



iTradeNetwork Insights Partner Performance User Guide

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Table of Contents

Introduction

- [About Partner Performance](#)
- [Key Performance Indicators \(KPIs\)](#)
- [Service KPIs](#)
- [Pricing KPIs](#)
- [Supplier Score](#)

The Supplier Overview

- [Understanding the Supplier Universe](#)
- [Features At-a-Glance](#)
- [Using the Risk Chart](#)
- [Saved Lists](#)

The Category Overview

- [The Category Landscape](#)
- [Features At-a-Glance](#)

The Supplier Scorecard

- [Supplier Scorecard Overview](#)
- [Features At-a-Glance](#)
- [Summary Tab](#)
- [Service Tab: Fill Rate](#)
- [Service Tab: On-Time Pick Up](#)
- [Service Tab: Cancellations](#)
- [Service Tab: Reconciliations](#)
- [Service Tab: Responsiveness](#)
- [Pricing Tab: Price Performance Overview](#)
- [Pricing Tab: Price Volatility](#)
- [Pricing Tab: Price Competitiveness](#)

Tools

- [Setting KPIs to Dial in Performance](#)
- [Features At-a-Glance](#)

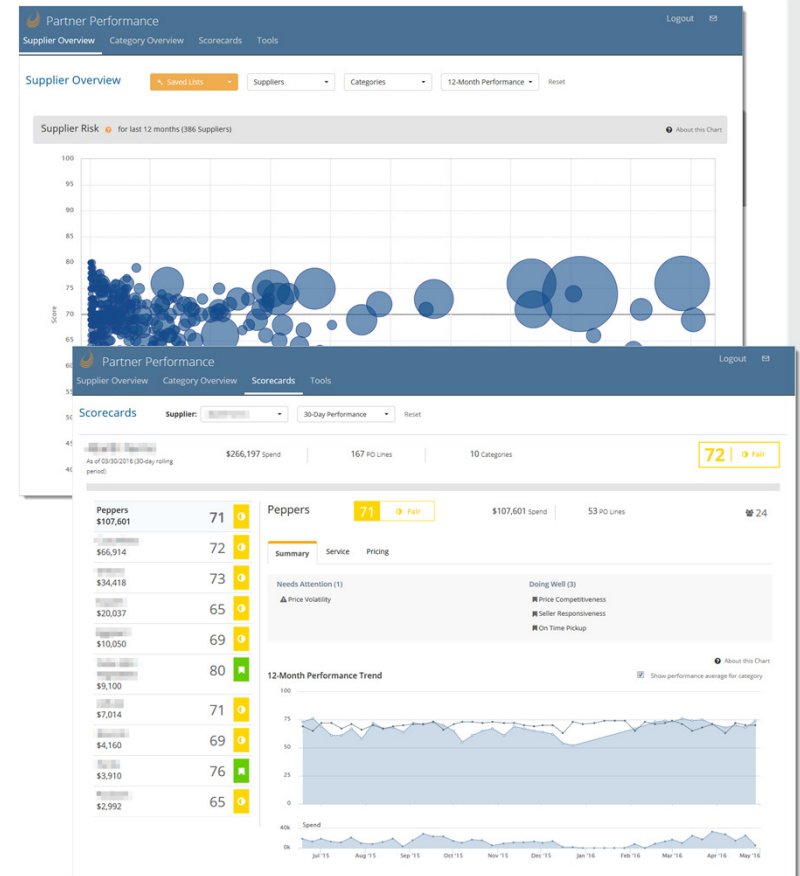
Introduction

About Partner Performance, KPIs, and Score

About Partner Performance

Partner Performance uses iTrade's extensive trading network to identify supply risks and trading partner performance issues. By tapping its comprehensive dataset linking buyers and suppliers, iTrade has assembled a set of Key Performance Indicators (KPIs) that illuminates hidden aspects of the trading relationship.

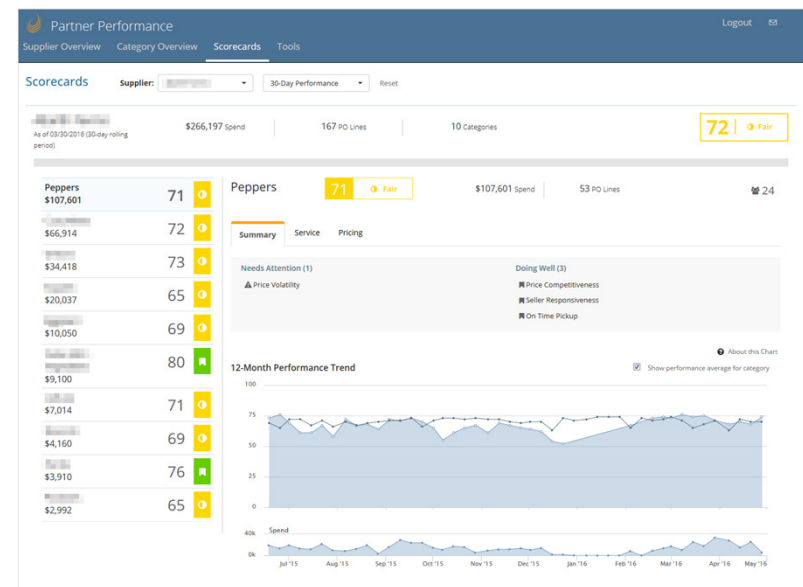
The application paints a picture of relationship risk with easy-to-understand visualizations and advanced analysis that tells the performance story. iTrade's proprietary scoring method establishes relative performance across suppliers and categories, and detailed scorecards reveal the factors driving KPI results for supplier partners. KPIs can be weighted as needed to best reflect their business impact, while targets help track long-term compliance with performance goals.



Key Performance Indicators (KPIs)

‘Key performance indicators’ (KPIs) are used to measure the level of service, price consideration, and overall value provided by a given supplier. Each KPI represents an essential aspect of the buyer’s business and are categorized into two high-level groups:

- > Service
- > Price



Service KPIs

Service performance indicators focus on aspects of a supplier's reliability as a trading partner supporting your business. The following KPIs are service-related measures:

- > **Fill Rate:** The percent of cases a supplier fulfills based off the buyer's desired quantity.
- > **On Time Pick-Up:** The percent of time the supplier is ready to load an order on the scheduled pick up date.
- > **Cancellations:** The percent of line items a supplier cancels across all POs.
- > **Reconciliations:** The percent of invoice lines flagged for reconciliation that have an item, price, or quantity difference.
- > **Responsiveness:** The percent of times an order is confirmed within 4 hours by the supplier after an order is sent.

Pricing KPIs

Price performance indicators focus on the value and consistency in a supplier's commodity pricing. The following KPIs are price-related measures:

- > **Price Volatility:** The degree to which the seller's product price varies within that time period.
- > **Price Competitiveness:** Indicates whether the seller's price is above, below, or close to the average price for all suppliers.

Supplier Score

iTrade's supplier score is based on performance KPIs. Every KPI has an average value; thus, average performance in KPI "X" will result in a KPI value of 70. The overall supplier score is calculated from these averaged KPI values.

A supplier with a score of 70 would be considered an 'average' performer. Each 10 points of score represents a full standard deviation in performance; or, how far away from average performance a supplier is. The further from the average in either direction (higher or lower), the more exceptional (good or bad!).

For example, a supplier with a score of 50 would be two standard deviations lower than the average supplier, worse than 95% of the supplier population.

Scores are assigned at the supplier and category levels.



79 | Good

Score Performance Ranges

- Excellent – Scores greater than 85
- Good – Scores between 75 and 84
- Fair – Scores between 65 and 74
- Poor – Scores between 55 and 64
- Terrible – Scores less than 55

Score Customization

Scores can be customized for an organization by modifying the weight of each KPI. This will be covered in the Tools section.

