

Operational Scenarios and KPIs in SAP BusinessObjects Supply Chain Performance Management (SCPM)



Applies to:

SAP BusinessObjects Supply Chain Performance Management (SCPM) 1.0 and 2.0.

Summary

This document helps in understanding how SAP BusinessObjects Supply Chain Performance Management (SCPM) adapts the SCOR Model, details on the relevance of the SCOR scenarios that are covered with the application and an overview of the KPIs delivered with the application.

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SCPM - an Adaption of the SCOR Model with diagnostics KPIs

SAP BusinessObjects Supply Chain Performance Management ([SCPM](#)) adapts the Supply Chain Reference Model (SCOR) by delivering 400+ KPI in the area of supply chain management which are part **categorized into multiple operational analytical scenarios**. The definition and guideline for the KPIs are adopted from SCOR.

SCOR provides a unique framework that:

- Links business process, metrics and best practices
- Support communication among supply chain partners and
- Improve the effectiveness of supply chain management of an organization.

It is a set of metrics identified and categorized into three levels of hierarchy to manage and monitor the supply chain activities of an organization.

The Level 1 Metrics are calculated from Level 2 & Level 3 metrics that may cross multiple Supply chain processes. Level 2 and 3 metrics are generally associated with a narrower subset of processes. In addition, there are additional metrics that do not "roll up" to Level 1 but are used to diagnose variations in performance against plan.

