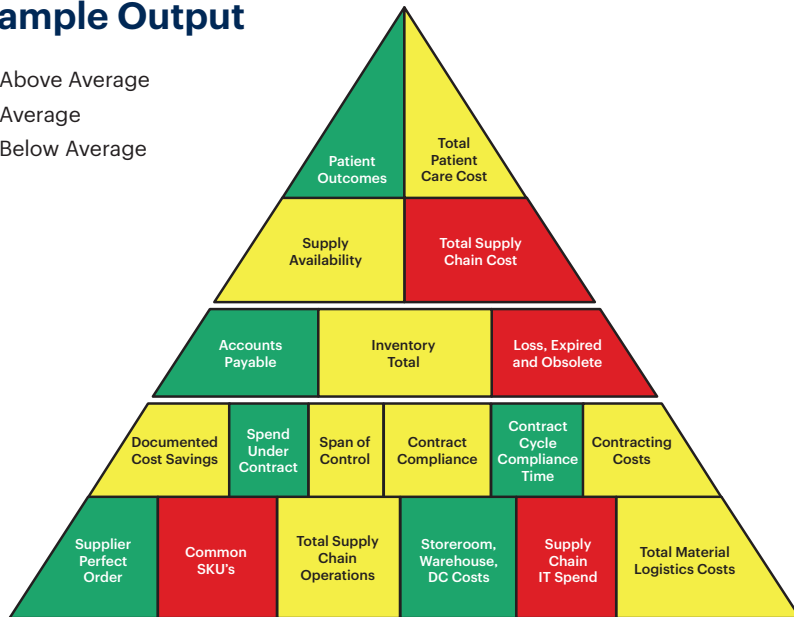# Introducing the Gartner Supply Chain Hierarchy of Metrics Benchmarking for IDNs

The **Gartner Hierarchy of Supply Chain Metrics** has long been regarded as the industry standard for end-to-end manufacturers' supply chain performance measurement. Now Gartner has translated this framework into a dynamic benchmark database specifically for healthcare integrated delivery networks (IDNs) that enables you to compare key supply chain performance metrics with your peers. Unlike other benchmarking methodologies that compare metrics in isolation, the Gartner benchmarking methodology looks at the inter-dependencies between metrics to identify improvement opportunities and make better business trade-offs between quality, cost and service.

The Gartner supply chain benchmarking database includes 19 metrics across seven core process areas spanning different sizes and complexity of IDNs. Our research team will analyze your metrics and provide you with a customized report showing your performance against industry peers to identify areas of leadership and opportunities for improvement.

Sample Output

Legend:
- 🟩 Above Average
- 🟨 Average
- 🟥 Below Average

Pyramid tiers (top to bottom):
- Patient Outcomes | Total Patient Care Cost
- Supply Availability | Total Supply Chain Cost
- Accounts Payable | Inventory Total | Loss, Expired and Obsolete
- Documented Cost Savings | Spend Under Contract | Span of Control | Contract Compliance | Contract Cycle Compliance Time | Contracting Costs
- Supplier Perfect Order | Common SKU's | Total Supply Chain Operations | Storeroom, Warehouse, DC Costs | Supply Chain IT Spend | Total Material Logistics Costs

IDN Operational Metrics

- Patient outcomes
- Total cost of patient care
- Total cost of supply chain
- Supply availability
- Inventory
- Accounts Payable
- Loss/expired/obsolete inventory
- Span of control
- Spend under contract
- Contract compliance
- Contract adherence cycle time

- Documented savings
- Supplier perfect order
- Common SKUs across IDN
- Sourcing costs
- Total material logistics costs/transportation costs
- Storeroom, warehousing (WH) and distribution center (DC) operating costs
- Total supply chain operations expense
- Supply chain IT spend

7 Core Process Areas

1. Patient Outcomes
2. Supply Availability
3. Inventory Management
4. Sourcing Excellence
5. Supplier Performance
6. Clinical Alignment
7. Supply Chain Management Costs

5 IDN Segments

1. Regional IDN — Primarily Non-Academic
2. Academic Medical Center-Dominated IDN
3. National IDN (in five or more non-contiguous states)
4. Other IDN
5. Stand-Alone Hospital

Benchmarking Best Practices

- Excellence is a balancing act.
- Understand interdependencies and trade-offs between metrics.
- Align your supply chain to the patient. Optimize the whole, not the parts.
- Segment and measure your multiple supply chains. The metrics are the same — it's the targets that differ by segments.
- Benchmarks should not be used as targets. They can be useful as one of the inputs, directionally, to set improvement targets.
- Implementing consistent metrics should be approached as a multiyear project.

What other industries are saying about the benchmarking program

"This is extremely helpful for us, and I would say possibly the most valuable benchmarking exercise for supply chain that we have seen to date."

Supply chain executive from a global firm

What sets Gartner supply chain benchmarking apart?

Focus is on end-to-end supply chain performance measurement and the interdependencies between key metrics rather than benchmarking isolated metrics

It's based on the Gartner Hierarchy of Supply Chain Metrics model for manufacturers — a de facto industry standard for measuring end-to-end supply chain health

Custom report is prepared by our expert supply chain analysts with key observations and improvement areas to consider

How it works

- Familiarize yourself with Gartner research and benchmarking best practices.
- Complete and submit our supply chain benchmark questionnaire.
- Analyst team prepares customized benchmarking report with key observations and potential areas to improve.

For more information, please contact SCBenchmarking@gartner.com or your Gartner representative.

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