

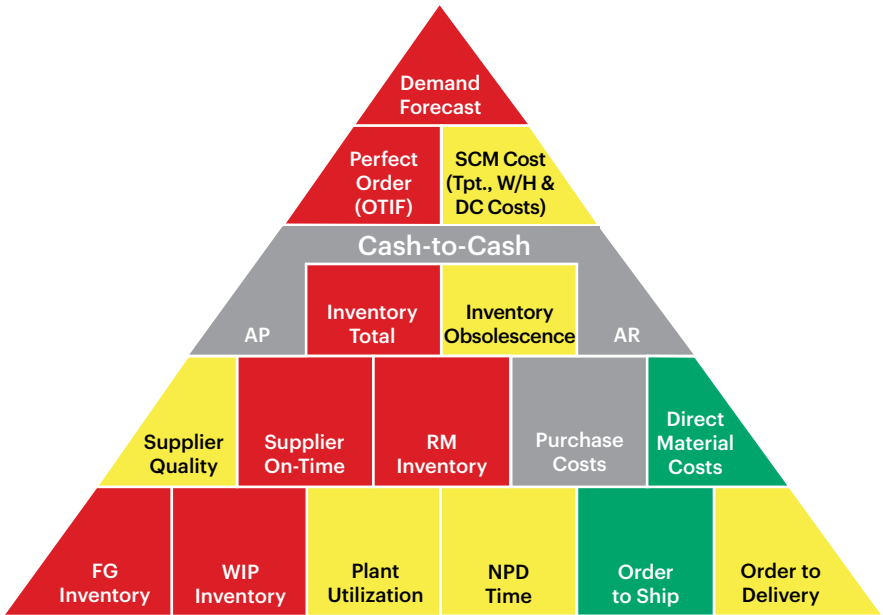
# The Gartner Supply Chain Hierarchy of Metrics Benchmarking for Manufacturing

The **Gartner Hierarchy of Supply Chain Metrics** has long been regarded as the industry standard for end-to-end supply chain performance measurement. Now Gartner has translated this framework into a dynamic benchmark database 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 interdependencies between metrics to identify improvement opportunities and make better business trade-offs.

The Gartner supply chain benchmarking database includes 17 metrics across seven core process areas spanning multiple industries and geographies. Our research team will analyze your metrics and provide you with a customized report rating your performance against industry peers to identify areas of leadership and opportunities for improvement.

# Sample Output

■ Above Average   
 ■ Average   
 ■ Below Average



## Results

|   | Industry Median | Upper Quartile | Your Input | Your Score (Scale: -3 to +3) |
|---|-----------------|----------------|------------|------------------------------|
| Order to Ship (days)                          | x               | x              | 10.0       | 1.55                         |
| Order to Delivery (days)                      | x               | x              | 25.0       | -0.48                        |
| Perfect Order – OTIF (%)                      | x               | x              | 50.0       | -2.65                        |
| Days of Raw Material (days)                   | x               | x              | 35.0       | -1.78                        |
| Days of Work-in-Progress (days)               | x               | x              | 13.0       | -1.26                        |
| Days of Finished Goods (days)                 | x               | x              | 65.0       | -2.93                        |
| Value of Total Inventory (% of Sales)         | x               | x              | 13.0       | -1.69                        |
| Direct Material Cost (% of Sales)             | x               | x              | 20.0       | 1.38                         |
| Supplier Receipts – On Time (%)               | x               | x              | 75.0       | -2.10                        |
| Supplier Receipts – Passing Quality (%)       | x               | x              | 93.0       | 0.55                         |
| Plant Utilization (%)                         | x               | x              | 85.0       | -0.17                        |
| Demand Forecast Error (%)                     | x               | x              | 40.0       | -1.23                        |
| NPD Time – Concept to Shipment (Months)       | x               | x              | 13.0       | 0.47                         |
| New Product Introduction Forecast Error (%)   | x               | x              | 50.0       | -0.25                        |
| Transportation Costs (% of Sales)             | x               | x              | 4.5        | 0.43                         |
| Warehouse and DC Costs (% of Sales)           | x               | x              | 2.0        | 1.75                         |
| Inventory Obsolescence (% of Inventory Value) | x               | x              | 4.3        | -0.22                        |

## 7 Core Process Areas

1. Order to Delivery
2. Perfect Order
3. Inventory Management
4. Source and Make
5. Demand Planning
6. New Product Introduction
7. Supply Chain Costs

## 5 Industry Sectors

1. Chemicals
2. Consumer Products
3. High-Tech Electronics
4. Industrial and General Manufacturing
5. Life Sciences and Healthcare

## Benchmarking Best Practices

- Excellence is a balancing act.
- Understand interdependencies and trade-offs between metrics.
- Start with what your customer values. 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 your peers are saying



**“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 manufacturing firm

# What sets Gartner supply chain benchmarking apart?



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



Based on the Gartner Hierarchy of Supply Chain Metrics model — a de facto industry standard for measuring end-to-end supply chain health



Custom report 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  
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Gartner representative.**