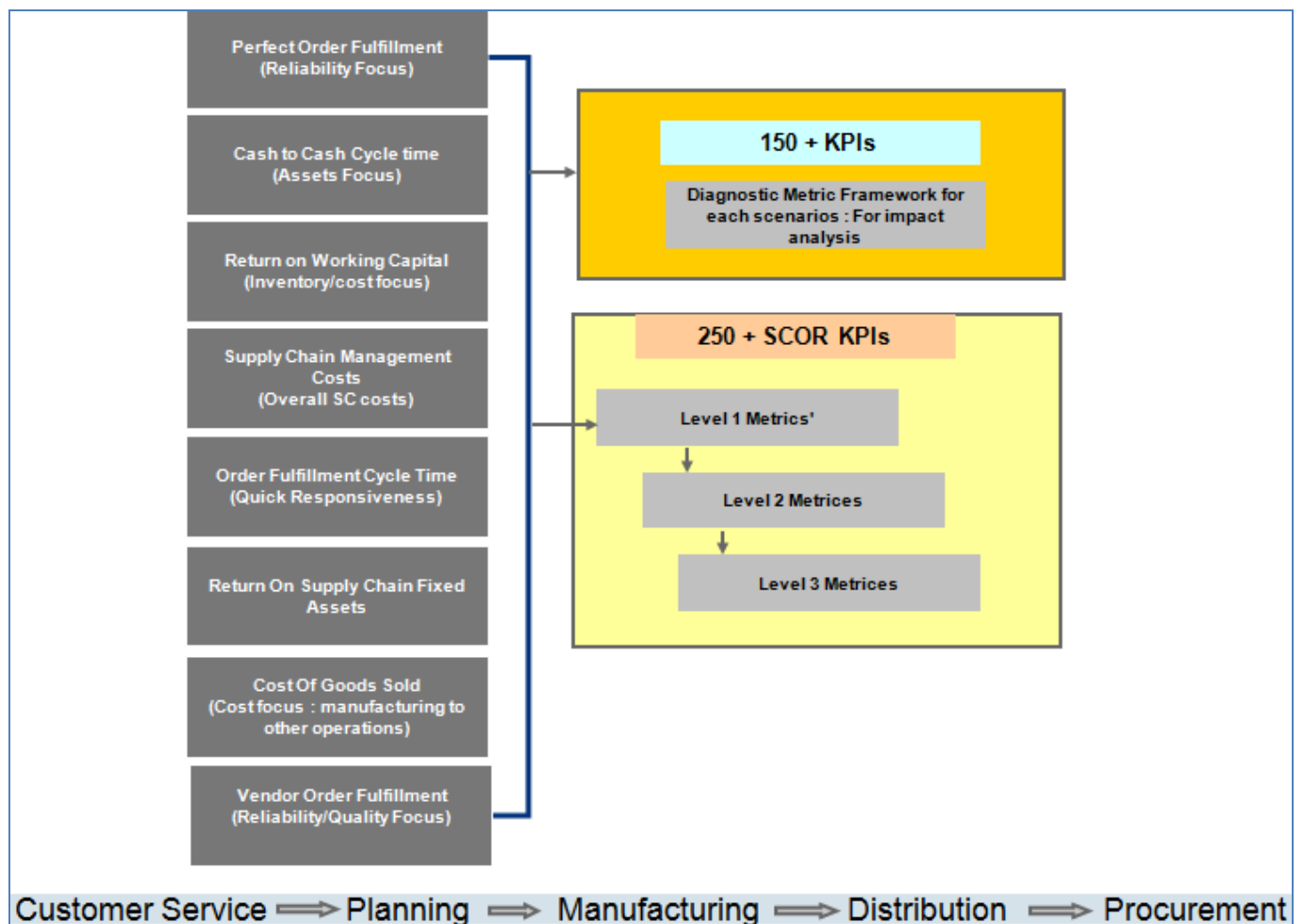


Figure 1: Operational Scenarios covered in SAP BusinessObjects Supply Chain Performance Management

Operational SCOR Scenarios in SCPM

Perfect Order Fulfillment (Reliability Focus)

Perfect Order Fulfillment (POF) is a customer facing performance measure for organization's supply chain reliability. POF measure following individual components of the customer order:

- Customer order quantity and item accuracy
- Delivery performance according to customer committed date
- Accurate, complete and on-time documentation
- Perfect condition while delivery of customer order

Cash to Cash Cycle time (Assets Focus)

The time it takes for an investment made to flow back into a company after it has been spent on raw materials. In other words, number of days between payment of raw material and receipts flowing back to company against the finished product. It is an indicator of how long your working capital is tied up to manage your supply chain.

For services, this represents the time from the point where a company pays for the resources consumed in the performance of a service to the time that the company receives payment from the customer for those services.

Return on Working Capital (Inventory/Cost focus)

Return on working capital is a measurement which assesses the return that an organization gets (in terms of revenue generated from a supply chain) from the investment made in working capital. Components include accounts receivable, accounts payable, inventory, supply chain revenue, cost of goods sold and supply chain management costs."

Supply Chain Management Costs (Overall SC costs)

The sum of the costs associated with direct purchasing, warehousing, transportation and customer service (excluding the manufacturing processes which are covered by COGS). These groups of metrics are important measures of an organization's internal efficiency and effectiveness.

Order Fulfillment Cycle Time (Quick Responsiveness)

"The average actual cycle time consistently achieved to fulfill customer orders. For each individual order, this cycle time starts from the order receipt and ends with customer acceptance of the order." The moment customer place the order to the moment order is fulfilled is called as the "Gross Cycle Time".

Return on Supply Chain Fixed Assets

Return on Supply Chain Fixed Assets measures the return an organization receives on its invested capital in supply chain fixed assets.

Cost of Goods Sold (Cost focus: manufacturing to other operations)

Cost of goods sold, COGS, or "cost of sales", includes the direct costs attributable to the production of the goods sold by a company. This amount includes the materials cost used in creating the goods along with the direct labor costs used to produce the good. It excludes indirect expenses such as distribution costs and sales force costs. COGS appear on the income statement and can be deducted from revenue to calculate a company's gross margin.

Vendor Order Fulfillment (Reliability Focus)

Vendor Order Fulfillment (VOF) is a vendor facing performance measure for organization's supply chain reliability. VOF measure following individual components of the purchase order:

- Delivery based on Item accuracy
- Delivery based on committed or requested date accuracy
- Delivery based on location accuracy

KPI delivered with SCPM

Details on KPIs delivered with the application can be found on:

- [Application help](#) > Analysis and Reporting > Content Analysis > Predefined Content > Predefined KPIs.
- [KPI Mapping Document](#) on Service Market Place.

Related Content

[Improved Supply Chain visibility and efficiency with SAP BusinessObjects Supply Chain Performance Management \(SCPM\)](#)

[Key Aspects of Performance Management solution and SCPM](#)

[Details on SAP BusinessObjects Supply Chain Performance Management](#)

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