

Welcome to the twenty fourth lesson of the DoD Supply Chain Fundamentals module, Selecting Good SCOR Metrics.

In this lesson you will learn to recognize characteristics of selecting good SCOR metrics.

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 selecting a good SCOR metric?

- A Linked to responsibility
- B Serves as a qualitative attribute
- C Depicts a strategy
- D Promotes good, open interpretations

**Feedback:**

The correct answer is "Linked to responsibility."

You're at the point of choosing from among a matrix of metrics to focus your efforts at evaluating and improving performance. If you don't pick the right one(s), you will lose valuable time finding at the end of an evaluation period that you picked the wrong metric(s). How to pick the right one(s)?

This next lesson describes the characteristics for selecting the right ones for your purpose.

**Learning Objective**

- Recognize characteristics of selecting good SCOR metrics.

In earlier lessons about metrics, you learned their definitions, characteristics, and relationships to performance and performance attributes. You learned they measure the ability of a supply chain to achieve strategic attributes. You know you can use them for evaluating and improving performance.

This lesson describes how to pick the right metrics for evaluating performance, meeting customer need, and holding the right people accountable to achieve desired performance.

### Measurable and quantifiable:

- Avoid "feel good" metrics such as customer satisfaction unless they are an aggregate of well-defined detail metrics.
- Framework-based metrics simplify the selection process.

### Linkage to responsibility:

- Avoid metrics that have no impact on performance reviews.
- Ensure the metric is linked to the right process owner at the right level.

### Ensure metric is well-defined:

- Multiple interpretations of a metric may lead to "work-arounds" which can negate the effort. SCOR® metrics are pre-defined, limiting the discussion on metric definitions.

The purpose of a balanced scorecard is to monitor process performance, perform corrective action and monitor the effects of these actions. In reality, it monitors the performance of the person or organization doing the work. If these requirements are not met, those measured will creatively work-around the metrics which challenge them. A scorecard is valuable if managed properly.

**Customer facing metrics should be measured as close to the customer experience as possible:**

- The moment of order submission instead of order entry
- Delivered performance instead of shipping performance
- Received quality instead of produced or shipped quality

**Measure what makes sense:**

- If you don't have data, approximate the missing component until you will be able to obtain actual data

**Tip:** It is not about how you think it should be measured — ask your customers what is important to them.

Levels in metrics help root cause performance issues.

Strategic metrics (level 1) can be diagnosed by investigating the level 2 metrics.

**Different types of relationships exist between a metric (the "parent") and its diagnostic metrics (the "children"). Examples:**

- The parent is the sum of its children (e.g., time and cost.)
- The children are multiplied to calculate the parent (e.g., yield.)
- The relationship is undefined (but can be statistically observed.)

Diagnostic metrics don't necessarily add up to their parents.

Order Fulfillment Cycle Time **is not** the sum of Deliver Cycle Time + Make Cycle Time + Source Cycle Time for most supply chains.

### There are two types of data:

- **Recorded data:** obtain from transactional systems such as ERP (Enterprise Resource Planning), WMS (Warehouse Management System), financial systems, etc. For example: compare time-stamps in these systems to calculate cycle times.
- **Observed data:** obtain through interviews, error logs, audits, and/or time-studies. For example, the observed percentage of orders requiring additional customer setup in a system, percentage of manual repackaging events on the shipping dock.

Key points to remember about selecting good SCOR® metrics:

### They should be

- Measurable and quantifiable
- Linked to responsibility (i.e., performance owner)
- Well-defined
- Measured close to customer
- Sensible – that which approximates missing data

Which of the following is a characteristic of selecting a good SCOR metric?

- A "Feels good," such as in customer satisfaction
- B The diagnostic metrics always add up to their parents
- C Multiple interpretations
- D Measurable and quantifiable

**Feedback:**

The correct answer is, "Measurable and quantifiable." "CO.1.1" is an example of a "cost" metric. The other two ("Number..." and "Cost...") are examples of "agility" and "cost" metrics.

You have completed the learning portion of the Selecting Good SCOR Metrics 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.

Which of the following is a characteristic of selecting a good SCOR metric?

- A Measured as close to supplier experience as possible
- B Does not impact performance reviews
- C Resulted from consensus decision-making of stakeholders
- D Well-defined

**Feedback:**

The correct answer is, "Well-defined." This is your first attempt. You will be given two more chances. [Review This Lesson](#)

Which of the following is a characteristic of selecting a good SCOR metric?

- A Results from multiple interpretations of stakeholders
- B Does not impact process owners
- C Represents a grouping of attributes used to express a strategy
- D Measured as close to customer experience as possible

**Feedback:**

The correct answer is, "Measured as close to customer experience as possible." This is your second attempt. You will be given one more chance. [Review This Lesson](#)

Which of the following is a characteristic of selecting a good SCOR metric?

- A Promotes good, open interpretations
- B Serves as a classification for KPIs
- C Describes a strategy
- D Linked to responsibility

**Feedback:**

The correct answer is, "Linked to responsibility." This was your third and final attempt, but you will be allowed to progress to other lessons and graduate. [Review This Lesson](#)

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## Summary

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In this lesson, you learned about the characteristics of selecting good SCOR metrics. Here are some important points to remember for choosing the right ones; measurable and quantifiable, linked to responsibility, well-defined, measured close to customer, and sensible.

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Can you recall from a previous lesson which of the following is an example or characteristic of the strategic asset (level one) metric?

- A time it takes for cash invested in materials to flow back into the company after finished goods have been delivered to customers
- B RL.1.1 Perfect Order Fulfillment
- C AG.1.3 Supply Chain Downside Adaptability
- D average actual cycle time consistently achieved to fulfill customer orders

**Feedback:**

The answer is "time it takes for cash invested in materials to flow back into the company after finished goods have been delivered to customers."

You have completed the content for this lesson.

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