



This article appeared in the Council of Supply Chain Management Professionals's newsletter, *Supply Chain Comment*, Volume 39, May/June 2005. *Supply Chain Comment* is published six times a year by CSCMP.

by Kate Vitasek and Cheryl Harrity

news CSCMP news

CSCMP INSIDE

Take Advantage of CSCMP's and APQC's Supply Chain Benchmarking Service...At No Charge to You!

For decades, business leaders have sought common performance measures for benchmarking critical processes and functions. Fortunately, for the millions of practitioners worldwide who want to improve their supply chains, CSCMP and APQC recently combined forces to launch a no-charge online supply chain benchmarking service.

Last year, CSCMP explored how it could add more value to the supply chain management (SCM) profession by offering practitioners a high quality benchmarking resource. CSCMP carefully evaluated the various benchmarking sources available, and the effort resulted in joining forces with APQC, a recognized leader in benchmarking, knowledge management, measurement, and quality programs.

CSCMP's executive vice president and chief operating officer Maria McIntyre stated that CSCMP assumed a leadership position in recognizing a unique opportunity for supply chain management professionals to achieve benchmarking best practices. "This collaborative effort with APQC will enhance and add value to both organizations."

SCM Practitioners Sing the Benchmarking Blues

CSCMP and APQC developed a comprehensive research report detailing the state of SCM benchmarking. The study revealed that there were numerous benchmarking sources available to professionals (about 50), but the downside was that most of these sources fell into one or more of the following categories—all of which hinder effective benchmarking:

1. one-time studies that didn't provide companies with an ongoing source of measuring performance
2. benchmarking data that was provided at the aggregate level, which didn't allow companies to compare the differences between industries or regions
3. trends-focused benchmarking data only (e.g., growth of the third party logistics {3PL} market and most/least used measures adopted by companies), which didn't include best or average performance against a certain measure

Of the few benchmarking sources that did not fall into one or more of these categories, nearly all of them were managed by for-profit organizations that charged significant subscriber-based fees to access the data, some as high as \$15,000 US.

CSCMP Addresses Benchmarking Issue

CSCMP believed that the gap between what practitioners needed and what was actually available to them was too wide. To help professionals benchmark their processes, CSCMP released a set of six handbooks titled *Supply Chain Management Process Standards, PLAN, SOURCE, MAKE, DELIVER, RETURN, and ENABLE*. These publications offer qualitative benchmarking information across 200-plus supply chain activities. They provide practitioners with suggested minimum standards and typical best practices for each activity. (The set of six handbooks is available at the CSCMP Store at www.cscmp.org.)

Collaborative Effort Makes Benchmarking Process Painless

CSCMP then partnered with APQC to offer a wide-scale online

benchmarking resource whereby companies could compare quantitative benchmarking results across industry, geography, and size of company.

APQC had already begun designing a comprehensive benchmarking service as part of its larger Open Standards Benchmarking CollaborativeSM (OSBC) research. This effort was to develop commonly used processes, measures, and benchmarks that were available to organizations worldwide in order to improve performance in areas like finance and accounting, human resources, customer service, and information technology.

The partnering of CSCMP and APQC in the supply chain benchmarking area was a perfect match, leveraging CSCMP's solid supply chain expertise with APQC's benchmarking and best practices experience. The result is a valuable online resource that helps companies benchmark their performance across five core supply chain functions:

- new product development
- procurement
- customer order management
- logistics
- manufacturing



CSCMP and APQC assembled a top-notch team of professionals to determine which supply chain processes and measures would be used in the benchmarking database. The team was fortunate to have a substantial baseline provided by IBM already in place, as the company had invested a lot of time in developing thought leadership in this area.

With this support and the initial work performed, the team culled through more than 300 measures from multiple sources, and ultimately narrowed down and defined 150 measures that would be used in the supply chain area.

Start Benchmarking Your Company Today

Get your company's supply chain on the right track today. Access the surveys at www.cscmp.org by clicking on the CSCMP/APQC button on the right side of the page. You'll be able to preview them, read the measures collected by each survey, and view a sample performance report. This unique benchmarking opportunity is available to all supply chain professionals...at no charge. We're confident this resource will be another tool to help you and your company excel.

Kate Vitasek is a CSCMP member and Managing Partner with Supply Chain Visions in Bellevue, Washington, a consulting organization specializing in business process management and performance measures. Cheryl Harrity is also a CSCMP member and is APQC's supply chain practice lead in Houston, Texas. APQC is an international, nonprofit research organization.