



# Guide to NAED's Supply Chain Scorecard-Objective Measures

Distributors use this scorecard to measure actual manufacturer performance.

Scorecard for: **<Insert Name of Vendor Company>** Time Period Scored: From: **<MM/DD/YY>** To: **<MM/DD/YY>**  
 Prepared by: **<Insert Name of Person presenting scores to the vendor>**

## Supply Chain Score Card--Distributors Measure Manufacturers



"Fill in" only areas in light blue. Areas marked "#DIV/0!" are linked to the calculating worksheets and will automatically "populate" as the calculating worksheets are completed.

### IDEA Participation\*

|   |  |
|---|--|
| Is this vendor an IDEA Member?                                      |  |
| Is this vendor's product & distributor published price data in IDW? |  |
| Is this vendor's enriched/catalog data and images in IDW?           |  |

\*Distributors may also want to ask, "Is this vendor's individual item net into stock pricing in IDW?"

### Electronic Communications

|              | Electronic Orders | Electronic Invoices |
|--------------|-------------------|---------------------|
| % Lines YTD  | #DIV/0!           | #DIV/0!             |
| % \$\$\$ YTD | #DIV/0!           | #DIV/0!             |

### Timeliness of Price Changes

| Notification #Days | Price Updates Received # Days |
|--------------------|-------------------------------|
| #DIV/0!            | #DIV/0!                       |

### Performance Measures

| Lead Time in Calendar Days | Initial Fill Rate | Average # Shipments per Order | On-Time Delivery | Shipping Accuracy | Invoice Accuracy |
|----------------------------|-------------------|-------------------------------|------------------|-------------------|------------------|
| # Days                     | %                 |                               | %                | %                 | #DIV/0!          |

### Sales Management Measures

|             | Total Vendor | Stock Sales | Direct Shipments | Sales Growth | SPAs    |
|-------------|--------------|-------------|------------------|--------------|---------|
| Actual YTD  | \$0          | \$0         | \$0              | #DIV/0!      | #DIV/0! |
| Planned YTD | \$0          | \$0         | \$0              |              |         |
| Variance %  | #DIV/0!      | #DIV/0!     | #DIV/0!          |              |         |

### Inventory Management

|                        | Average                             | Overstock                           | Stagnant                            | Turnover                           | Cycle Time | Credit Receipt |
|------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------------------------|------------|----------------|
| This Vendor % Of Total | \$ This vendor % of Total Inventory | \$ This vendor % of Total Inventory | \$ This vendor % of Total Inventory | X This vendor % of Total Inventory | #DIV/0!    | #DIV/0!        |

Please highlight areas of extraordinary performance and explain unsatisfactory scores.

### Returns Management

**Electronic Purchase Order**—Purchase Orders received via EDI, Flat File, VMI, and/or Online entry directly into the recipient's business system.

**Electronic Invoices**—Invoices received via Electronic Data Interchange (EDI), Flat File, Vendor Managed Inventory (VMI), and/or downloaded from the vendor's secure website.

**Lead Time**—The time elapsed in calendar days between when an electronic order is issued, or a manual order is accepted, to the receipt of material.

**Initial Fill Rate**—Stock line items received complete on first receipt as a percentage of stock line items ordered.

**Average Number of Shipments per Order**—The number of shipments required to complete an order.

**Total Vendor**—Distributor Cost of the material sold to customers on shipments through stock and direct.

**Stock Sales**—Distributor Cost of the material sold to customers through the warehouse.

**Average Inventory**—Average of the inventory within the rolling 12 months.

**Overstock Inventory**—The amount of inventory in excess of a specified number of days supply.

**Stagnant Inventory**—Stock items that have not had a sale during a specified time period.

**Inventory Turnover (Definition from Performance Analysis Report, i.e., PAR)**—Cost of Goods Sold divided by Average Inventory.

**Return of Authorized Goods Cycle Time**—The number of calendar days between the receipt of authorization for return and the shipment of the items on the Return Goods Authorization (RGA).

