

How to benchmark key metrics

In five steps

Benchmarking involves comparing your organisation's performance against industry benchmarks, best practices, or direct competitors. Here's how you can effectively benchmark key metrics in supply chain management:

1. Identify relevant benchmarks

Begin by identifying benchmarks that are relevant to your industry, geography, and business model. Industry publications, trade associations, and market research reports can provide valuable benchmarking data.



2. Gather data

Collect data on the key metrics identified earlier, both from internal sources (e.g., ERP systems, logistics software) and external sources (e.g., industry reports, competitor analysis).



3. Normalise data

Normalise the data to ensure comparability between different organisations. This may involve adjusting for factors such as company size, industry segment, or geographic location.



4. Conduct analysis

Compare your organisation's performance against the benchmarks identified, highlighting areas of strength and areas for improvement. Look for patterns or trends that may indicate underlying issues or opportunities.



5. Set targets and action plans

Use the insights gained from benchmarking to set realistic targets and develop action plans for improvement. Collaborate with cross-functional teams to implement changes and monitor progress over time.

