

Puzzle: Understanding Measures of Supply Chain Performance

Question:

Measures of supply chain performance. Match each measure with its correct description.

Measures of Supply Chain Performance:

1. **Order Cycle Time**
 2. **Perfect Order Rate**
 3. **Inventory Turnover**
 4. **Supply Chain Costs**
 5. **Customer Order Fill Rate**
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Descriptions:

- A. The total cost incurred in the supply chain, including production, transportation, warehousing, and inventory holding costs, typically aimed at minimizing costs while maintaining service levels.
- B. The number of times inventory is sold and replaced during a specific period, indicating how efficiently inventory is managed and utilized.
- C. The average time taken from the moment a customer places an order to when the order is delivered, including order processing, transportation, and handling times.
- D. The percentage of orders that are delivered on time, complete, and with the correct quantity, meeting all customer specifications without any errors.
- E. The percentage of customer orders that are filled completely and delivered on time, representing how well the supply chain is meeting customer demand and expectations.
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Answer:

1. **Order Cycle Time** → C. The average time taken from the moment a customer places an order to when the order is delivered, including order processing, transportation, and handling times.
2. **Perfect Order Rate** → D. The percentage of orders that are delivered on time, complete, and with the correct quantity, meeting all customer specifications without any errors.
3. **Inventory Turnover** → B. The number of times inventory is sold and replaced during a specific period, indicating how efficiently inventory is managed and utilized.
4. **Supply Chain Costs** → A. The total cost incurred in the supply chain, including production, transportation, warehousing, and inventory holding costs, typically aimed at minimizing costs while maintaining service levels.
5. **Customer Order Fill Rate** → E. The percentage of customer orders that are filled completely and delivered on time, representing how well the supply chain is meeting customer demand and expectations.