The Supplier Overview

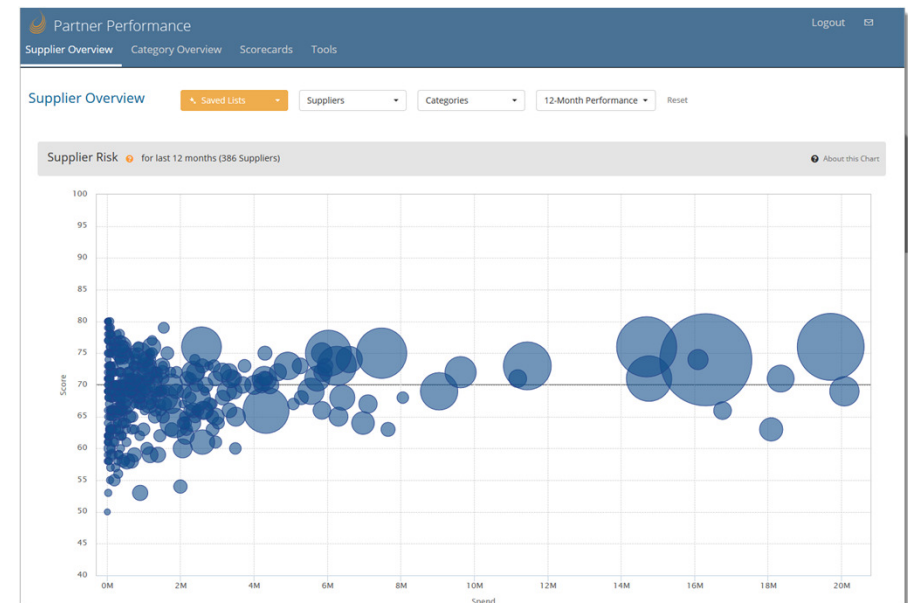
Understanding the Supplier Risk Landscape

Understanding the Supplier Universe

The **Supplier Overview** provides high level insight on supplier risk within the organization, characterized by high spend with poor performance.

This page view can be adjusted to show customer supplier sub-sets by name or by category, and according to different timeframes.

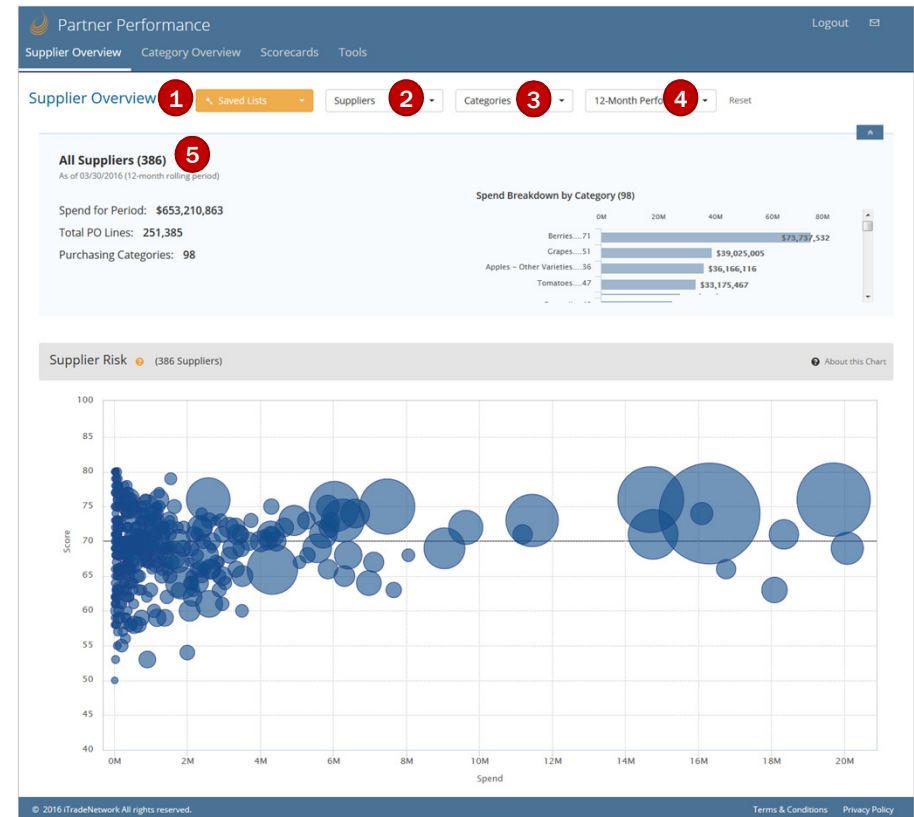
These specialized views can be saved as lists for future reference, a tool for managing ongoing performance across specific groups of suppliers.



Features At-a-Glance

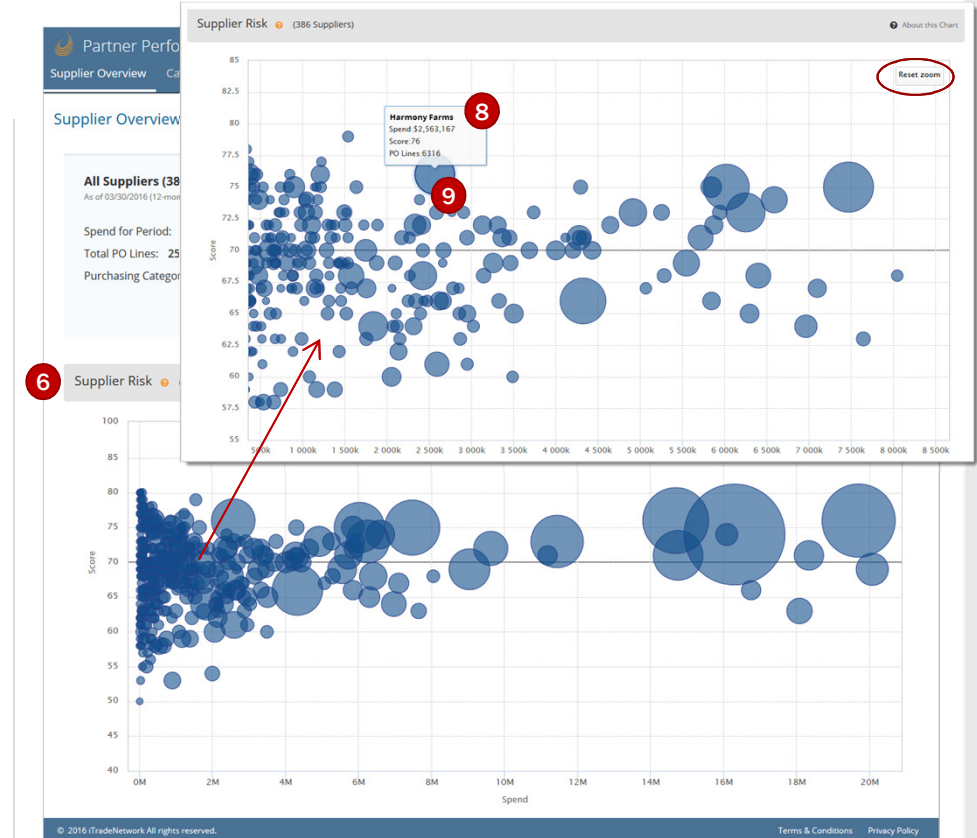
- 1 **Saved Lists:** Stores custom lists of suppliers for fast access to business critical data views.
- 2 **Supplier Filter:** A list of every supplier with whom the organization does business for the selected timeframe. This filter can be used to hone in on purchasing activity and supplier performance for specialized groups.
- 3 **Category Filter:** A list of categories which the organization purchases for the selected timeframe. Applying this filter narrows the supplier data to just those suppliers who fulfill those commodities.
- 4 **Timeframe Filter:** Provides different “view by” options (12-month rolling, 30-day rolling).
- 5 **Supplier Statistics:** Key purchasing information based on the filters applied. This data and the risk chart both update as filters are adjusted.

