return, and enable. Use of [this] includes analyzing the current state of a company's processes and goals, quantifying operational performance, and comparing company performance to benchmark data. [It] has developed a set of metrics for supply chain performance, and ASCM members have formed industry groups to collect best practices information that companies can use to evaluate their supply chain performance.

1) An established norm against which measurements are compared. 2) An established norm of productivity defined in terms of units of output per set time (units/hour) or in standard time (minutes per unit). 3) The time allowed to perform a specific job including quantity of work to be produced. See: standard time.