

# ***PwC's Performance Measurement Group (PMG)***

## ***Operational Excellence Benchmark***

### **Get Started**

Please contact us to discuss your company's needs and the most effective way for your organization to begin the operations benchmarking process.

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### ***Are your operations contributing to your competitive advantage?***

Savvy organizations know that they can create a competitive advantage in their market by effectively tapping into the power of their supply chain and operations. They demand data-driven insights, through benchmarking and analytics, to give them information to help them uncover, understand and address a number of challenges:

- Delivering products on time and with complete orders
- Optimizing product portfolios and managing SKUs
- Managing inventory to increase working capital
- Managing supply chain costs
- Creating a flexible and adaptable supply chain to meet the changing needs of customers

### ***Understanding PwC's Performance Measurement Group's (PMG) Operational Excellence Benchmark***

The PwC PMG Operational Excellence Benchmark measures operational effectiveness across three dimensions: quantitative performance measures, qualitative practices, and supply chain/operations complexity. PwC experience suggests that not all organizations strive to achieve top performance in all operational areas – instead, aligning your operational strategy to business strategy is the key priority. Balancing these demands to deliver optimal value to the wider organization is a fundamental challenge facing operations leaders.

**Quantitative Metrics** are the key performance metrics of the supply chain/operations and span end-to-end operations functions across Plan, Source, Make, and Deliver elements. Metrics include both customer facing, which impact your customer experience, as well as internal facing, which impact bottom-line financials. Performance metrics are based on the Supply Chain Operations Reference-model (SCOR®), which is recognized by the 1,000+ member companies of the Supply Chain Council as an effective toolkit for companies wanting to upgrade their supply chains for strategic advantage. Sample metrics include: perfect order fulfillment, delivery lead times, supply chain management costs, and inventory days of supply.

**Qualitative Metrics** measure the maturity of practices across Plan, Source, Make, Deliver, and Strategy elements. Maturity levels are measured against a four-stage model that PwC has developed to help companies understand what practices need to be implemented to move towards higher levels of maturity.

**Complexity Metrics** help companies understand their relative operational complexities against three key drivers of complexity: Products and Services, Network Structure, and Systems. PwC research shows that complexity elements can have a tremendous impact on operations and supply chain performance if they are not managed efficiently.

PwC's experience in working with a wide range of organizations can help you to understand what high performing operations functions are doing differently to achieve process excellence and which of those could be appropriate to your organization. That experience, combined with the benchmarks and measures, can help you evaluate how to balance the competing demands of delivery, agility and efficiency, and how to prioritize improvement initiatives.

### ***Getting results***

PwC research shows the significant top- and bottom-line financial impact that leading Operations companies achieve:

- Best in Class Companies achieve nearly **50%** higher sales growth than non-Best in Class Companies
- Best in Class Companies achieve **20%** higher profitability than non-Best in Class Companies

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