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Features At-a-Glance

- 6 Supplier Risk Chart:** A view into sourcing risk posed by suppliers based on performance (score), spending, and volume. This view can be adjusted using the filters to focus on specific supplier groups.
- 7 Zooming the Chart:** Use the zoom feature to enlarge the chart view and see a more detailed view of suppliers. To zoom, click the mouse and drag over the area to be enlarged. The chart can be reverted to its default view by clicking the “Reset Zoom” button.
- 8 Supplier Details:** Hover over any supplier bubble on the chart to see a high level summary of score and spend.
- 9 Click-Through to Supplier Scorecard:** To go to the Scorecard view for a given supplier, simply click on a bubble in the chart.



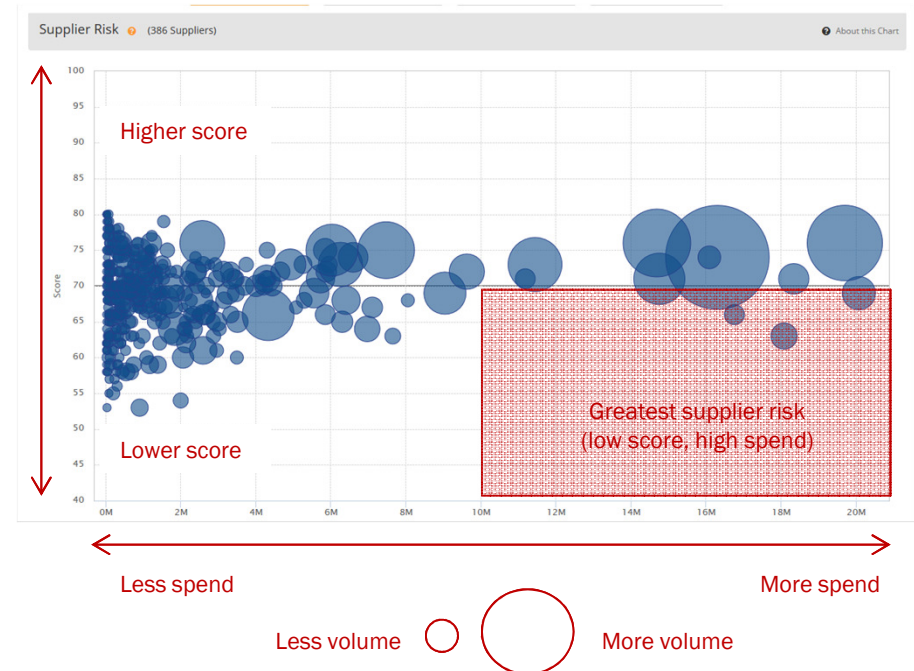
Using the Risk Chart

Several components are included in the concept of supplier risk:

- Supplier performance (score)
- Spend
- Purchasing volume

When looking at the risk chart, suppliers with lower scores and high amounts of spend and/or volume represent greater sourcing risk. Suppliers meeting this criteria will cluster in the lower right of the chart.

Suppliers in the lower left of the chart are not performing to standard either, but may represent less risk to the organization due to lower spend. However, this may not always be the case so this quadrant should not be ignored.



Saved Lists

- 1 **Save a List From the Page View:** Once filters have been applied to the page and a more customized set of supplier data is shown, this list can be easily saved as a custom list by clicking the “Save as List” link.
- 2 **Saved List Set-Up:** Simply enter a name for the list and click “Apply Updates” (all the suppliers in the filtered view will display in the “Selected Suppliers” area).
- 3 **Edit List Function:** Existing lists can be easily edited by adding or removing suppliers, or changing the list name.
- 4 **Create a Saved List:** Custom lists can also be assembled by using the “Create Saved List” option from the Saved List dropdown. Simply choose the desired suppliers, name the list, and save.

The image displays three overlapping screenshots from the iTradeNetwork Partner Performance application, illustrating the 'Saved Lists' functionality. Red circles and arrows highlight key steps:

- Top Screenshot:** Shows the 'Supplier Overview' page with 10 items selected. A red circle labeled '1' highlights the 'Save as List' button in the top right corner.
- Middle Screenshot:** Shows the 'Save as a Custom List' dialog box. A red circle labeled '2' highlights the 'Name this list' input field.
- Bottom Screenshot:** Shows the 'Edit Saved List' dialog box. A red circle labeled '3' highlights the 'List name' input field.
- Bottom Screenshot:** Also shows the 'Saved Lists' dropdown menu. A red circle labeled '4' highlights the 'Create Saved List' option.

The Category Overview

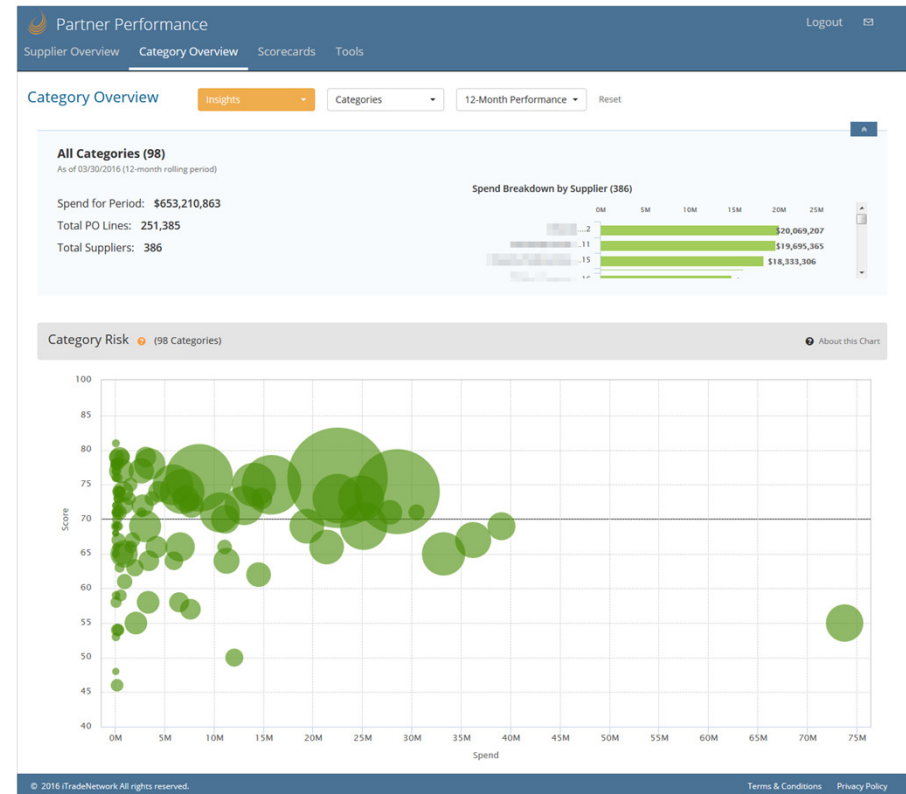
Understanding Category Performance and Risk

The Category Landscape

The **Category Overview** provides high level business view by category performance and risk. Poor performing, high spend categories should be explored in further detail.

