

# Metrics that Matter

## 1.- ORDER MEASUREMENT:

$((\text{Total Orders} - \text{error orders}) / \text{Total orders}) * 100$

## 2.- CUSTOMER ORDER-LEAD TIME ADJUSTED

$(\text{Actual delivery date} - \text{Purchase order creation date})$

## 3.- FILL RATE

$(1 - ((\text{total units ordered by customer} - \text{shipped units}) / \text{total units})) * 100$

## 4.- ON TIME DELIVERY

$(\text{Number of on time shipments} / \text{Total shipments}) * 100$

## 5.- INVENTORY DAYS OF SUPPLY

$(\text{Inventory on hand} / \text{average daily usage})$

## 6.- INVENTORY ACCURACY

$(\text{Actual Qty per Sku} / \text{System reported Qty})$

## 7.- DAMAGED INVENTORY

$(\text{Total damaged value} / \text{Total Inventory value})$

## 8.- INVENTORY TURNOVER

$(\text{Cost of goods sold \$} / \text{Average inventory})$

## 9.- FREIGHT BILL ACCURACY

$(\text{Error-free freight bills} / \text{total freight bills}) * 100$

## 10.-FREIGHT COST PER UNIT

$(\text{Total freight cost} / \text{number of items})$

## II.-- INVENTORY VELOCITY

$(\text{Opening Stock} / \text{Next Month's Sales Forecast})$

