

Welcome to the sixth lesson of the DoD Supply Chain Fundamentals module, SCOR Classification of Practices.

In this lesson you will learn to distinguish between characteristics of the following SCOR classification of practices; leading, best, common, poor.

You will be given an opportunity to test out of this lesson. If you pass the test question, you can decide to continue, or skip to the next lesson.

Which of the following is a characteristic of a "leading" practice?

- A Introduces new technology. >
- B How a wide range of companies have historically done business. >
- C Proven in multiple organizations and industries. >
- D Represent ways of doing business that have proven to result in poor supply chain performance. >

Feedback:

The correct answer is "Introduces new technology".

Recall a time you discussed business practices with peers from other activities. Recall that you couldn't participate because you didn't know the meanings of the terms they used or the context. You felt a little lost and out of your depth. It took awhile to get a sense of their language. Switch to the present. In a discussion using these SCOR® classification terms, can you clearly distinguish between "leading," "best," "common," and "poor" business practices?

This lesson prepares you for intelligent discussion of different types of business practices using the SCOR® classification.

Learning Objective

- Distinguish between characteristics of the following SCOR® classification of practices; leading, best, common, poor.

In the previous lessons, you read about the Supply Chain, identifying the complexity of the processes for managing this structure, and how to measure effectiveness with metrics and attributes. In this lesson, you'll read about SCOR® classification of business practices. You'll use these classifications to describe the processes in the Supply Chain. In later lessons, you'll learn about replacing "poor" and "common" processes with those from the "best" practices section of SCOR®.

SCOR® recognizes that several different types of practices exist within any organization:

- **Leading or emerging practices**
- **Best practices**
- **Common practices**
- **Poor practices**

These practice categories go by other names as well. What's important to understand is that different practices have different performance expectations. The classification of a practice will vary by industry. For some industries a practice may be common, whereas the same practice may be considered a leading or best practice in another industry. The SCOR® classification of practices has been established based on input from practitioners and experts from a diverse range of industries.

Leading practices:

- Introduce new technology, knowledge, or radically different ways of organizing processes.
- May yield a step change in performance by redefining the playing field within an industry.
- May not be easy to adopt because of proprietary technology, or special knowledge may prevent wider adoption.
- Have generally not been proven in a wide variety of environments and industries.

Risk: High, Results: High

A best practice is a unique way to configure a process or a set of processes. The uniqueness can be related to the automation of the process, a technology applied in the process, special skills applied to the process, a unique sequence for performing the process, or a unique method for distributing and connecting processes between organizations.

Best practices:

Are current, structured, and repeatable practices that have had a proven and positive impact on supply chain performance.

- **Current: not emerging, not outmoded.**
- **Structured: feature a clearly stated goal, scope, process, and procedure.**
- **Proven: demonstrated in a working environment and linked to key metrics.**
- **Repeatable: proven in multiple organizations and industries.**

Have been chosen by SCOR® practitioners in diverse industries. It is understood that not all best practices will yield the same results for all industries or supply chains.

Risk: Moderate, Results: Moderate

Common practices:

- Are how a wide range of companies have historically done business by default or happenstance.
- Well-established practices that are a sufficient solution, but don't provide a significant cost or competitive advantage over other practices (except over bad practices.)

Risk: Low, Results: Low

Poor practices:

- Represent ways of doing business that have proven to result in poor supply chain performance as indicated by key metrics.

Risk: High, Results: Negative

Best practice: "A current, structured, proven and repeatable method for making a positive impact on desired operational results"

- **Current: Must not be emerging and cannot be antiquated**
- **Structured: Has clearly stated Goal, Scope, Process, and Procedure**
- **Proven: Success has been demonstrated in a working environment and can be linked to key metrics**
- **Repeatable: The practice has been proven in multiple environments**

Best practices are not hype; they have produced outstanding results in existing business situations.

As the definition says, they need to be defined (structured), so they can be benchmarked.

A good best practice for a government organization might be Supplier Performance Assessment System. In this best practice, actual supplier performance is measured against internal and/or external standards, providing feedback to achieve and maintain the performance required to meet the customers' business and/or competitive needs.

Which of the following is a characteristic of a "best" practice?

- A Key metrics indicate that these ways of doing business result in poor performance.
- B May yield a step change in performance.
- C Well-established practices that provide a sufficient solution.
- D Have had a proven and positive impact.

Feedback:

The correct answer is, "Have had a proven and positive impact." The other choices are characteristics of other practices.

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Post-Test Introduction

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You have completed the learning portion of the SCOR Classification of Practices lesson. Next you will be given three attempts to demonstrate mastery of the learning objective.

If you fail all three attempts, you can still progress to the remaining lessons and graduate; however, you are encouraged to restudy the lesson to increase your understanding of the content.

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Which of the following is a characteristic of a "poor" practice?

- A Ways of doing business that have proven to result in poor performance. >
- B Have not been proven in a wide variety of environments. >
- C Provides a sufficient solution, but doesn't provide a significant advantage. >
- D Not emerging and not outmoded. >

Feedback:

The correct answer is, "Ways of doing business that have proven to result in poor performance."
The other choices are characteristics of other practices.

Which of the following is a characteristic of a "leading" practice?

- A Historically done by a wide range of companies. >
- B May not be easy to adopt because special knowledge is needed. >
- C Current, structured, and repeatable that have had a positive impact. >
- D Indicated by key metrics to result in poor supply chain performance. >

Feedback:

The correct answer is, "May not be easy to adopt because special knowledge is needed." The other choices are characteristics of other practices.

Which of the following is a characteristic of a "best" practice?

- A Chosen by SCOR® practitioners in diverse industries. >
- B This is how many companies do business by happenstance to achieve a sufficient solution. >
- C A well-established practice that provides a competitive advantage over bad practices. >
- D Redefines the playing field within an industry. >

Feedback:

The correct answer is, "Chosen by SCOR® practitioners in diverse industries." The other choices are characteristics of other practices.

In this lesson, you learned about three levels of complexity for recording processes. A "leading practice" introduces new technology. A "best practice" is a current and repeatable method with a positive impact on performance. A "common practice" is well-established that provides a sufficient solution, but doesn't provide significant cost or competitive advantage. In the next lesson, you will learn about SCOR classification of practices.

Can you recall from a previous lesson which of the following is a characteristic of SCOR metrics and attributes?

- [A Measurements describe strategies.](#)
- [B SCOR metrics serve as diagnostic attributes.](#)
- [C Key Performance Indicators \(KPIs\) represent the overall performance.](#)
- [D Performance metrics include Reliability, Agility, and Cost.](#)

Feedback:

The answer is "Key Performance Indicators (KPIs) represent the overall performance."

You have completed the content for this lesson.

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