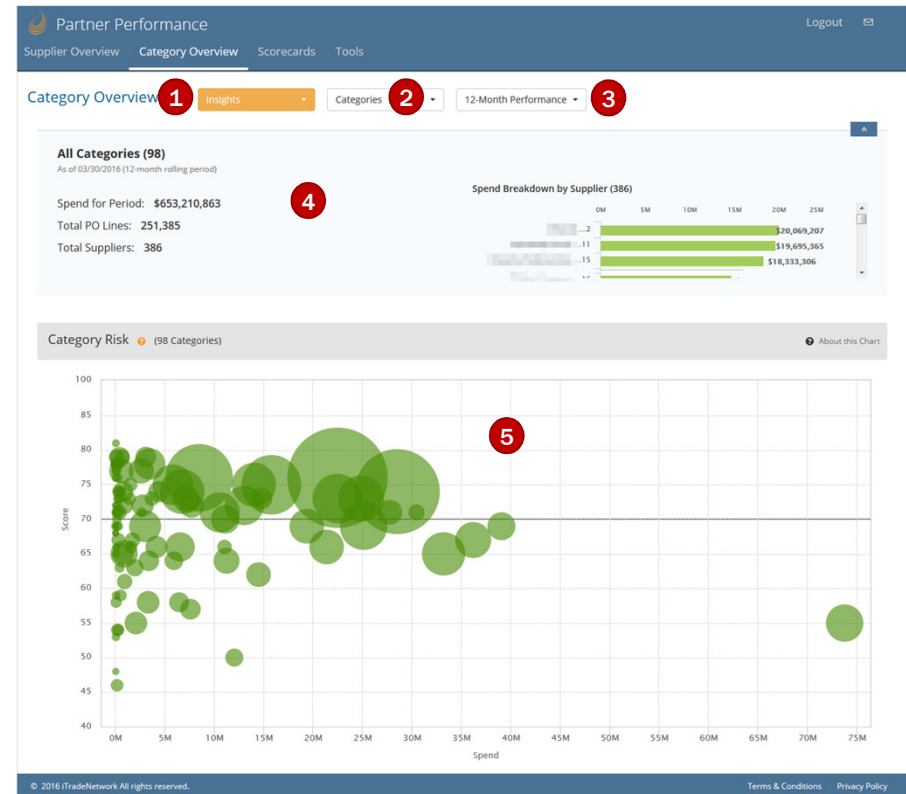
As with the Supplier Overview, categories with lower scores and high amounts of spend and/or volume represent greater sourcing risk. Categories that qualify will cluster in the lower right of the risk chart.

Categories in the lower left of the chart are not performing to standard either, but may represent less risk to the organization due to lower spend. However, this may not always be the case so this quadrant should not be ignored.



Features At-a-Glance

- 1 Insights:** Several pre-packaged page views, including 'Top 10 Categories by Spend' and 'Top 10 Categories by Score'. Note that custom lists cannot be created on the Category Overview.
- 2 Category Filter:** A list of categories which the organization purchases for the selected timeframe. Applying this filter narrows the view to just those commodities.
- 3 Timeframe Filter:** Provides different "view by" options (12-month rolling, 30-day rolling).
- 4 Category Statistics:** Key purchasing information based on the filters applied. This data and the risk chart both update as filters are adjusted.
- 5 Risk Chart:** A view into sourcing risk posed by poorly performing, higher spend categories. This view can be adjusted using the filters to focus on specific supplier groups. A click-and-drag zoom feature is available for the chart.



The Supplier Scorecard

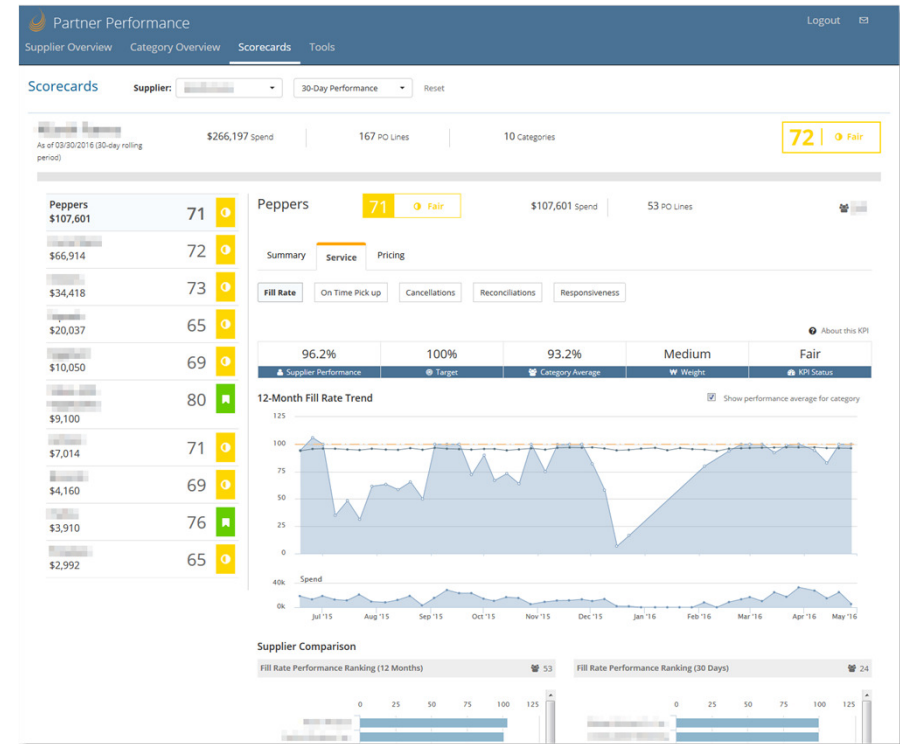
Performance Drivers Across the Trading Base

Supplier Scorecard Overview

The **Supplier Scorecard** contains in-depth measures on a specific supplier's performance. Each scorecard includes a summary of business activity with that supplier for the selected time period, as well as a list of all commodity categories provided by the supplier.

Just as a score is assigned to each supplier, each *category* a supplier sells is also assigned a score, based on the same breakdown of KPI measures.

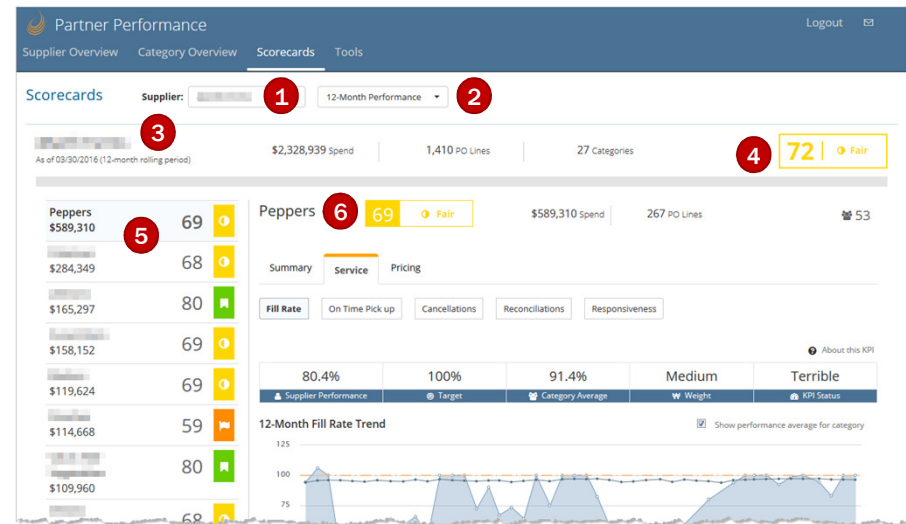
On the scorecard, the category scores are assigned a high-level performance category ('Excellent', 'Good', etc.) for faster assessment of which commodities need further evaluation.



