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The Gartner Supply Chain Hierarchy of Metrics Benchmarking for Manufacturing
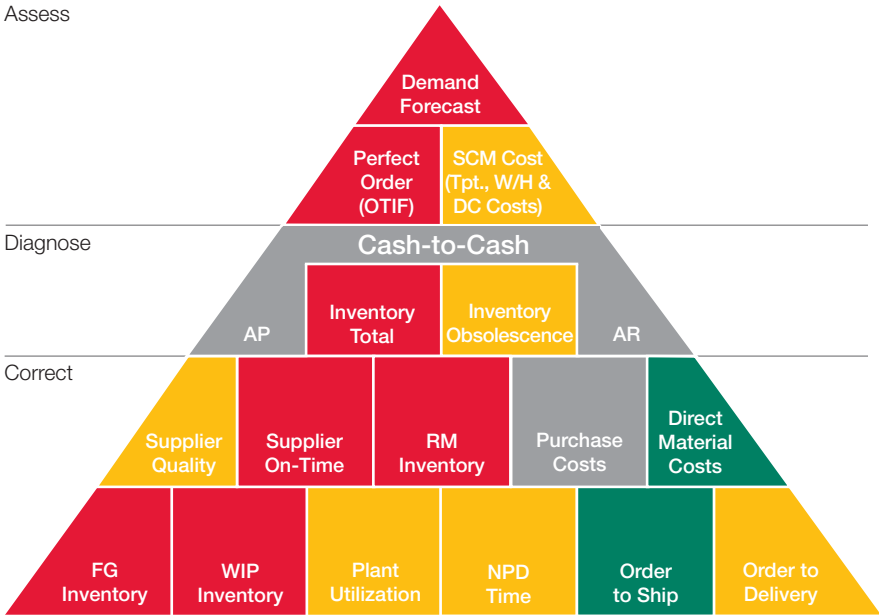
The **Gartner Hierarchy of Supply Chain Metrics** has long been regarded as the industry standard for end-to-end supply chain performance measurement. Now Gartner has translated this framework into a dynamic benchmark database that enables you to compare key supply chain performance metrics with your 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

Assess

Demand Forecast

Perfect Order (OTIF)   **SCM Cost (Tpt., W/H & DC Costs)**

Diagnose

Cash-to-Cash

AP   **Inventory Total**   **Inventory Obsolescence**   AR

Correct

Supplier Quality   **Supplier On-Time**   **RM Inventory**   **Purchase Costs**   **Direct Material Costs**

FG Inventory   **WIP Inventory**   **Plant Utilization**   **NPD Time**   **Order to Ship**   **Order to Delivery**

Sample Detailed Benchmark Results — ABC Inc.	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

Order to Delivery	Demand Planning
Perfect Order	New Product Introduction
Inventory Management	Supply Chain Costs
Source and Make	

5 Industry Sectors

Chemicals

Consumer Products

High-Tech/ Electronics

Industrial and General Manufacturing

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.

"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 and key observations and potential areas to improve

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