



SCOR Model 7.0 offers fresh look at metrics and best practices

Written by: LT Staff

SCOR model offers updated method for measuring supply chain processes

The Supply-Chain Council (SCC) has released Version 7.0 of the Supply Chain Operations Reference Model (SCOR). The changes in SCOR 7.0 are the result of work by project teams and the Technical Development Steering Committee (TDSC), making SCOR Level 1 metrics easier to use for members in measuring their supply chain processes and for benchmarking, as well as to refresh and update best practices that are included in the Model.

Metrics -- The SCOR Level 1 Metrics are associated with the Performance Attributes of Reliability, Responsiveness, Flexibility, Cost and Assets. The Metrics Project Team has been working in subteams based on these performance attributes for several years.

The metrics in the Model are hierarchical -- just as the process elements are hierarchical. Level 1 Metrics are created from lower level calculations. Level 1 Metrics are primary, high level measures that may cross multiple SCOR processes. Level 1 Metrics do not necessarily relate to a SCOR Level 1 process (PLAN, SOURCE, MAKE, DELIVER, RETURN). Lower level calculations (Level 2 metrics) are generally associated with a narrower subset of processes.

Metrics to be considered Level 1 for Version 7.0 were first researched by the project subteam members, then debated and discussed among the entire metrics project team, and then evaluated thoroughly with the TDSC. As lower level metrics, for the most part, need to "roll up" to the Level 1, Level 2 and 3 metrics had to be determined before the Level 1 could be finalized.

Metrics considered to be "diagnostic" are essential on their own, but do not need to roll up to the Level 1 metrics. Diagnostics are used to diagnose variations in performance against plan. For example, an organization may wish to examine the correlation between the request date and commit date.

The Level 1 Metrics will now all include calculations in the Model Metrics Appendix by which an implementing organization can measure how successful they are in achieving their desired positioning within the competitive market space. Performance Attributes are critical in implementing the Model, and revised formal definitions will be included in Version 7.0.

Best Practices -- A continuing initiative within the Supply Chain Council technical community involves updating the best practices within the Model. Coincident with the release of Version 6.1 the Council deliberately began to focus on refreshing and capturing new best practices due to the rate of change occurring in industry. Central to this initiative was getting consensus to produce an objective definition of a best practice (contained in the glossary).

Version 6.1 first included the following definition: A current, structured, proven and repeatable method for making a positive impact on desired operational results. This definition

will continue to be used to identify "new" best practices (best practices not currently documented in the Model) and to validate best practices that are currently in the Model.

Consistent with the Model's existing structure, best practices are documented within the applicable process tables and are normally more exhaustively defined within the glossary. SCOR 7.0 includes a Best Practices Appendix that includes detailed background information on all of the Best Practices completed for this Model.

Each new Best Practice added has been thoroughly discussed amongst members of the Best Practice Project Team, which is divided into subteams based on the processes of Plan, Source, Make, Deliver and Return. Each subteam completed extensive background information on new Best Practices recommended to the team and then only after inviting practitioner users to discuss and answer questions for the team were they accepted as new best practices to be recommended to the TDSC.

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