Features At-a-Glance

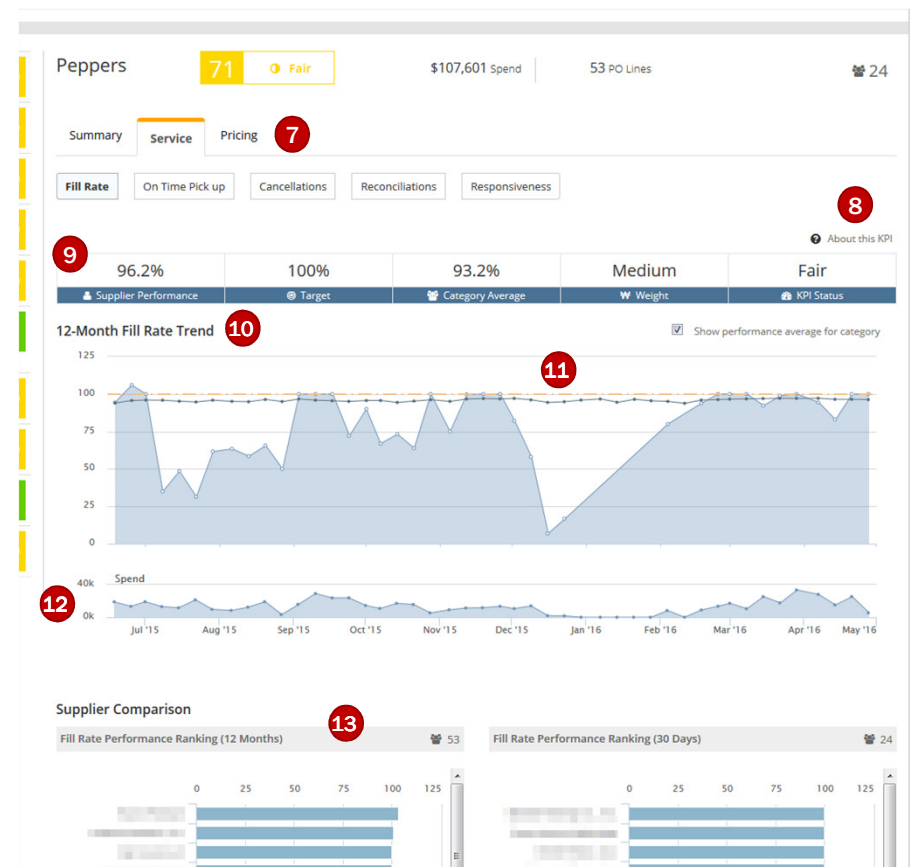
- 1 **Supplier Selector:** Changes the scorecard display to with data for the selected supplier.
- 2 **Timeframe Selector:** Adjusts the data in the scorecard for the selected timeframe.
- 3 **Supplier Summary:** The supplier's name and basic purchase activity data.
- 4 **Supplier Score:** The overall performance score for the selected supplier (across all categories the seller supplies).
- 5 **Category List:** A list of all categories purchased from the seller in the selected timeframe (as well as the total spend, category score, and performance range). This list may change depending on the timeframe selected.
- 6 **Category Summary:** Shows the score, spend, and purchase volume for the selected category, as well as the total number of suppliers in the category.

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Features At-a-Glance

- 7 Detail Tabs:** View detailed information about specific KPIs (note that there may be sub-tabs).
- 8 About this KPI:** On-hover details about how the KPI is derived.
- 9 KPI Performance Summary:** High-level performance details for the currently selected KPI.
- 10 Performance Trend Chart:** A visualization of the supplier's overall performance for the currently selected KPI. The category average can be toggled on and off (dark blue line).
- 11 Target Line:** An orange dashed line showing the target performance setting. The default setting for this line is at the 90th percentile for supplier performance for the given KPI.
- 12 Spend Chart:** Corresponding spend activity trend.
- 13 Supplier Ranking:** Suppliers listed in rank order according to category performance.

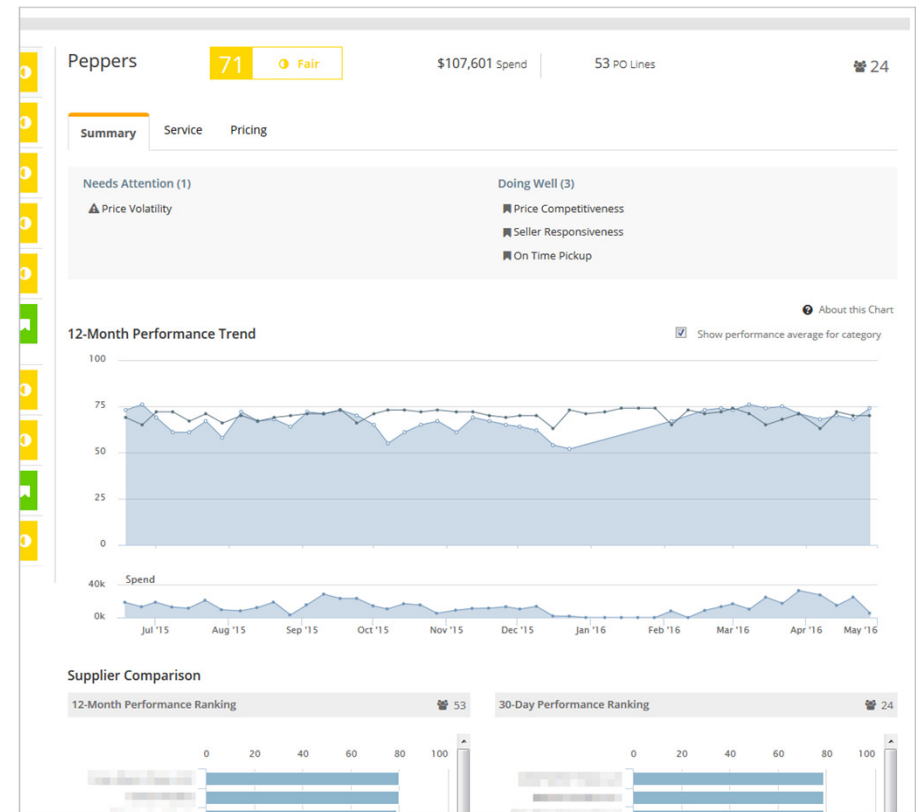


Summary Tab

The Summary tab is unique in the Scorecard. It provides a high-level overview of how a category for the selected supplier is performing based on score. Deficient and exemplary KPIs are called out, and an overall supplier ranking is provided. All information changes based on the timeframe setting.

KPIs shown in the “Needs Attention” area reflect competencies where the supplier may be struggling. KPIs that net a “poor” (55-64) or “terrible” (below 55) rating appear here.