**Receipt of Credit for Return Cycle Time**—The number of calendar days between shipment of the items on the Return Goods Authorization (RGA) and the receipt of the credit for the items returned.

**Price Change Updates**—The number of calendar days in advance of the effective date specific pricing updates are provided.

**On-Time Delivery**—The number of lines received complete from the manufacturer by the requested date based on normal/historical lead times or a negotiated delivery date divided by the total lines ordered.

**Shipping Accuracy**—The number of line items received 100% correctly divided by the total line items ordered.

**Invoice Accuracy**—The number of line items invoiced correctly divided by the total number of line items invoiced.

**Direct Sales @ Distributor Cost**—Distributor Cost of the material sold to end-customers on shipments direct from the manufacturer.

**Special Pricing Authorization (Also known as SPA)**—Stock Sales @ Distributor Cost subject to Special Pricing Authorizations (SPAs) from this vendor divided by Total Stock Sales @ Distributor Cost from this vendor

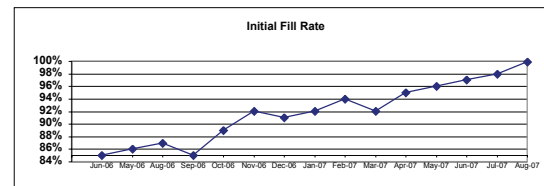
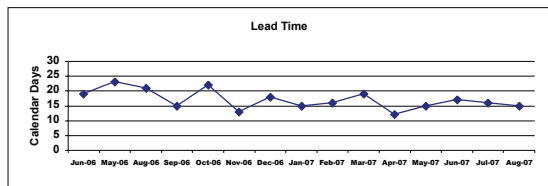
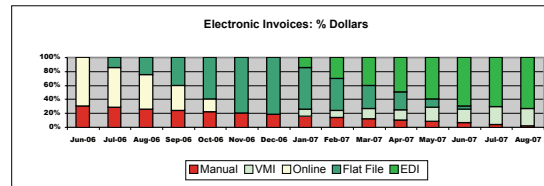
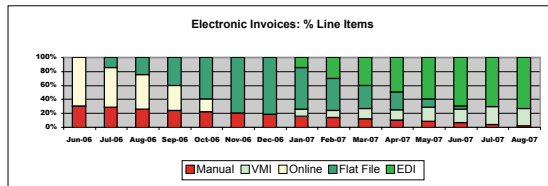
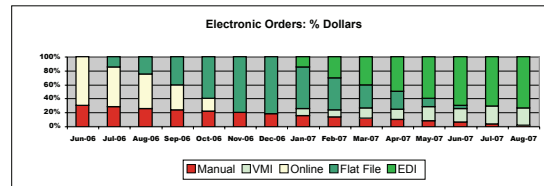
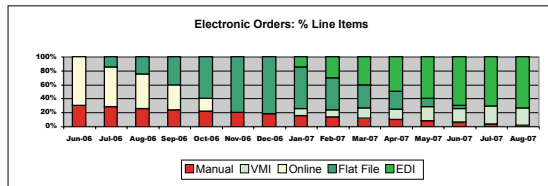
**Growth in Sales @ Distributor Cost**—The percentage change in sales @ Distributor Cost over a specified time period.

**Scope of this Document:** This compilation is designed to facilitate a dialogue among individual distributors and the manufacturers that supply products to them for the purposes of making the supply chain evaluation process more efficient and reducing the costs for all parties involved. It is not intended to express any views regarding individual distributors' or manufacturers' business decisions. All distributors and manufacturers will continue to make their own independent decisions regarding all matters affecting competition. Information outside the scope of the designated categories (e.g., manufacturer pricing and payment terms, promotional allowances, etc.) has been omitted from this document. However, individual distributors are free to discuss these subjects in separate dealings with individual manufacturers.



# Examples of Trending Performance Measures

The Recommended Supply Chain Scorecard can be used to track changing trends if the monthly measures are plotted. Below are examples of possible trend charts for various performance measures.



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