

Performance Measures for Supply Chain Management

Companies must always be concerned with their competition. Today's marketplace is shifting from individual company performance to supply chain performance: the entire chain's ability to meet end-customer needs through product availability and responsive, on-time delivery. Supply chain performance crosses both functional lines and company boundaries. Functional groups (engineering/R&D, manufacturing, and sales/marketing) are all instrumental in designing, building, and selling products most efficiently for the supply chain, and traditional company boundaries are changing as companies discover new ways of working together to achieve the ultimate supply chain goal: the ability to fill customer orders faster and more efficiently than the competition.

To achieve that goal, you need performance measures, or "metrics", for global supply chain performance improvements. Your performance measures must show not only how well you are meeting your customers' needs (service metrics) but also how you are handling your business (speed, asset/inventory, and financial metrics). Given the cross-functional nature of many supply chain improvements, your metrics must prevent "organizational silo" behavior which can hinder supply chain performance.

This module will help you understand the importance of aligning metrics with your business strategy through insightful examples. You will explore service, asset, speed, and financial metrics, along with a special Bullwhip Metric to help you and your supply chain partners mitigate the Bullwhip Effect (covered in module SCM102). You will also discover "bad" metrics; metrics that are typically misunderstood or misused to the detriment of supply chain performance. Finally, you will learn the challenges of attempting to measure the performance of the entire supply chain, along with some possible solutions to overcome those issues.

Course Benefits:

- Align your supply chain metrics with your business strategy and value proposition
- Learn service, asset, and speed metrics
- See how to measure the Bullwhip Effect
- Understand "bad" metrics and how to overcome them
- Discover the value of chain-wide metrics

Contents:

Alignment of Metrics with Business Strategy * Service Metrics: Build-to-Stock, Build-to-Order * Inventory Metrics * Speed Metrics * Financial Metrics * Bullwhip Metric * "Bad" Metrics * Applying Metrics Across the Entire Supply Chain

Module Specifications:

- Delivery Method: Online (Internet browser)
- Estimated Study Time: 1 – 2 hours, Approx. 11,000 words

System Requirements:

- Internet Explorer 5.0 or higher **OR** Netscape 4.X or higher
- JavaScript, cookies enabled
- Macromedia Flash 4
- 800 x 600 minimum screen resolution