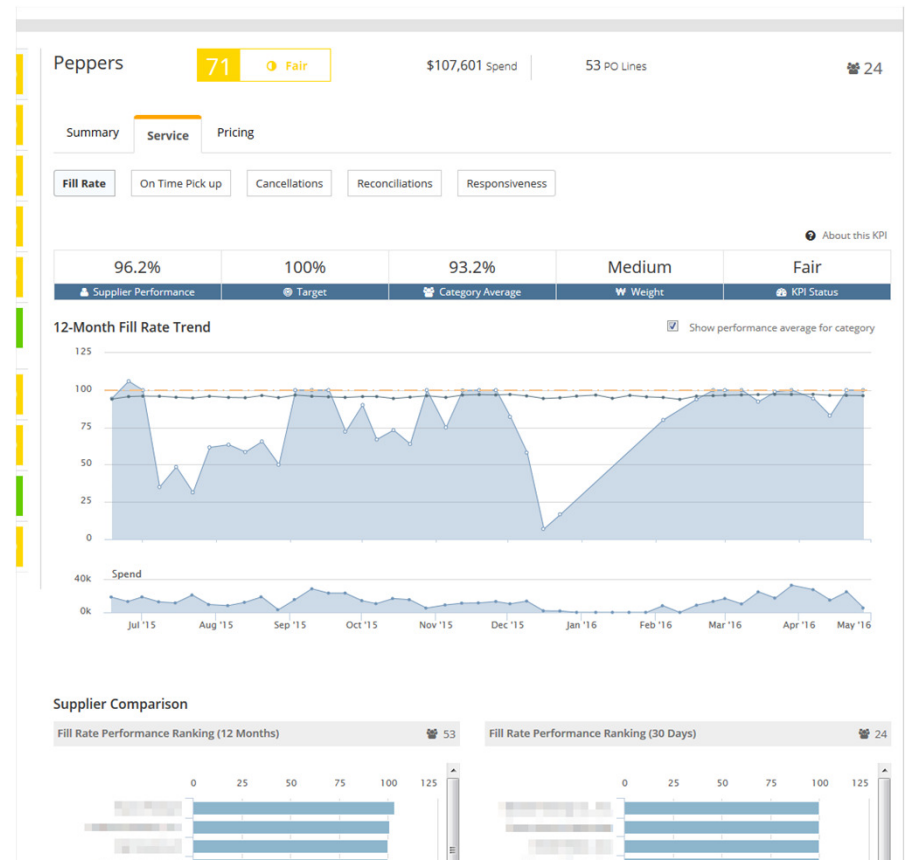
KPIs listed under “Doing Well” show the supplier’s performance strengths. KPIs with a “good” (75-84) or “excellent” (85 and above) rating are displayed under this heading.



Service Tab: Fill Rate

The **fill rate** is the percent of cases a supplier fulfills based off the buyer's desired quantity.

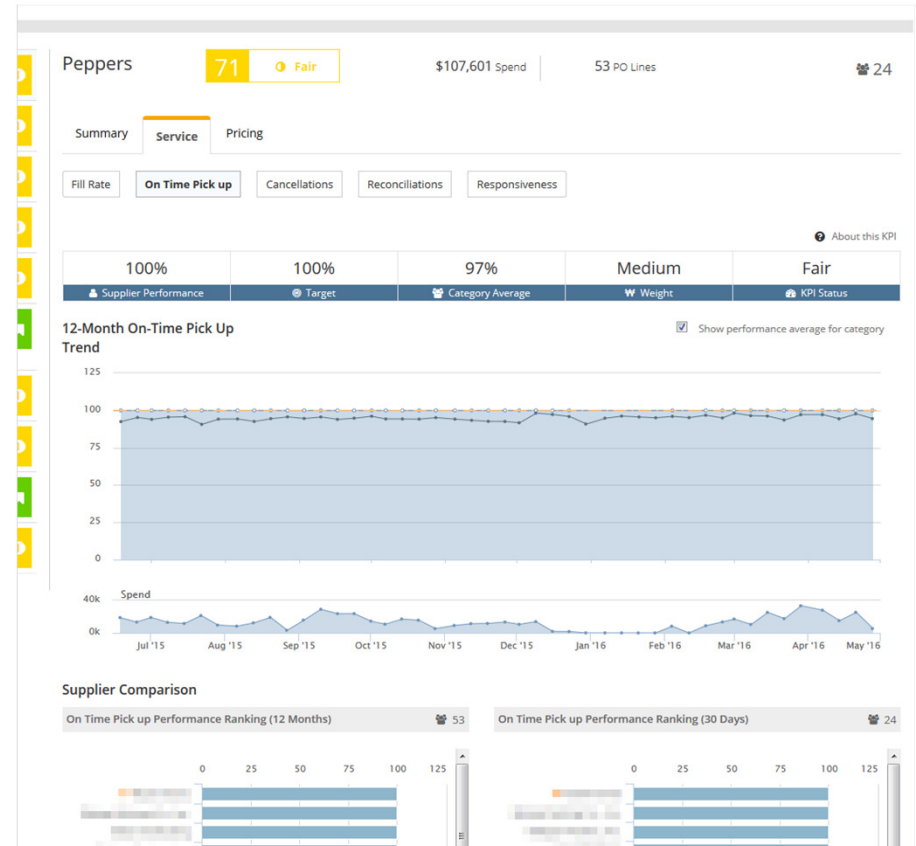
This KPI is an indicator of sourcing reliability. The closer this number is to 100%, the better.



Service Tab: On-Time Pick Up

On-time pick up is the percent of time the supplier is ready to load an order on the scheduled pick up date.

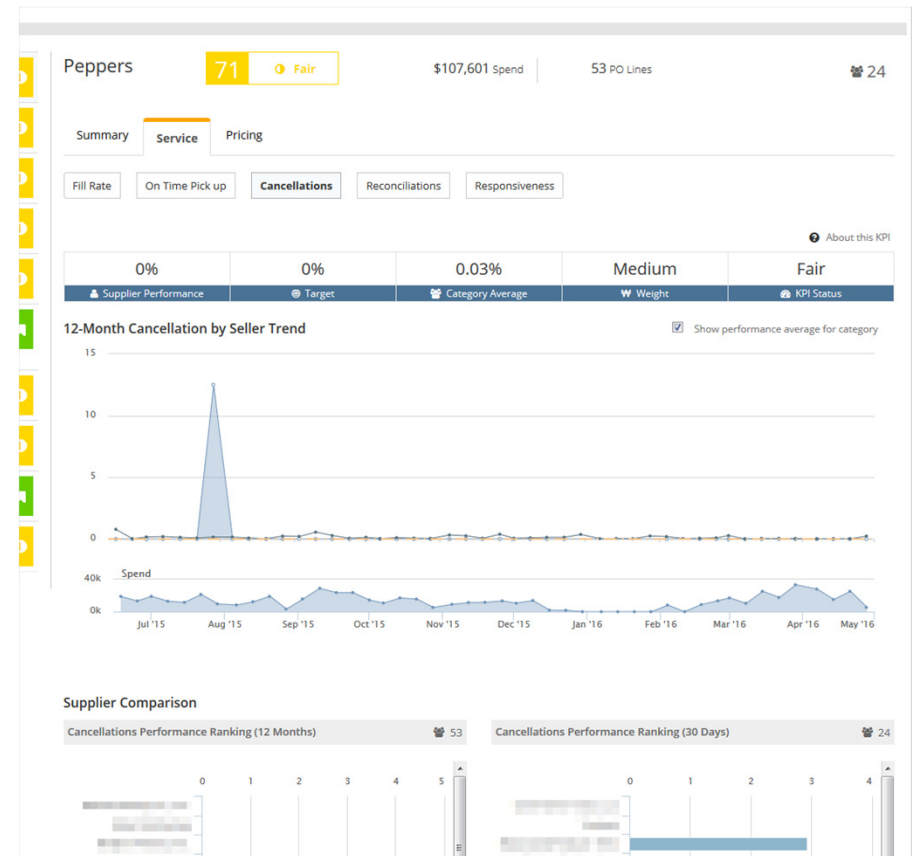
This KPI is an indicator of sourcing reliability. The closer this number is to 100%, the better.



Service Tab: Cancellations

Cancellations refers to the percent of line items a supplier cancels across all POs.

