Creating Higher Customer Satisfaction
Core Benchmarks: Order Accuracy & Fill Rates

Supply Chain Consortium
Benchmarking & Best Practices

July 2013
www.supplychainconsortium.com
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Introduction

The *Distribution Customer Satisfaction Core Benchmarks* report was created from data collected from a survey of the same title. The data came from a large number of respondents across many industries including:

- Apparel and Footwear
- Department and Discount Stores
- Electronics
- Food and Beverage
- Home Products
- Industrial Commercial Manufacturers
- Personal Care
- Pharmaceutical

Manufacturers, retailers, distributors, industrial/commercial manufacturers and third-party logistics providers (3PLs) are represented in the report. And for easy comparison, the data is formatted by quartile:

- Top Quartile = Leaders
- Second Quartile = Competitive Advantage
- Third Quartile = Competitive Disadvantage
- Fourth or Bottom Quartile = Opportunity
Respondent Demographics

Percentage of Respondents by Industry

- CP Manufacturers: 31.9%
- Retailers: 27.7%
- Wholesalers/Distributors: 25.5%
- Commercial/Industrial Manufacturers: 22.8%
- 3PLs: 6.4%
- Others: 8.5%
On-Time Delivery

On-Time Delivery by Quartile

<table>
<thead>
<tr>
<th>Quartile</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leaders (top quartile)</td>
<td>&gt;=98.5%</td>
</tr>
<tr>
<td>Competitive Advantage (second quartile)</td>
<td>&gt;=96.0% and &lt;98.5%</td>
</tr>
<tr>
<td>Competitive Disadvantage (third quartile)</td>
<td>&gt;=93.0% and &lt;96.0%</td>
</tr>
<tr>
<td>Opportunity (bottom quartile)</td>
<td>&lt;93%</td>
</tr>
</tbody>
</table>

On-time delivery is defined as orders delivered on-time to customers or stores as a percentage of total orders. Those leading the way in on-time delivery are capable of greater than 98.5%. The median value is 96.2%. The Consortium’s historical data has an average of 94.2%, indicating that companies are making gradual improvements to on-time delivery.
On-Time Delivery

Average On-Time Delivery by Industry

- CP Manufacturers: 95.6%
- Retailers: 96.7%
- Wholesalers/Distributors: 94.2%
- Commercial/Industrial Manufacturers: 95.3%
- 3PLs: 97.6%
Order Cycle Time

Order Cycle Time by Quartile

<table>
<thead>
<tr>
<th>Quartile</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leaders (top quartile)</td>
<td>&lt;=2</td>
</tr>
<tr>
<td>Competitive Advantage (second quartile)</td>
<td>&lt;=10 and &gt;2</td>
</tr>
<tr>
<td>Competitive Disadvantage (third quartile)</td>
<td>&lt;=36 and &gt;10</td>
</tr>
<tr>
<td>Opportunity (bottom quartile)</td>
<td>&gt;36</td>
</tr>
</tbody>
</table>

Order cycle time is defined as the actual ship date and time, minus customer order receipt date and time. The leaders in order cycle time are capable of shipping orders in less than 2 hours after receipt of the order. The median value is 4.5 hours. Average value for order cycle time is slightly over 3 hours.
Average Order Cycle Time (Hours) by Industry

- CP Manufacturers: 8.1 hours
- Retailers: 27.7 hours
- Wholesalers/Distributors: 9.2 hours
- Commercial/Industrial Manufacturers: 33.0 hours
- 3PLs: 11.7 hours
### Order Fill Rate by Quartile

<table>
<thead>
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<td>&gt;=92.0% and &lt;96.0%</td>
</tr>
<tr>
<td>Opportunity (bottom quartile)</td>
<td>&lt;92.0%</td>
</tr>
</tbody>
</table>

Order fill rate metric is defined as orders filled complete on-time on the first shipment as a percentage of total orders. Those leading the way in the order fill rate metric exceed 98% fill rate. From previous years, the average is 94.7%. So, there is a slight improvement in order fill rates.
Average Order Fill Rate by Industry

- CP Manufacturers: 95.8%
- Retailers: 95.5%
- Wholesalers/ Distributors: 94.8%
- Commercial/Industrial Manufacturers: 94.0%
- 3PLs: 94.8%
Order Accuracy by Quartile

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<tr>
<td>Opportunity (bottom quartile)</td>
<td>&lt;94.0%</td>
</tr>
</tbody>
</table>

Order accuracy is defined as orders filled error free as a percentage of total orders. The leaders had nearly perfect order accuracy at 99.8%. The median value for survey respondents was just below 96%. Overall, order accuracy is just less than 96%.
Average Order Accuracy by Industry

- CP Manufacturers: 97.4%
- Retailers: 98.2%
- Wholesalers/Distributors: 98.1%
- Commercial/Industrial Manufacturers: 99.0%
- 3PLs: 97.6%
Perfect Order by Quartile

<table>
<thead>
<tr>
<th>Quartile</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Leaders (top quartile)</td>
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<tr>
<td>Competitive Advantage (second quartile)</td>
<td>&gt;=94.0% and &lt;99.0%</td>
</tr>
<tr>
<td>Competitive Disadvantage (third quartile)</td>
<td>&gt;=89.0% and &lt;94.0%</td>
</tr>
<tr>
<td>Opportunity (bottom quartile)</td>
<td>&lt;89.0%</td>
</tr>
</tbody>
</table>

Perfect order is defined as orders shipped completely error free and on-time as a percentage of total orders. The leaders’ perfect order metric is nearly flawless at 99%. This metric continues to improve over time as companies invest in people, process and technology. The median value for order picking accuracy is 94.5%, which is very good compared to the overall average for respondents (91.8%). There is also a large increase in the number of companies that are using the perfect order metric compared to previous years’ data.
Perfect Order

Average Perfect Order by Industry

- CP Manufacturers: 94.6%
- Retailers: 95.0%
- Wholesalers/Distributors: 92.9%
- Commercial/Industrial Manufacturers: 91.3%
- 3PLs: 96.4%
Summary

Below is an overview for leader categories in each of the customer satisfaction metrics:

- On-Time Delivery: >=98.5%
- Order Cycle Time: <=2 hours
- Order Fill Rate: >=98.0%
- Order Accuracy: >99.8%
- Perfect Order: >=99.0%

A few of the top findings by industry include:

- On-time delivery ranges from 94.2% to 97.6% for 3PLs.
- Order cycle time ranges from 33.0 hours to 8.1 hours for wholesalers/distributors.
- Order fill rate ranges from 94.0% to 95.8% for wholesalers/distributors.
- Order accuracy ranges from 97.4% to 99.0% for industrial/commercial manufacturers.
- Perfect order ranges from 91.3% to 96.4% for 3PLs.
To learn more about benchmarking and best practices, additional resources are available to members through the Supply Chain Consortium: [www.supplychainconsortium.com](http://www.supplychainconsortium.com)

Qualified companies may join the Supply Chain Consortium’s LinkedIn or Xing Group: [www.supplychainconsortium.com/rc/connections.asp](http://www.supplychainconsortium.com/rc/connections.asp)

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