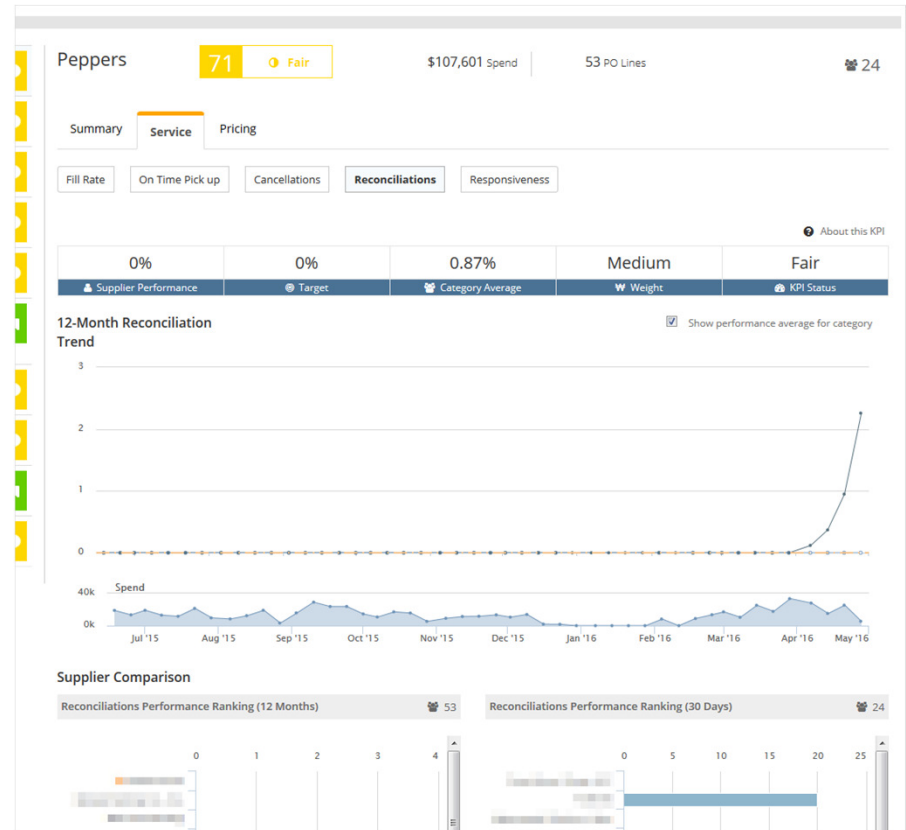
This KPI is an indicator of sourcing reliability. This number should be as close to zero as possible.



Service Tab: Reconciliations

Reconciliations refers to the percent of invoice lines flagged for reconciliation that have an item, price, or quantity difference across all orders.

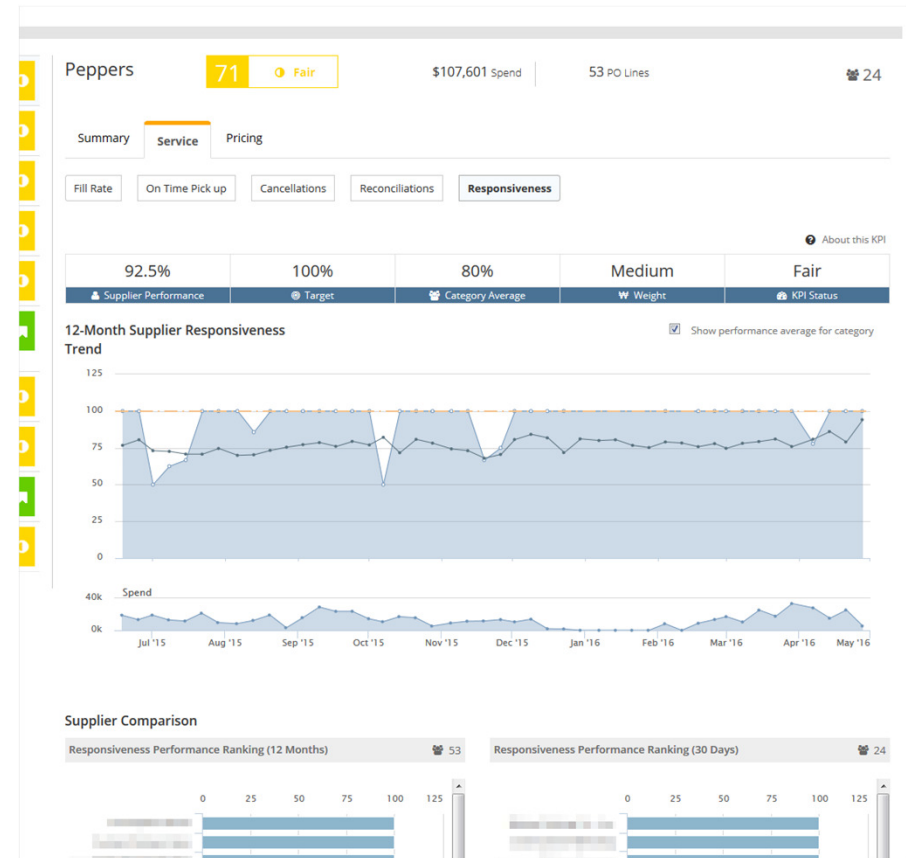
A high rate of reconciliations may indicate that the supplier has operational process issues. This number should be as close to zero as possible.



Service Tab: Responsiveness

Supplier responsiveness is the percent of times an order is confirmed within 4 hours by the supplier after an order is sent.

This KPI is an indicator of good customer service on the part of your trading partner. The closer this number is to 100%, the more certain you are sooner about your order.



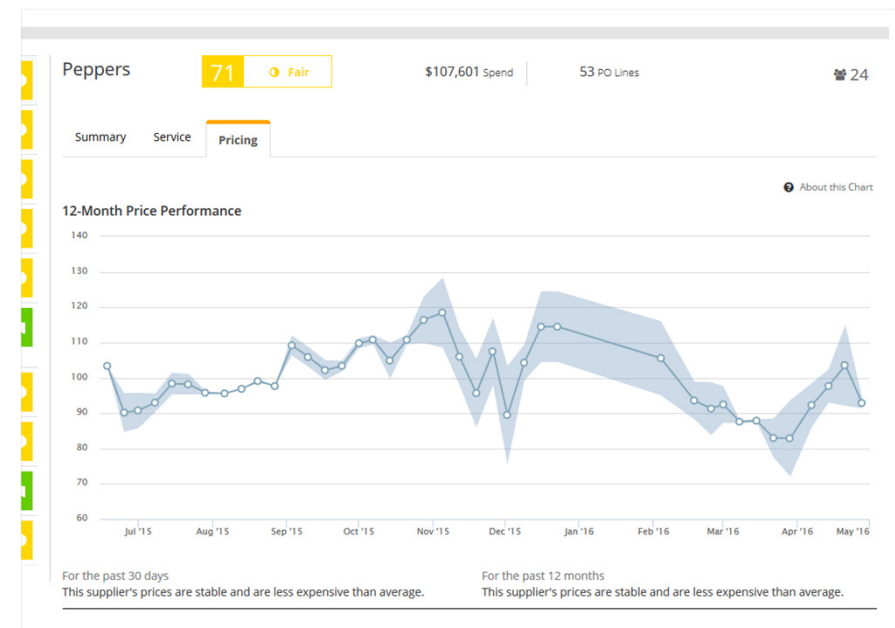
Pricing Tab: Price Performance Overview

The **Price Performance overview** merges the two KPIs 'price competitiveness' and 'price volatility' into a single visual view.

The chart shows whether the seller's price is above, below, or close to average (price competitiveness) and how much the seller's price for that item varies over time (price volatility).

If the blue line is below 100%, the supplier's product price is less than the average price for all suppliers. The inverse is true if the line is above 100%.

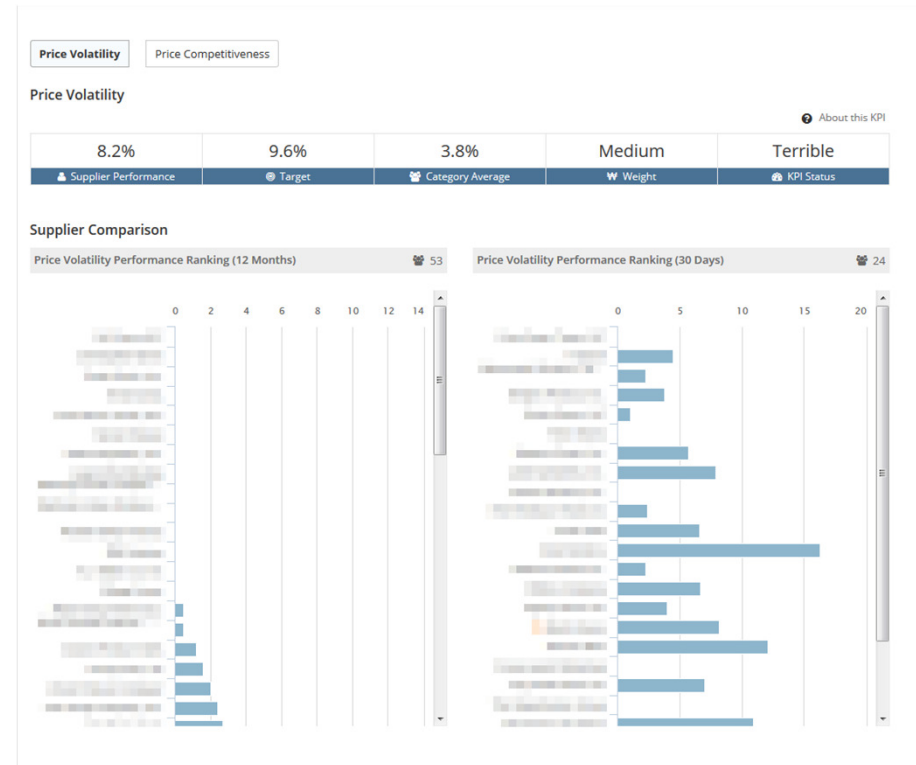
The wider the shaded area around the blue line, the more that supplier's price ranged in that time period.



Pricing Tab: Price Volatility

Price volatility is the degree to which the seller's product price varies within that time period.

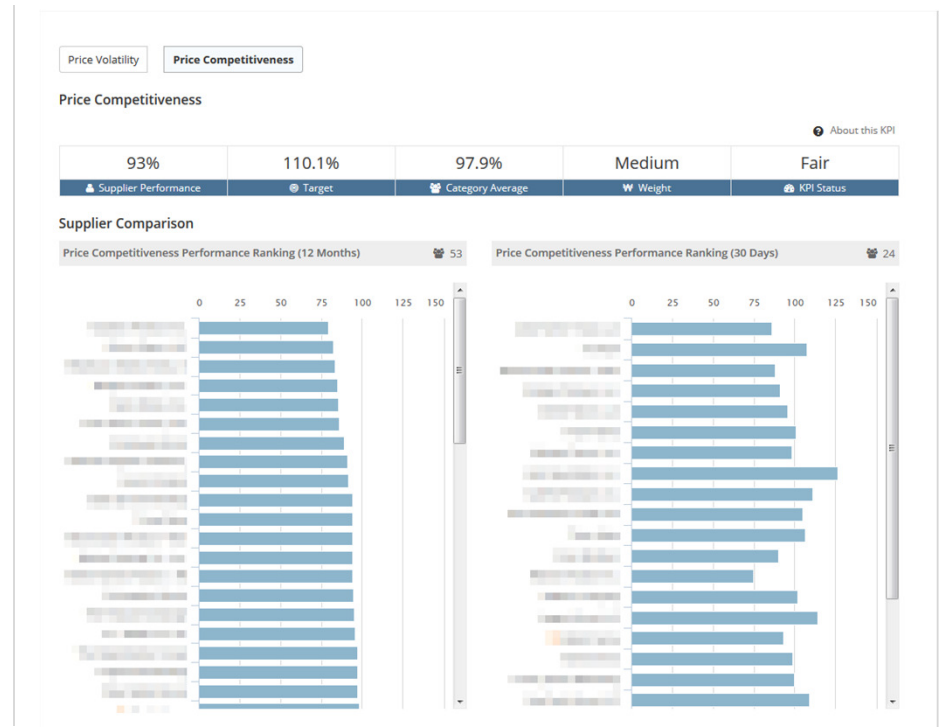
This KPI is an indicator of pricing performance. The closer this number is to zero, the more consistent the price is within the timeframe.



Pricing Tab: Price Competitiveness

Price competitiveness indicates whether the seller's price is above, below, or close to the average price for all suppliers.

This KPI is an indicator of pricing performance. The product price is cheaper the further it moves below 100%.



Tools

Dialing in Performance

Setting KPIs to Dial In Performance

The **KPI Settings** page with the Tools section allows organizations to customize the score calculation so it better represents the needs of the company.

This customization is done by adjusting the weighting of KPIs according to their importance in the organization. By default, all KPIs are given a 'medium' weight. If set to a 'Low' weight, a KPI will contribute half as much to the score formula as a 'Medium' weighted KPI. At a 'High' weight, a KPI will contribute twice as much.

Any change to the weightings will recalculate the score and may impact previous assessments.

Partner Performance Supplier Overview Category Overview Scorecards Tools Logout

KPI Settings Change Password Reset All Settings to Default

Service			Price		
Include	Target	Weight	Include	Target	Weight
		Low Medium High			Low Medium High
✓ Total Fill Rate (%)	100	Medium	✓ Price Competitiveness	110.1	Medium
✓ Cancellations (%)	0	Medium	✓ Price Volatility (%)	9.6	Medium
✓ Reconciliations (%)	0	Medium			
✓ Supplier Responsiveness - 4 hrs (%)	100	Medium			
✓ On-Time Pick Up (%)	100	Medium			

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Features At-a-Glance

- 1 KPI Weight:** Displays the weight currently assigned to a KPI. In edit mode, the slider can be adjusted to the low or high setting.
- 2 Target:** Targets are useful to judge whether a supplier is performing against expectations. When in use, the target appears as an orange line on the performance trend chart for that KPI in the supplier's scorecard. The default 'Target' setting for each KPI is at the 90th percentile of supplier performance for a given KPI.
- 3 Edit Control:** The edit function unlocks each KPI setting. Targets can be changed by choosing a value from the dropdown. Weighting is changed by adjusting the slider. Click 'Save' to save the changes. Note that changing weightings will recalculate the score and may impact previous assessments
- 4 Reset to Default:** This function reverts all KPI settings to the system default. Doing so will recalculate the score and may impact previous assessments.

The screenshot shows the 'Partner Performance' dashboard with the 'Tools' tab selected. The 'KPI Settings' section is displayed, divided into 'Service' and 'Price' categories. Callout 1 points to the 'Weight' slider for 'Total Fill Rate (%)'. Callout 2 points to the 'Target' dropdown for 'Total Fill Rate (%)'. Callout 3 points to the 'Edit' button for 'Price Competitiveness'. Callout 4 points to the 'Reset All Settings to Default' link in the top right corner. An inset window shows a detailed view of the 'Target' and 'Weight' settings for a specific KPI, with a red dashed line indicating the target value and a red circle around the 'Save' button.

Category	KPI	Target	Weight	Edit
Service	Total Fill Rate (%)	100	Low Medium High	Edit
	Cancellations (%)	0	Low Medium High	Edit
	Reconciliations (%)	0	Low Medium High	Edit
	Supplier Responsiveness - 4 hrs (%)	100	Low Medium High	Edit
	On-Time Pick Up (%)	100	Low Medium High	Edit
Price	Price Competitiveness	110.1	Low Medium High	Edit
	Price Volatility (%)	9.6	Low Medium High	Edit